

The central bank of the future: opportunities and challenges

OeNB | SUERF Annual Economic Conference 2024

June 10 and 11, 2024, *hybrid in-person and online*
OeNB Kassensaal, Otto-Wagner-Platz 3, 1090 Vienna, Austria

All times are CEST

Motivation:

Central banks are currently facing big challenges. Their various business areas are undergoing fundamental structural changes. How should monetary policy strategies and communication adapt, in the light of the recent unanticipated surge of inflation and heightened uncertainty? What impact from increased inflation on price and wage-setting? How will monetary impulses transmit to the economy, given structural changes, notably digital transformation and AI? How to deal with persistent high uncertainty – how is monetary transmission affected, what role for central bankers as risk managers? What monetary policy toolkit for the post-GFC post-covid polycrisis environment? What implications from CBDC, how will central banks best deal with and embrace AI? How to respond to heightened geopolitical uncertainty and future shocks, including from climate change and the energy transition? Are central bank finances relevant for central bank independence and their ability to deliver on their price stability mandate? How to deal with central banks' strongly expanded de iure or de facto scope of responsibilities – what implications might “mission creep” have on accountability and central bank independence?

Monday, June 10, 2024

12:00 Registration and standing lunch

13:00 Opening

Robert Holzmann
Governor
Oesterreichische Nationalbank

Donato Masciandaro
President | SUERF
Director | BAFFI Center on International Markets, Money and Regulation
Professor | Bocconi University

13:15

Keynote I

The central bank of the future: challenges for monetary policy and central bank communication

Athanasios Orphanides

Professor of the Practice, Global Economics and Management
Massachusetts Institute of Technology

Moderator

Donato Masciandaro

SUERF | President

Director | BAFFI Center on International Markets, Money and Regulation
Professor | Bocconi University

14:00

Academic Session I

What monetary policy toolkit in a rapidly changing environment?

How should central banks' operational frameworks adapt to a rapidly and fundamentally changing environment? What implications from large central bank balance sheets and their repercussions on the volatility of central bank's net earnings?

Central Bank Capital and Shareholder Relationship

Dirk Broeders

European Central Bank

Co-authors: Matteo Bonetti, Damiaan Chen, Daniel Dimitrov, De Nederlandsche Bank

Collateral Easing and Safe Asset Scarcity: How Money Markets Benefit from Low-Quality Collateral

Stefan Greppmair

Deutsche Bundesbank

Co-authors: Karol Paludkiewicz; Sascha Steffen, Frankfurt School of Finance and Management

Corridors of Power

Kilian Rieder

Northwestern University | Oesterreichische Nationalbank | SUERF

Co-authors: Robert Ferstl, Claudia Kwapil, Oesterreichische Nationalbank

Moderator

Anna Stelzer

Economist

Oesterreichische Nationalbank

15:15

Break

15:45

Policy Session I

Monetary policy in the age of digitalization

How does digitalization affect the interaction between the financial system and monetary policy? What effect has the rise of non-bank financial intermediaries? How will new forms of electronic money, including CBDC, change monetary policy and its interactions with the financial system and the economy at large?

Katrin Assenmacher

Head of Division, Stress Test Modelling
European Central Bank
SUERF Fellow

Raphael Auer

Head of the Eurosystem Centre, BIS Innovation Hub
Bank for International Settlements

Martin Summer

Head of Research Section
Oesterreichische Nationalbank

Moderator

Birgit Niessner

Director, Economic Analysis and Research Department
Oesterreichische Nationalbank

17:00

End of sessions day I

18:30

Aperitif

19:00

Dinner

Dinner speech

Mission creep, democratic accountability and central bank independence

Rosa Lastra

Sir John Lubbock Chair in Banking Law
Queen Mary University of London

Moderator

Robert Holzmann

Governor
Oesterreichische Nationalbank

Tuesday, June 11, 2024

08:30 Registration and coffee

09:00 Academic Session 2
Defining and communicating the monetary policy reaction function in an increasingly complex environment

Since the GFC, central banks have been facing a challenging and fast-changing environment. In the face of large and multiple shocks and an increasingly complex monetary policy toolkit, defining and communicating the central bank's reaction function becomes increasingly complex.

