

# The Future of Inflation Targeting

Bank of England  
London, 9 January 2020

## PROGRAMME

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**09:00-09:30 Registration and coffee**

**09:30-10:00 Opening remarks by Governor Mark Carney**

**10:00-11:00 The constituency for low inflation**

*Price stability is the primary objective of monetary policy. A 2% inflation target has emerged as a pragmatic definition of price stability in many jurisdictions. What is the case for low and stable inflation in the modern economy? What are the challenges?*

**Chair:** Sharon Kozicki (Bank of Canada)

### **Presentations**

Klaus Adam (Oxford University)

Argia Sbordone (Federal Reserve Bank of New York)

**11:00-11:15 Break**

**11:15-12:15 Monetary policy in a digital world**

*Technology is transforming the payment system and financial services. Electronic payments are fast replacing cash in everyday transactions. How will the shift to digital affect the effectiveness and conduct of monetary policy?*

**Chair:** Cecilia Skingsley (Sveriges Riksbank)

### **Presentation**

Kenneth Rogoff (Harvard University)

Beatrice Weder di Mauro (Graduate Institute of Geneva)

**12:15-13:15 Lunch**

**13:15-14:15 Monetary policy in the broader macroeconomic framework**

*Current macroeconomic frameworks clearly separate policy responsibilities into independent domains. Monetary policy is typically the main tool for macroeconomic stabilisation. How should monetary policy interact with other policy areas?*

**Chair:** Elga Bartsch (BlackRock)

## **Presentations**

Ricardo Reis (London School of Economics)

Simon Wren-Lewis (University of Oxford)

### **14:15-15:15 Challenges of a 'low-for-long' interest rate environment**

*The possibility that low equilibrium real interest rates may persist poses challenges for macroeconomic policy. Encounters with the effective lower bound on short-term interest rates may become more frequent. What are the options for monetary policy?*

**Chair:** Ben Broadbent (Bank of England)

## **Presentations**

Jordi Galí (Universitat Pompeu Fabra)

Stephanie Schmitt-Grohé (Columbia University)

### **15:15-15:45 Break**

### **15:45-16:45 Policy frameworks and strategies for an open economy**

*Inflation targeting frameworks typically feature open capital accounts and floating exchange rates. What are the constraints on monetary policy in open economies? How should monetary strategies reflect the openness of the economy?*

**Chair:** Silvana Tenreyro (London School of Economics and Bank of England)

## **Presentations**

Pierre-Olivier Gourinchas (University of California, Berkeley)

Philip R. Lane (European Central Bank)

### **16:45-18:15 The future of inflation targeting**

*Inflation targeting has been successful in delivering low and stable inflation. But since its inception in the early 1990s both significant events and visible structural change have affected the course of advanced economies. How should inflation targeting adapt to the challenges of the modern economy?*

**Chair:** Andy Haldane (Bank of England)

## **Panel**

Lucrezia Reichlin (London Business School)

Sayuri Shirai (Keio University, former Bank of Japan Policy Board member)

John Williams (Federal Reserve Bank of New York)