

**Program for the Riksbank's conference on
"Rethinking the central bank's mandate"
Stockholm, June 3 – 4, 2016
Hotel Scandic Continental, Vasagatan 22**

Friday, June 3:

8.30–9.00 Registration

9.00–9.15 Opening remarks: Stefan Ingves (Sveriges Riksbank)

9.15–10.45 **Session 1. (Why) Are central banks necessary?**

Which functions can central banks fulfill that other government authorities or market mechanisms cannot? Is the central bank's role affected by increasingly sophisticated financial markets and payment technologies? Is the central bank's role broader than providing a nominal anchor?

Alan Blinder (Princeton University)

Jon Faust (Johns Hopkins University)

Chair: Cecilia Skingsley (Sveriges Riksbank)

10.45–11.15 Coffee break

11.15–12.45 **Session 2. The central bank's role as a provider of liquidity**

How should the central bank's liquidity provision be designed for normal times? Can standing facilities combine the objectives of monetary policy and financial stability? Do new payment technologies and increasingly internationally integrated financial systems pose a challenge to forms of liquidity provision? And what is the role of government bonds in modern liquidity provision frameworks?

Franklin Allen (Imperial College London)

Linda Goldberg (Federal Reserve Bank of New York)

Chair: Meredith Beechey (Sveriges Riksbank)

12.45-13.45 Lunch

13.45-15.15 **Session 3. The role as a lender of last resort**

Which design features are parts of an optimal LOLR mechanism in today's environment? Should specific facilities for central bank credit be provided in crisis situations or can normal facilities be used more intensively? What is the nature of moral hazard associated with a LOLR, and how can moral hazard be mitigated? What is the "division of labor" between the central bank and the government in LOLR interventions? How is liquidity assistance best coordinated across countries during crisis?

Charles Calomiris (Columbia Business School)

Charles Goodhart (London School of Economics)

Chair: Tore Ellingsen (Stockholm School of Economics)

15.15-15.45 Coffee break

15.45-17.15 **Session 4: The central bank's responsibility for price and macro stability**

Central banks have been responsible for stabilizing the value of money since they were created. The objective of stabilizing the business cycle and employment is a more recent phenomenon. What lessons can be drawn from the recent economic episode for how the "dual mandate" can be justified and formulated? Does the price stability objective have a higher rank than output (or employment) stability? Can different countries choose different objectives for price and macro stability as long as they use different currencies?

Ricardo Reis (Columbia University)

Michael Woodford (Columbia University)

Chair: Jon Faust (Johns Hopkins University)

19:00 Dinner at Sveriges Riksbank, Brunkebergstorg 11

Saturday, June 4:

8.30-9.00 Coffee

9.00-10.30 Session 5: Links between macro stability and financial stability

How should the concept “financial stability” be defined, and what are the central bank’s responsibilities in this area? Can and should the responsibility for financial stability policy be separated from other central bank functions? Should monetary policy be used to promote financial stability, and if so how? Are there arguments for incorporating macro- and/or microprudential supervision into central banks?

Loretta Mester (Federal Reserve Bank of Cleveland)

Isabel Schnabel (University of Bonn)

Chair: Eric Leeper (Indiana University)

10.30-11.00 Coffee break

11.00-12.30 Session 6: Links between central banking and fiscal policy

Are the central bank’s possibilities to achieve price, macro and financial stability affected by the design of fiscal policy? Are some central bank actions so close to fiscal policy that they should be determined jointly with the fiscal authority? What bearing does this have on the central bank’s independence? How does government debt affect financial stability?

Isabel Correia (Banco de Portugal)

Pierpaolo Benigno (LUISS Guido Carli)

Chair: Peter Englund (Stockholm School of Economics)

12.30-13.30 Lunch

13.30-15.00 Session 7: Governance issues

How politically independent should central banks be, given that they are public institutions? Will central banks be more or less independent in the future? How detailed objectives should central banks be given? Should central banks be governed by committees consisting of both internal executive directors and external experts?

David Archer (Bank for International Settlements)

John Taylor (Stanford University)

Chair: Torsten Persson (IIES, Stockholm University)

15.00-15.30 Coffee break

15.30-17.00 **Panel discussion: How should central banks be designed?**

On the basis of theoretical arguments and practical experiences: what should the central bank's primary objectives be? What instruments does the central bank need to fulfill its mandate? How independent of the government and other authorities should the central bank be, given the links between monetary policy, fiscal policy and macro-prudential policy?

Svein Gjedrem (Ministry of Finance, Norway; Norwegian School of Economics)

Charles Goodhart (London School of Economics)

Eric Leeper (Indiana University)

Patricia Mosser (Columbia University)

Chair: Anders Vredin (Sveriges Riksbank)

Organizing committee:

Cecilia Skingsley, Deputy Governor, Sveriges Riksbank

Magnus Georgsson, Legal Counsel, Sveriges Riksbank

Eric Leeper, Professor, Indiana University

Jesper Lindé, Head of Research, Sveriges Riksbank

David Vestin, Senior Adviser, Sveriges Riksbank



Anders Vredin, Head of General Secretariat, Sveriges Riksbank