The return of inflation

Inflation has risen to levels not seen in 40 years in the euro area or in many other countries, forcing some central banks to raise interest rates in a context that bodes ill for economic growth. Initially driven by post-pandemic supply shortages and then by soaring energy prices, following Russia’s invasion of Ukraine, inflation is now becoming increasingly broadly based, affecting everything from food and services to household goods. Dissatisfaction with the rising cost of living is leading to social protests, increasing political risks for many countries. In the euro area, price growth was 8.1 % in May year-on-year, more than four times the European Central Bank’s target.

This note gathers links to the recent publications and commentaries from many international think tanks on resurgent inflation. Many earlier publications on inflation can be found in a previous edition of the ‘What Think Tanks are Thinking’ series.

The Fed has regained the initiative, but at a cost
Atlantic Council, June 2022

Fragmentation risk in the euro area: No easy way out for the European Central Bank
Bruegel, June 2022

5 key takeaways on inflation from the May CPI report
Brookings Institution, June 2022

Can child care and pre-K help reduce inflation?
Brookings Institution, June 2022

What if the Federal Reserve books losses because of its quantitative easing?
Brookings Institution, June 2022

Demand- and supply-side factors behind the higher inflation
Centre for Social and Economic Research, June 2022

The ECB’s normalisation path
Centre for European Policy Studies, June 2022

IfO Economic Forecast Summer 2022: Inflation, supply bottlenecks and war slow down economic recovery in Germany
IfO, June 2022

Weltwirtschaft im Sommer 2022: Inflationsschub bremst die Expansion
Kiel Institute, June 2022
Stagflation and fragmentation: The euro area at crossroads
LUISS School for European Political Economy, June 2022

How money printing destroyed Argentina and can destroy others
Mises Institute, June 2022

The Fed tries to get ahead of inflation
Peterson Institute for International Economics, June 2022

How free trade can fight inflation: More competition means lower prices
Peterson Institute for International Economics, Foreign Affairs, June 2022

To fight inflation, cutting tariffs on China is only the start
Peterson Institute for International Economics, June 2022

Measures to combat inflation and its effects
Austrian Institute of Economic Research, May 2022

Three headaches for the European Central Bank
Bruegel, May 2022

Inflation-related updates to ‘Recession Remedies’
Brookings Institution, May 2022

Wages, pensions and household income have risen in real terms over the past 25 years
DIW, May 2022

The Ukraine war and inflation
IfO, May 2022

We must not override the signal function of the price!
IfO, May 2022

Our economy needs a good dose of customer-driven deflation
Mises Institute, May 2022

Brexit is driving inflation higher in the UK than its European peers after identical supply shocks
Peterson Institute for International Economics May 2022

Impact of the war in Ukraine on the debate on the future of agriculture in the EU
Polish Institute of International Affairs, May 2022

Is a recession coming? A key indicator is also the king of mixed messages
Rand Corporation, May 2022

Le nouveau manuel politique de la zone euro
Terra Nova, May 2022

Rising cost of living and poverty
Austrian Institute of Economic Research, April 2022
The return of inflation

Fiscal support and monetary vigilance: Economic policy implications of the Russia-Ukraine war for the European Union
Bruegel, April 2022

From low to high inflation: Implications for emerging market and developing economies
Centre for Economic Policy Research, April 2022

Rental inflation and stabilisation policies: international evidence and the Irish experience
Economic and Social Research Institute, April 2022

German economy slowed down by war, inflation and Chinese lockdowns
DIW, April 2022

Political shocks and inflation expectations: Evidence from the 2022 Russian invasion of Ukraine
IfO, April 2022

Comment se protéger au mieux de l’inflation ?
Institut Thomas More, April 2022

Economic prospects call for high inflation and slowing global growth
Peterson Institute for International Economics, April 2022

Die wirtschaftliche Entwicklung im Ausland: Krieg in der Ukraine belastet die Weltwirtschaft und bringt weiteren Inflationsschub
RWI, April 2022

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