

The term macroprudential - origins and evolution

The term macroprudential - origins and evolution

 Monday, 12 April 2010 |  Finance - Banki...



In the wake of the recent financial crisis, the term 'macroprudential' has become a true buzzword. A core element of international efforts to strengthen the financial system is to enhance the macroprudential orientation of regulatory and supervisory frameworks. Yet the term was little used before the crisis, and its meaning remains obscure. This special feature traces the term's origins to the late 1970s, in the context of work on international bank lending carried out under the aegis of the Euro-currency Standing Committee at the BIS. It then describes its changing fortunes until its recent rise to prominence.

The term 'macroprudential' has become a true buzzword in the wake of the recent financial crisis, surging to prominence from virtual obscurity in the space of a few months. A quick internet search reveals no fewer than 123,000 references since January 2008. By contrast, there are only around 5,000 hits for the period between 2000 and the end of 2007. The popularity of the term is not surprising: a core element of the international policy response to the crisis is to strengthen the macroprudential orientation of financial regulation and supervision, ie an enhanced focus on the financial system as a whole and its link to the macroeconomy. Yet the term's origins and its exact meaning remain obscure. Against that background, this article traces its origins and evolution to the present day.

[Read the whole article at BIS](#) ^[1]

✘ Tags: [Basel III](#) [3], [Caruana](#) [4], [CRDIV](#) [5], [econometrics](#) [6], [ESRB](#) [7], [macro-financial](#) [8], [macroprudential](#) [9], [political economy](#) [10], [stress test](#) [11], [supervision](#) [12]

Source URL (retrieved on 2020-02-25 15:51): <http://www.asymptotix.eu/node/971>

Links:

- [1] http://www.bis.org/publ/qtrpdf/r_qt1003h.pdf
- [2] <http://asymptotix.disqus.com/?url=http%3A%2F%2Fwww.asymptotix.eu%2Fcontent%2Fterm-macroprudential-origins-and-evolution>
- [3] <http://www.asymptotix.eu/category/tags/basel-iii>
- [4] <http://www.asymptotix.eu/category/topics/caruana>
- [5] <http://www.asymptotix.eu/category/topics/crdiv>
- [6] <http://www.asymptotix.eu/category/topics/econometrics>
- [7] <http://www.asymptotix.eu/category/topics/esrb>
- [8] <http://www.asymptotix.eu/category/topics/macro-financial>
- [9] <http://www.asymptotix.eu/category/topics/macroprudential>
- [10] <http://www.asymptotix.eu/category/topics/political-economy>
- [11] <http://www.asymptotix.eu/category/tags/stress-test>
- [12] <http://www.asymptotix.eu/category/topics/supervision>