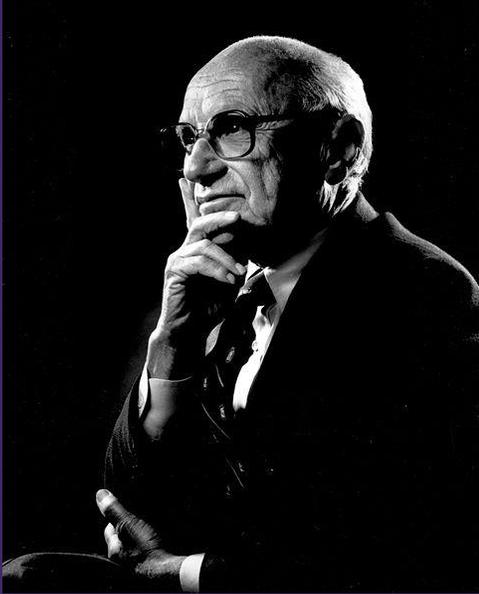


# CENTRAL BANK INDEPENDENCE, INFLATION, AND CRISES

CAROLA BINDER

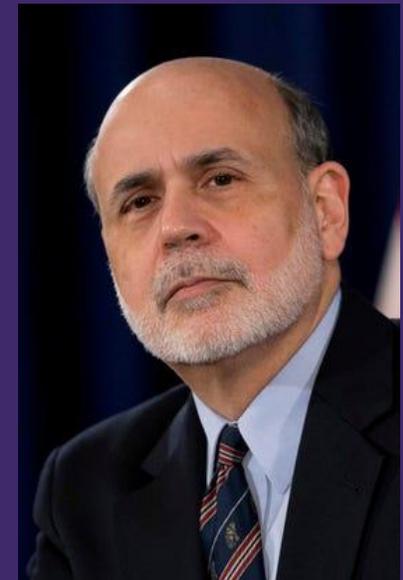
ASSOCIATE PROFESSOR OF ECONOMICS, HAVERFORD COLLEGE

VISITING SCHOLAR, MERCATUS CENTER

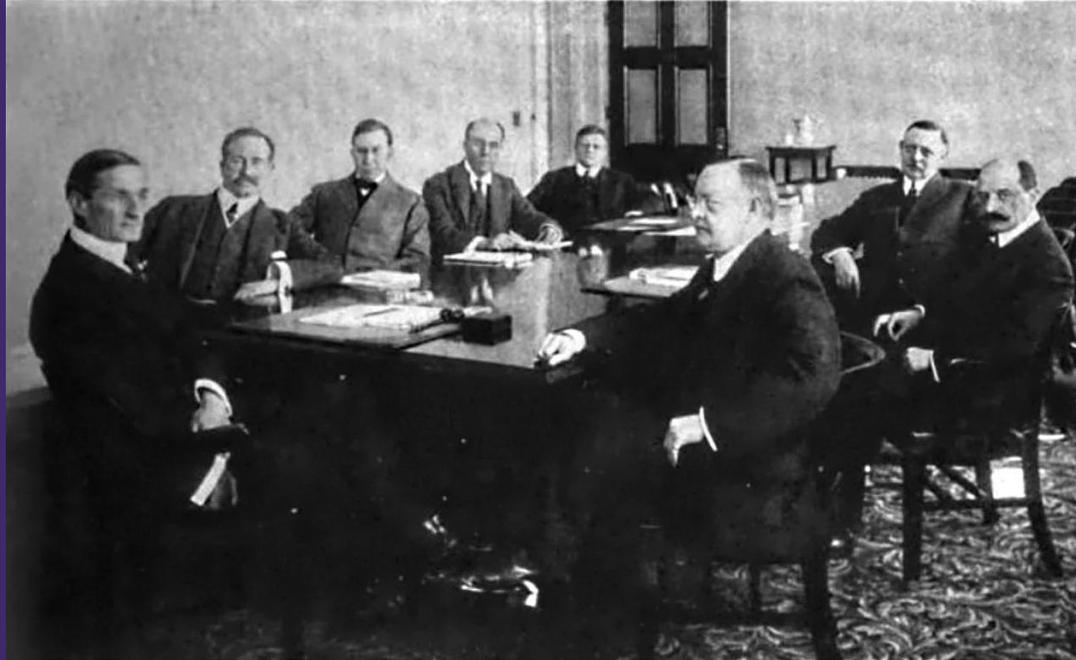


“Is it really tolerable in a democracy to have so much power concentrated in a body free of democratic control?” (Friedman 1962)

“The goals of monetary policy should be established by the political authorities, but...the conduct of monetary policy in pursuit of those goals should be free from political control.” (Bernanke 2010)



Central bankers, “with their PhDs, exclusive jargon, and secretive meetings,” are the “rootless global elite the populist nationalists love to hate” (Rajan 2017).





