

Protocol of the 2020 virtual Annual Assembly of the Central Bank Research Association, 03.09.2020

The 2020 Annual Assembly of the Central Bank Research Association took place virtually on 3 September, 2020, as part of the virtual annual meeting, at the Center for Macroeconomics of the London School of Economics and Political Sciences and at the Bank of England. The meeting was co-organized in association with the Leibnitz Research Center SAFE.

The assembly commenced with a tribute to Thomas Laubach, who had passed away on 2 September 2020.

President **Raphael Auer (BIS)** then presented on the evolution of the organization. The association was founded in 2015, and is a charitable association under Swiss law, tax exempt in the Canton of Basel City. On August 31, 2020 it had 2579 members.

Due to the pandemic, CEBRA's 2020 annual meeting was held fully virtually via Cvent and Zoom from September 1st to 3rd. The meeting commenced on Tuesday, 01 Sept, 15.15 (London time) with a high-level policy discussion on Payment Systems and the Future of the International Monetary and Financial System. Minouche Shafik (LSE) delivered welcome remarks and Hyun-Song Shin (BIS) the keynote. Gita Gopinath (IMF), Philip Lane (ECB), Ricardo Reis (LSE), H el ene Rey (LBS), and Andr es Velasco (LSE) took part in a high-level panel.

On the afternoon of Wednesday September 2nd, Ben Broadbent (BoE) delivered a keynote talk, and the Bank of England further organized a high level policy panel chaired by Andrew Haldane (BoE) and including Viral Acharya (NYU Stern), Diane Coyle (Cambridge), Darrell Duffie (Stanford), and Andr es Velasco (LSE).

On Wednesday 02 Sept, from 10.50-19.50 and Thursday 03 Sept, from 11.00-19.30 (London time), the main conference took place. It featured 35 contributed sessions on a wide variety of policy-relevant topics, assembled from over 705 high-quality submissions (compared to 589 submissions in 2018 and 899 submissions in 2019), again making the meeting one of the most selective large conferences in the field of economics.

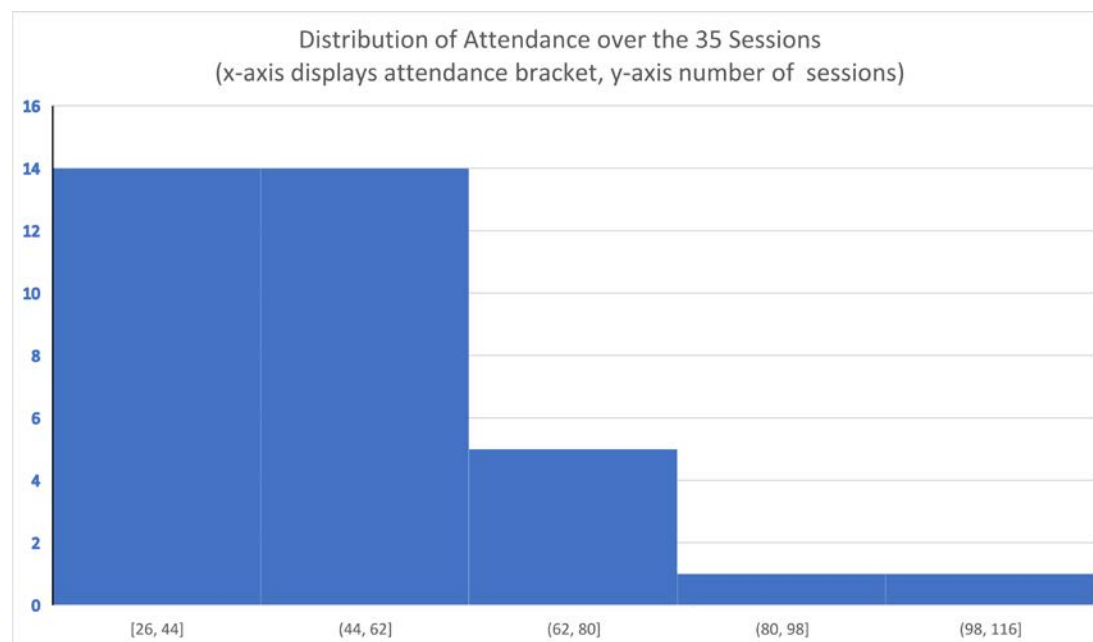
The scientific committee was chaired by Charlie Bean (LSE), Michael Kumhof (BoE), and Ricardo Reis (LSE).

