SPEAKER PREP PACKET

2020 International Council:
Building a Post-Pandemic Economy and Multilateral System

Central Banks: Crisis Panacea?
Monday, October 12 | 10:30 AM – 12:00 PM ET
GoToWebinar Virtual Conference

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LOGISTICS

Date / Time: Monday, October 12, 2020 | 10:30 AM – 12:00 PM ET

Technology: This virtual session will be hosted on GoToWebinar.

- To access the webinar on October 12, please use this link: https://global.gotowebinar.com/pjoin/8253830789139117837/6667707201541212683
- For technical support or questions about microphone and camera compatibility, please see this page. We suggest using a computer that is plugged in, since the platform can drain battery quickly. A wired ethernet connection is best for high-quality audio and video. Bretton Woods Committee staff are happy to assist should you require any technology support.
- In advance of the session, BWC staff would like to conduct a technical test in which you or your staff enter the platform on the computer you will be using the day of the session, test your microphone and camera, and become familiar with the platform. Speakers will not be required to manage any aspect of the platform during the session.

Audience and Publicity:

- The session will be on the record.
- The session will be video recorded and will be posted on the Bretton Woods Committee’s website following the event (no live webcast).
- All International Council sessions are open to invitees only. Invitees include members of the Bretton Woods Committee and other stakeholders. A complete list of Committee members is available here. If you wish to invite colleagues, please share with them the registration link.
- A live Twitter conversation will take place throughout the course of the program. Relevant hashtags and Twitter handles are provided below.
  - Conference Hashtag: #IC20
  - Session Hashtag: #CrisisPanacea
  - Handles: @BrettonWoodsCom, @LBiniSmaghi, @BrookingsEcon
SESSION FORMAT

**Format:** 5-minute remarks per speaker in response to the introductory question (see below); 40-minute moderated conversation; 25-minute audience Q&A.

| Time     | Session
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<thead>
<tr>
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<tbody>
<tr>
<td>10:30 AM</td>
<td>Introduction: Emily Slater (BWC Executive Director) introduces the moderator and shares logistical information with participants. Dudley briefly introduces speakers and segment topic.</td>
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<tr>
<td>10:35 AM</td>
<td>Opening Remarks: Dudley opens segment by posing introductory question (see below) to each speaker. Speakers have 5 minutes to give prepared remarks in response. Janet Yellen will speak first, followed by Lorenzo Bini Smaghi.</td>
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<td>10:50 AM</td>
<td>Moderated Conversation: Following opening remarks by each speaker, Dudley leads moderated conversation among all.</td>
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<td>11:30 AM</td>
<td>Audience Q&amp;A: Dudley invites questions from audience. BWC staff will review submitted questions and unmute select audience members to pose their question directly.</td>
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<tr>
<td>12:25 PM</td>
<td>Closing: Speakers offer closing remarks. Dudley wraps up and thanks speakers. Session ends.</td>
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**Speakers:**

- **Janet Yellen**, Distinguished Fellow in Residence, Brookings Institution and Former Chair, Federal Reserve Board
- **Lorenzo Bini Smaghi**, Chairman, Société Générale and Former Executive Board Member, European Central Bank
- **Moderator: William C. Dudley**, Executive Committee, Bretton Woods Committee and Senior Research Scholar, Griswold Center for Economic Policy Studies, Princeton University

**Session Theme:** The global downturn triggered by COVID-19 has highlighted the increasingly essential crisis-fighting role of central banks, which have deployed a range of traditional and innovative tools to stabilize financial markets. Going forward, which policy levers will be most effective and how can central banks best coordinate?
FRAMING QUESTIONS

1. **Introductory Question:** To limit the economic damage caused by the pandemic, central banks in developed countries have deployed an extraordinary range of tools to stabilize financial markets. Compared to the Great Financial Crisis, central banks responded more quickly and more aggressively. How would you assess this response? What should fall within the central bank’s purview versus what should lie elsewhere?

2. **(Any/All)** Around the world, central banks have adopted conventional and unconventional monetary policies to keep credit markets functioning. To what extent have these new, creative tools of monetary policy (e.g., swap lines, repo facilities, asset purchases, special lending facilities) been effective? What has been most effective/least effective? Are there important gaps in the monetary policy toolbox? How should central banks prepare for future crises?

3. **(Any/All)** Central banks have not engaged in the types of coordinated monetary policy easing that we saw in the 2007-09 crisis. What accounts for the difference this time? How would you evaluate central bank coordination throughout the crisis? In your view, what could central banks do to coordinate more closely, and how would that strengthen the role of the central bank in supporting the global financial system?

4. **(Yellen)** Fed Chairman Jerome Powell recently announced landmark changes to the Fed’s long-term monetary policy framework. In your view, why are these changes being implemented? Do you see these changes as being relevant to ensuring financial stability? How do you believe these changes will influence the trajectory of interest rates and future business cycles?

5. **(Bini Smaghi)** The European Central Bank took extraordinary actions to stabilize financial markets and mitigate the economic damage of Covid-19. How effective have these interventions been? In your view, was the European Commission’s fiscal response a necessary complement to what the ECB was doing? During 2020, the euro has appreciated considerably against the dollar. Is this a problem for the ECB in attaining its monetary policy objectives?

6. **(Any/All)** Many emerging market central banks have taken unprecedented steps to stabilize domestic financial markets. For instance, central banks in at least 17 emerging markets have announced bond buying programs, which have pushed bond yields down considerably. In general, how effectively have EM central banks responded to the crisis? How can effective, credible EM central banks be a bulwark against future global financial crises? How worried are you about fragility in EM countries?

7. **(Any/All)** Over the past few decades, the world’s central banks are intervening more frequently and forcefully in backstopping financial markets. How concerned are you that these interventions will encourage greater risk-taking in the future? If so, how should central bankers respond? How far should the lender of last resort role go? What should be the appropriate quid pro quo for such support in the future?

8. **(Any/All)** How do you assess the importance of the dollar as the reserve currency? Do you see this as being sustained in the future? What obligations does this entail for the Fed and the United States more generally? How do you envision the dollar’s role is likely to change in the future?
CONTACT INFORMATION

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If you would like to contact the moderator in advance of the session, please feel free to reach out to him directly at the email address listed below.

William C. Dudley (Moderator)
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