Market Perceptions, Monetary Policy, and Credibility

Vincenzo Cuciniello

Bank of Italy

Fed's policy rule: A discrete-choice regime-switching approach

Andriy Sirchenko

Nyenrode Business University

Whose Inflation Rates Matter Most? A DSGE Model and Machine Learning Approach to Monetary Policy in the Euro Area

Johannes Zahner

Goethe University Frankfurt

Co-author: Daniel Stempel; Heinrich Heine University Düsseldorf

Moderator

Maria T. Valderrama

Head of Monetary Policy Section

Oesterreichische Nationalbank

10:15 Break

10:45 Policy Session 2
Are central bank finances relevant for their ability to deliver price stability?

After years of failing to deliver on their mandate, the post-pandemic overshooting of inflation and the required sharp rise in policy rates caught everybody, including central bank treasurers, by surprise. Could the prospect of central banks needing recapitalization threaten their independence and in turn their ability to deliver price stability?

Sarah Bell

Head of Central Banking Studies, Monetary and Economic Department

Bank for International Settlements

Ashok Bhatia

Special Advisor, Office of the Managing Director

International Monetary Fund

Dirk Broeders
Senior Lead Financial Risk Manager
European Central Bank

Vasso Ioannidou
Professor of Finance
Bayes Business School (formerly Cass)

Moderator

Robert Holzmann
Governor
Oesterreichische Nationalbank

12:00 Standing lunch

13:00 **Keynote 2**
Central banks between economic soft landing and growing political expectations

Francois Villeroy de Galhau (online)
Governor
Banque de France

Moderator

Robert Holzmann
Governor
Oesterreichische Nationalbank

13:45 **Policy Session 3**
Monetary policy in the polycrisis new normal

How have businesses', consumers' and wage setters' behavior changed in response to the return of inflation, the sharp rise in interest rates, rising uncertainty and multiple secular changes? What are the implications for optimal monetary policy?

Fiorella De Fiore
Research Adviser, Monetary and Economic Department
Bank for International Settlements

Michal Horvath
Executive Director, Monetary Policy and Market Operations
National Bank of Slovakia

Frank Smets
Adviser to the Counsel to the Executive Board at European Central Bank
European Central Bank
SUERF Fellow

Moderator

Ernest Gnan
Secretary General
SUERF

- 15:00 Break
- 15:30 Academic Session 3
Inflation – new insights
- The global surge in inflation post-covid and due to escalating geopolitical conflict has triggered a rich research agenda on changes to the the inflation process, inflation forecasting, and the formation of inflation expectations.*
- The return of inflation and inflation risks
Juan Angel Garcia
European Central Bank
Co-authors: Ricardo Gimeno, Banco de España; Piers Hinds, Haozhe Su; Michael Tretyakov; University of Nottingham
- Can Supply Shocks Be Inflationary with a Flat Phillips Curve
Jean-Paul L’Huillier
Brandeis University
Co-author: Gregory Phelan, Williams College
- Maximally Forward-Looking Core Inflation
Karin Klieber
Oesterreichische Nationalbank
Co-authors: Philippe Goulet Coulombe, Université du Québec à Montréal; Maximilian Göbel, Bocconi University; Christophe Barrette, Université du Québec à Montréal
- Moderator
Alex Grimaud
Economist
Oesterreichische Nationalbank
- 16:45 End of conference

*This program is subject to change. (Version: April 24, 2024)
Speakers and panelists are listed in alphabetical order.*

Scientific coordination: Ernest Gnan, SUERF | OeNB, Maria T. Valderrama, OeNB
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