As in previous years, the public could access high-level parts of the meeting for free. This year, this was possible via a youtube livestream.

Due to the virtual format, the 2020 annual meeting saw a record-breaking 829 registrations, compared to a previous record of 275 in 2019.¹ The public keynote speech and high-level panels

¹ The following paragraph and figure have been added after the annual assembly, as the attendance data had not been available on September 3rd.

on 1st September were viewed by 462 registered attendants, and an additional 172 non-registered attendants saw the youtube livestream. The Bank of England's high-level events were watched by a total of 384 viewers. All 35 sessions were well attended, ranging from 26 to 99 participants (mean attendance 50.6, median attendance 51). In terms of distribution (see also below figure), classical central bank topics like monetary policy, macro-finance, and financial stability saw the largest audiences, whereas the track focused on innovation and markets saw the smallest attendance.



Raphael Auer noted that despite such great attendance, his impression was that the discussions were not of the same quality as they had been in previous in-person events. Should the 2021 annual meeting again have to be virtual, the format would need to be improved, for example via shorter presentations, a discussant for every paper, and a way to encourage the audience to raise more questions.

Also, the surprisingly high cost of a virtual event was discussed – such events require an additional portal (Cvent), licenses for the communication platform (2 Zoom licenses for each room, to manage onboarding when sessions overlap), and an operator for every zoom room. Overall, these extra costs will add to more than typical catering costs.

CEBRA is also organizing other events during the course of 2020, including:

- The ITM annual conference, „Adjustments in and to an Uncertain World“, Vilnius, Lithuania, 24-25 September, 2020. This conference, organized by the Bank of Lithuania, the National Bank of Poland, CEPR, and CEBRA's International Trade and Macroeconomics Program, focused on recent transformations of international trade and macroeconomic interdependence induced by the growth of global value chains (GVCs).

- The CEBRA Workshop for Commodities and Macroeconomics, Central Bank of Chile, Santiago, October 1-2, 2020. The Central Bank of Chile will host the Fourth Central Bank Research Association Workshop for Commodities and Macroeconomics in Santiago on October 1-2, 2020. The topics of interest include (but are not limited) to modeling and forecasting commodity prices and quantities, macroeconomic implications and welfare effects of commodity price fluctuations, and monetary or fiscal policy responses to commodity price fluctuations.
- The CEBRA IFM, CEPR and Sveriges Riksbank conference on “Exchange Rates and Monetary Policy“, Stockholm, Sweden, October 1-2, 2020. The fourth annual meeting of CEBRA’s International Finance and Macroeconomics program is joint with CEPR and Sveriges Riksbank, and will be held in Stockholm, Sweden, on October 1-2, 2020. The meeting will focus on the interaction between exchange rates and monetary policy. The topics of interest include (but are not restricted) to the role of exchange rate movements as shock absorbers or sources of macroeconomic and financial instability, monetary policy design in small open economies, the international transmission of monetary policy, distributional effects of exchange rate movements, and exchange rates and global imbalances.
- A session on COVID-19, real uncertainty, and monetary policy at the 2021 ASSA meetings in Chicago on January 3-5. The session aims to bring together top researchers from academia, central banks, and other policy institutions to present the latest research findings related to COVID-19, real uncertainty and monetary policy. Session Organizers are Stephen Cecchetti – Brandeis University, NBER and CEPR, Raphael Schoenle (chair) – Federal Reserve Bank of Cleveland, Brandeis University, CEPR, and Michael Weber – Chicago Booth, NBER and CEPR

On the finances, Raphael Auer pointed out the information available on the [CEBRA website](#). CEBRA is filing its taxes biannually, which means that the financial statements for 2019 and 2020 would be available some time during the first half of 2021. CEBRA’s financing is based exclusively on contributions from central banks, international financial institutions and other government organizations. CEBRA is recording a steady increase in income, with 21 central banks and international financial institutions sponsoring the association in 2020.

