

International Workshop

(Re)Politicisation of central banks and central bank independence in post-crisis financialised capitalism: from “new normal” to “normalisation”?

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Dates: 8-9 June 2017

Venue: Hotel Elephant, Weimar, Germany

Concept Note

As Carney, the Governor of the Bank of England, announced at his post inflation report press conference in February 2017 has the central bankers’ 15 minutes of Andy Warhol type of post-crisis fame come to an end after Brexit referendum and Trump electoral victory? Carney was referring to the fiscal policy announcements of Theresa May’s government and the Trump administration to meet the economic needs of the masses that voted them into power. Carney announced that monetary policy no longer is going to be the only game in town. In this context the recent announcements by central banks of the macro-economic success of their post-crisis unconventional monetary policy in reducing unemployment in the US and the UK to below target, and recently in stopping deflationary trend in the Eurozone are conundrums for observers. Why and how do technocratic measures of success diverge so much from economic (rising precarity in high income economies, low productivity) and political (rise of anti-establishment right wing populist parties) realities? Why does central bankers’ discourse diverge from economic experiences?

This workshop aims to bring together an inter-disciplinary group of academics to discuss the vital yet controversial role of central banks in post-crisis financialised capitalism and the consequences of recent public questioning of the value of their expertise and the legitimacy of their independence by nationalist right wing politicians. There has also been growing amount of criticism of the effectiveness and the consequences of quantitative easing for global financial stability, distributional and allocative consequences of quantitative easing from wide ranging interests including asset managers, pension funds, academics, politicians and regulators themselves -especially the Bank for International Settlement. And since the tapering tantrum of May 2013 the divergence of the US monetary policy from the rest of the world has become a matter of geopolitics as emerging economy currencies have significantly depreciated after tapering tantrum and the rise of interest rates in the US.

At this workshop we propose to discuss the following questions:

- What does the rise of nationalist right wing politics mean for central bank independence? Are we entering into an era of politicisation of central banking both in high income countries and emerging economy countries?
- How do we develop or do we need to develop a (new) political economy of the effectiveness and consequences of almost a decade of unconventional monetary policy?
- How does the rising power of ECB in the EU mean for democratic processes and accountability of the EU institutions and economic recovery in the Eurozone?
- Are the distributional consequences of a decade of unconventional monetary policy responsible for increasing precarity and contribute to the rise of nationalist anti-globalisation right wing politics?
- How do we re-visit macro-economics of monetary policy and central bank role in price and financial stability in a financialised capitalism after a decade of unconventional policies?
- Do we need new macro-economic models of transmission mechanisms for monetary policy with quantitative easing to understand the dynamics of economic growth, labour market and global financial stability?
- How do we re-visit the sociology of central bankers and central bank technocracy in post-crisis and post-Trump, post-Brexit capitalism? Have experimentations in monetary policy caused a depreciation of this epistemic community's intellectual value for political elites and general public? How does the central banking community respond to such challenges to their social properties?
- What do diverging monetary policy needs between the US and the rest of the world mean for geopolitical risks? Are we likely to enter into a period of currency wars and arbitrary national policies regarding flow of capital and credit? Are we going to see the demise of neo-liberal global financial governance and its power brokers? Can something else replace the neo-liberal global financial governance? Can BRICs offer alternative cognitively, institutionally and politically viable governance?