Networks, Data and Policy

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Outline

• Setting the stage
  1. Unfair, outrageously short overview of recent literature
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• The road ahead?
  1. What do we need?
  2. Challenges?
  3. What do we have?
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• The road ahead?
  1. What do we need?
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• Having policy impact
  1. Policy environment
  2. Collaboration
  3. Presentation: Visualisation as an additional tool
A completely incomplete historical overview

- **Focus on asset side**
  - Domino mechanics

- **Supersize: RAMSI**
  - Aikman et al. (2009)

- **Liquidity**
  - Van den End (2008), Berger and Bouwman (2009)

- **Overview Stress Testing**
  - BCBS (2013a,b)

- **Endogenous networks**
  - Halaj and Kok (2014), van der Leij et al. (2014a)

- **Long intermediation chains**
  - Adrian and Shin (2010)
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What do we need?

1. Timely
What do we need?

1. Timely
2. Granular
   • Fighting the last war
What do we need?

1. Timely
2. Granular
   - Fighting the last war
3. Accurate
   - Not just reporting, Use test
What do we need?

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4. Big (enough)
   - Products, jurisdictions, borders
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   • Not just reporting, Use test
4. Big (enough)
   • Products, jurisdictions, borders
5. Public?
What are the challenges?

1. Costs
What are the challenges?

1. Costs
2. (political) drive
What are the challenges?

1. Costs
2. (political) drive
3. Technical issues
   - International Securities Identification Number (ISIN)
   - Legal Entity Identifier (LEI)
Relatively straightforward

Bank of America

Source: Opencorporates.com
Does this make economic sense?

Goldman Sachs

Source: OpenCorporates.com
What do we have

1. Depository Trust & Clearing Corporation (DTCC)
   - Trade, settlement data
     Acharya and Merrouche (2013), Oehmke and Zawadowski (2013)
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4. Other datasets
   - MIFID
   - Brazil CB
     Cont et al. (2010)
   - International Data Hub
     FSB (2014)
   - ...
Policy impact

- Policy environment
  - Complicated coordination game
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- Collaborate!
  1. Individual contacts
  2. BCBS Research Task Force
Policy impact

- Policy environment
  - Complicated coordination game
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- Presentation
  - No math
  - Intuition
  - Visualisation as an additional tool
Visualisation as an additional tool

Heijmans et al. (2014)
Thank you for your attention

The usual disclaimer applies: these views are my own and do not represent the views of the BIS or De Nederlandsche Bank.


FSB (2014): “FSB Data Gaps Initiative âˆ— A Common Data Template for Global Systemically Important Banks,”