The increasing funding base will allow the association to expand its secretarial resources, and CEBRA will thus be looking for a central bank or academic institution to host an additional secretariat. The envisioned solution is that CEBRA pays for the staff but the host supplies the office space, IT equipment, and ideally management. At current, depending on the wage level in the hosting country, CEBRA can guarantee a 50-100% FTE position.

The goal of adding a new secretariat is to add organizational capacity. CEBRA is and intends to remain a Swiss Association based in the Canton of Basel City. The current secretariat at the University of Basel will stay. However, it cannot be flexibly expanded, thus requiring to search elsewhere for additional capacity. The envisioned tasks of the new secretariat include:

- to organize CEBRA’s annual meeting (which takes place a at a leading university: 2019 at Columbia University, 2020 at LSE, 2021 at MIT Sloan)
- to maintain contacts with central banks and academia

- to organize smaller research meetings (around 5 one-day workshops per year)
- to handle billing
- to maintain the webpage and email databases

The execution of these tasks requires excellent command of English and experience in organizing scientific events and networks.

The legal arrangement would depend on both Swiss laws and, if the new secretariat is outside Switzerland, the local laws in the hosting institution. Ideally, the hosting institution would employ the staff, and CEBRA would reimburse the hosting institution for the incurred expenses. Alternatively, CEBRA may be able to employ the person directly, or a local subsidiary could be formed.

A public posting on the CEBRA.org webpage will be made soon after the annual assembly. Interested parties are encouraged to contact CEBRA president Raphael Auer (Raphael.auer @ this domain .org) informally. Communications will be shared with the Regional Chapter Heads Luc Laeven (Africa, Europe, and Middle East), Frank Packer (Asia-Pacific), and Mark Wynne (Americas), but will be treated as confidential otherwise. Preference will be given to central banks.

No elections were held at the annual assembly – given the virtual nature, it was more straightforward to conduct those via email later in the year, at a time when potentially a new secretariat would have been found.

Raphael Auer, speaking on behalf of **Robert Rich (Federal Reserve Bank of Cleveland) and Raphael Schoenle (Federal Reserve Bank of Cleveland and Brandeis University)** then concluded by introducing the new **“Inflation: Drivers and Dynamics” (IDD) Research Program founded by CEBRA and the [Center for Inflation Research \(CfIR\)](#) at the Federal Reserve Bank of Cleveland, and codirected by Robert Rich and Raphael Schoenle.** The Advisory council of the IDD program consists of Klaus Adam, Carlos Carvalho, Luca Dedola, Yuriy Gorodnichenko, Sarah Lein, Daniel Levy, Lucrezia Reichlin, Ricardo Reis, Barbara Rossi, and Michael Weber.

CfIR was launched in December 2018, and is focused on improving the understanding of inflation and its dynamics, expanded research and data offerings, enhanced external communications, and a more visible presence at research conferences. It is targeted to policymakers, researchers, and the general public, and is open for opportunities and cooperation with other central banks.

The Goals of the new CEBRA IDD program are to draw upon the expertise of academics and policymakers to improve understanding of the inflationary process, focus on the analysis of surveys to inform micro-founded models of consumer and firm behavior related to inflation, and study formation of inflation expectations and the role of expectations in the monetary transmission process.