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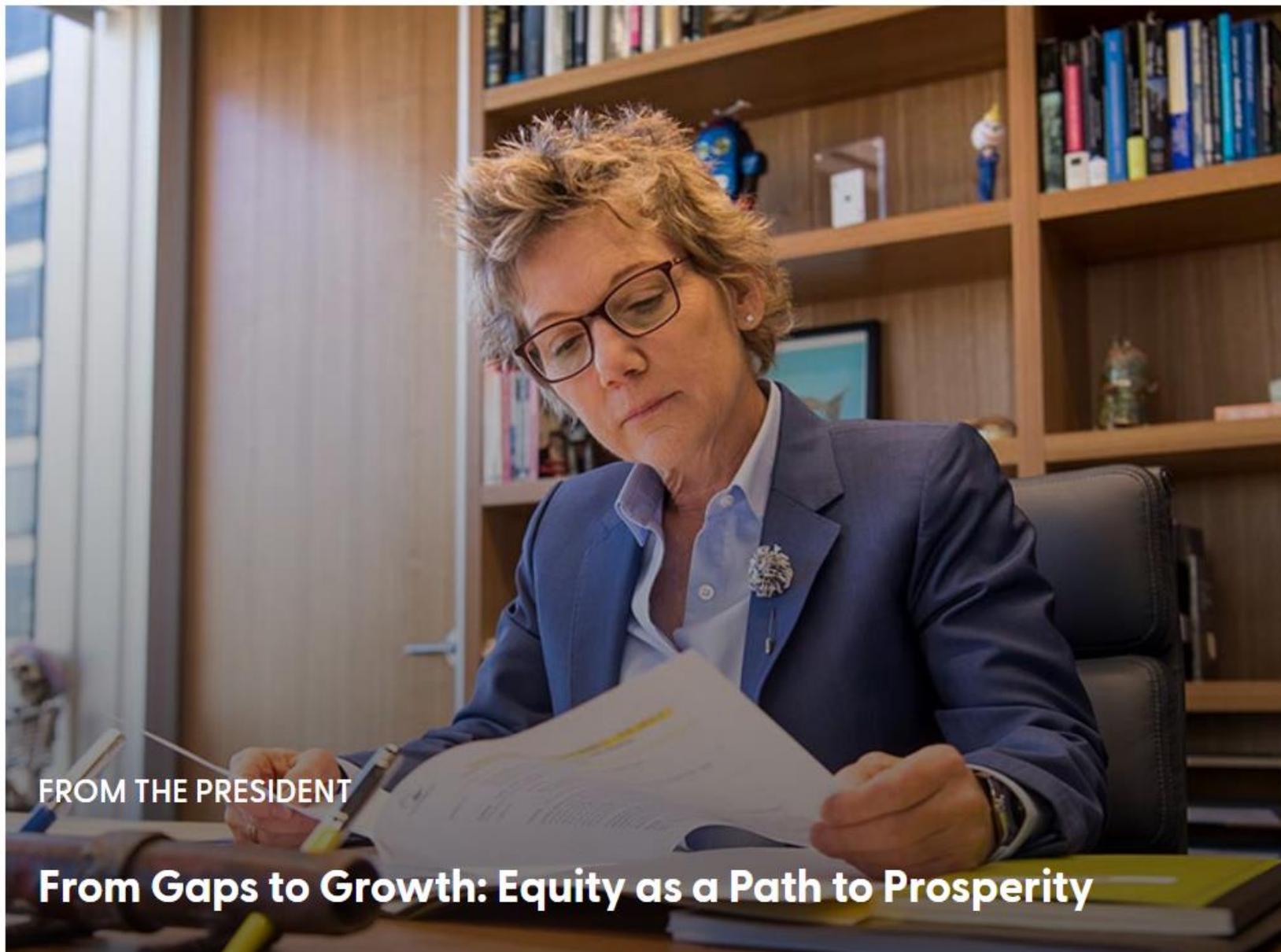
Careers



## Charting a course for climate action

The COP26 summit is a vital opportunity to set out a clear path towards a zero-carbon world, President Lagarde writes in a blog post. While the road ahead may seem daunting, she argues that a credible transition path will need clear signposts to break it up into more manageable stages.

