Editorial

This special issue of Czech Journal of Economics and Finance is dedicated to the 20 years of Czech Republic's inflation targeting regime. The issue opens with the view of Jiří Rusnok, governor of the Czech National Bank, on this remarkable and successful period of Czech monetary policy.

Subsequently, this issue contains four research articles on inflation targeting regime or on Czech monetary policy. In the first paper *"Inflation Targeting and Variability of Money Market Interest Rates under a Zero Lower Bound",* the authors, Karel Brůna and Quang Van Tran, present a formal framework of money market interest rate variability under a zero lower bound in the inflation targeting regime. The results show that global financial crisis and the exchange rate alternative monetary policy measures are two main sources of endogenous variable shocks for interest rates, which confirms the high importance of net export, banking loans and investment for the dynamics of an open economy.

The second article *"An Exchange Rate Floor as an Instrument of Monetary Policy: An Ex-post Assessment of the Czech Experience"*, authored by Jan Brůha and Jaromír Tonner, assesses ex post the effects of the exchange rate floor on the Czech economy – inflation and the main real aggregates. They use two different approaches: simulations with structural DSGE forecasting models and the empirical synthetic control method. The authors conclude that the introduction of the exchange rate floor prevented deflation without hurting real economy and was therefore a correct and successful policy action.

Further evidence on the unconventional policy of the CNB is provided by the third article *"Estimating the Effective Lower Bound for the Czech National Bank's Policy Rate"*, authored by Dominika Kolcunová and Tomáš Havránek. Their paper focuses on the estimation of the effective lower bound for the Czech National Bank's policy rate. The effective lower bound for the CNB´s policy rate is given by the value below which holding and using cash would be more convenient than deposits with negative yields. In addition, the authors show using a structural vector autoregression model, that the potential of negative rates would not be sufficient to deliver monetary policy easing with effects comparable to those of the exchange rate commitment.

The fourth paper *"Characterizing the Anchoring Effects of Peruvian Central Bank´s Forecasts on Private Expectations"*, prepared by Carlos R. Barrera-Chaupis, investigates on a sample of inflation targeting countries whether publishing a forecast by the central banks influence private sector expectations. The paper is also interesting from the methodological point of view as it further elaborates on techniques previously presented in literature.

Editors of the Special Issue
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