The IDD program, among others will organize an annual meeting, jointly with the Cleveland Fed and the ECB Inflation Conference. More information can be obtained at:

<https://cebra.org/programs/idd/>

The next speaker was **Michael Kumhof** (Bank of England), who delivered remarks on behalf of the Bank of England. *“It has been a pleasure for the Bank of England, including many of my colleagues, to co-organize this conference. I asked my colleagues for their impressions, and one*

typical one, which I agree with, was this: "I am just really impressed at how relevant all the applied theory work is. Many more papers than I was expecting make a serious attempt to apply a new economic idea to the problems faced by central banks." This was definitely one of the best parts of the conference, and the fact that many sessions were organized by individual central banks probably contributed to that. The only negative, which was also mentioned by several people, is unfortunately inevitable: The lack of personal interactions at a virtual event, including also the relative lack of questions from participants at the end of presentations. Perhaps we can think about how to encourage more questions in the future.

During the rest of my short address here I would like to concentrate on the launch of the new Bank of England Agenda for Research (BEAR) on the first day of this conference, and its discussion by a panel of distinguished academics on the second day. The panellists thought that the new research agenda strikes a good balance between bread and butter central banking questions on the one hand, and newer developments like those related to technology. They were asked which research questions, raised in BEAR or otherwise, look like they will be critical for central banks going forward.

All or most of them stressed questions around the role of the US\$ as reserve currency and in international financial markets, and the role of fintech and CBDC. Under the Open Economy heading, particularly important was the fact that the global financial safety net seems to be weakening for EMs. Many fascinating questions were raised under the heading of Prudential Policy, including: (i) The joint optimality of capital and liquidity requirements. (ii) Fiscal dominance for both monetary policy and bank regulation in the post-corona world. (iii) The fact that non-banks during crisis times still rely on the liquidity creation of banks via credit lines even though during good times they advertise themselves as offering easy convertibility and liquidity (this raises the question of which financial sector aggregate should be the legitimate object of attention for modellers and empiricists). Under the Transformed World heading, questions included: (i) Whether financial markets mitigate or concentrate risks. (ii) What instruments are needed for the management of societal and not just individual risk. (iii) What are the meanings of real output and of productivity in the new economy characterised by intangibles, increasing returns, monopoly rents, and physical limits.

This is an incredibly rich array of questions, and all of them are very important to central banks. This year's conference has shown that applied theory and empirical work can greatly contribute to addressing such questions, and perhaps at next year's conference we will already see some of the answers. In the meantime, the Bank of England will draw on both BEAR and the panellist's thoughts. After priority topics have been identified, we will start issuing calls for proposals, both internally and externally. We plan to hold conferences on those topics over the coming years."

Ricardo Reis, in his role of Director of CfM noted that the CFM was very happy to host all of you for the annual meeting of CEBRA. He further noted "The CFM is a research centre at the LSE financially supported by the UK's ESRC whose aim is to promote frontier research in macroeconomics that is policy relevant in the UK. I am grateful to Raphael Auer for being given this responsibility, and more generally for his stewardship of the association. I hope that we can have more collaborations in the future. While we were unable to do this in person this time around, we hope that your virtual experience was a good one. It was a challenge to put this meeting together, as we had to learn by doing how to set up such a large event entirely online. Coralie Simmons and Daniela Dimitrova made it possible, so I am very grateful to them for their effort and poise through many challenges. Myself, I was extremely impressed by the quality of the research

that I saw presented the last three days, combining theory and empirics to greatly deepen our understanding of how the macroeconomy works and how central banks affect it. I hope you enjoyed it, and learned as much as I did.”

In the ensuing discussion, **Venoo Kakar (San Francisco State University)** suggested to have a session on monetary policy in emerging market economies and spillover effects from advanced countries in a future annual meeting.

There were no other comments or suggestions.



Raphael Auer, Basel, 09.09.2020

In his role as President of the Central Bank
Research Association



Michael Kumhof, London, 09.09.2020

In his role as Protocolist of the 2020 Annual
Assembly