[Blog post](#)



FROM THE PRESIDENT

## From Gaps to Growth: Equity as a Path to Prosperity

UPCOMING EVENT

## Gender and the Economy Conference [📄](#)

Federal Reserve  
November 8, 2021

FROM THE BOARD OF GOVERNORS

Beige Book – summary of commentary on current



THE ECONOMY

CONSUMER FINANCE

COMMUNITY DEVELOPMENT

 SURVEYS & DATA 

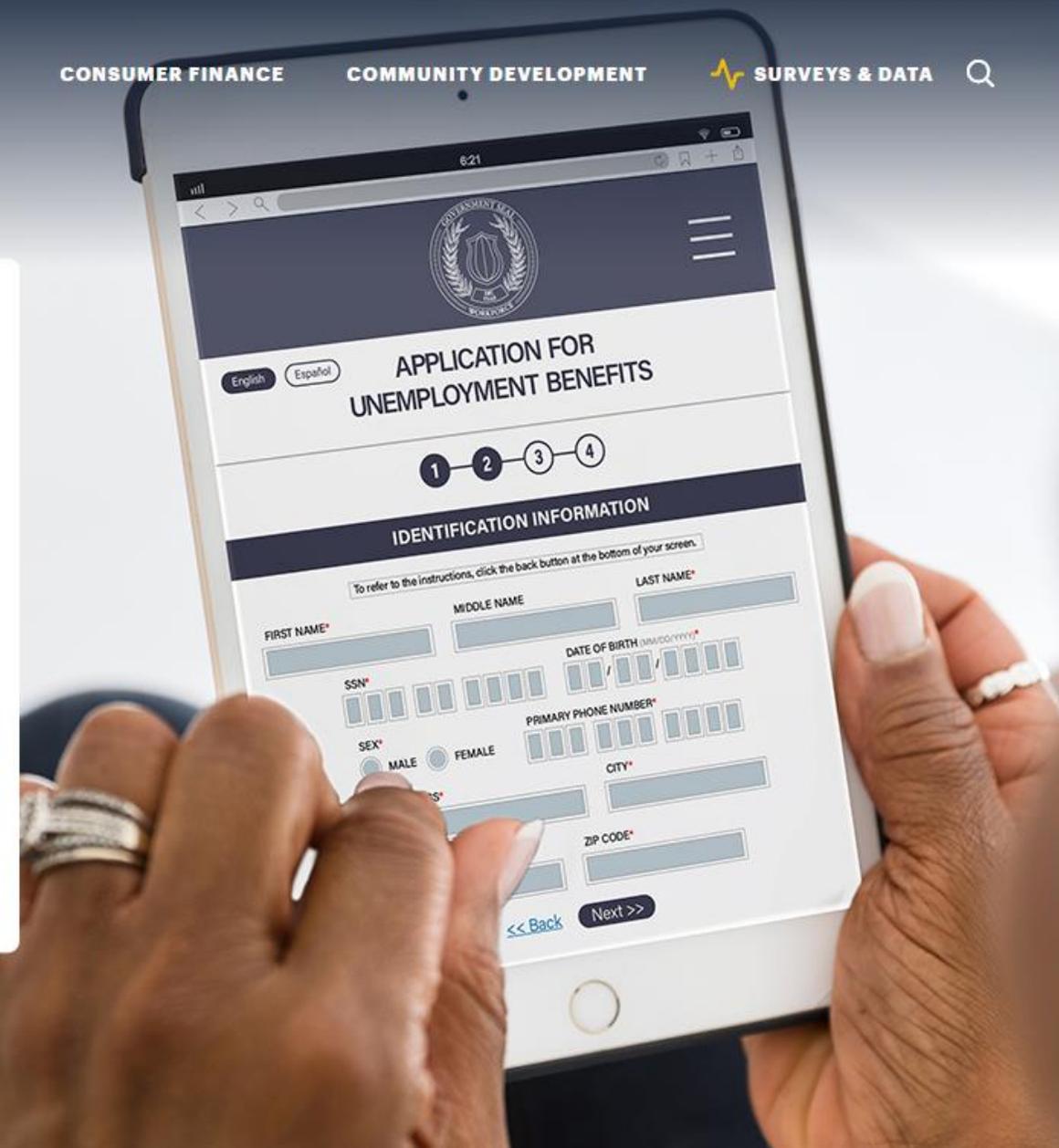
REGIONAL ECONOMICS

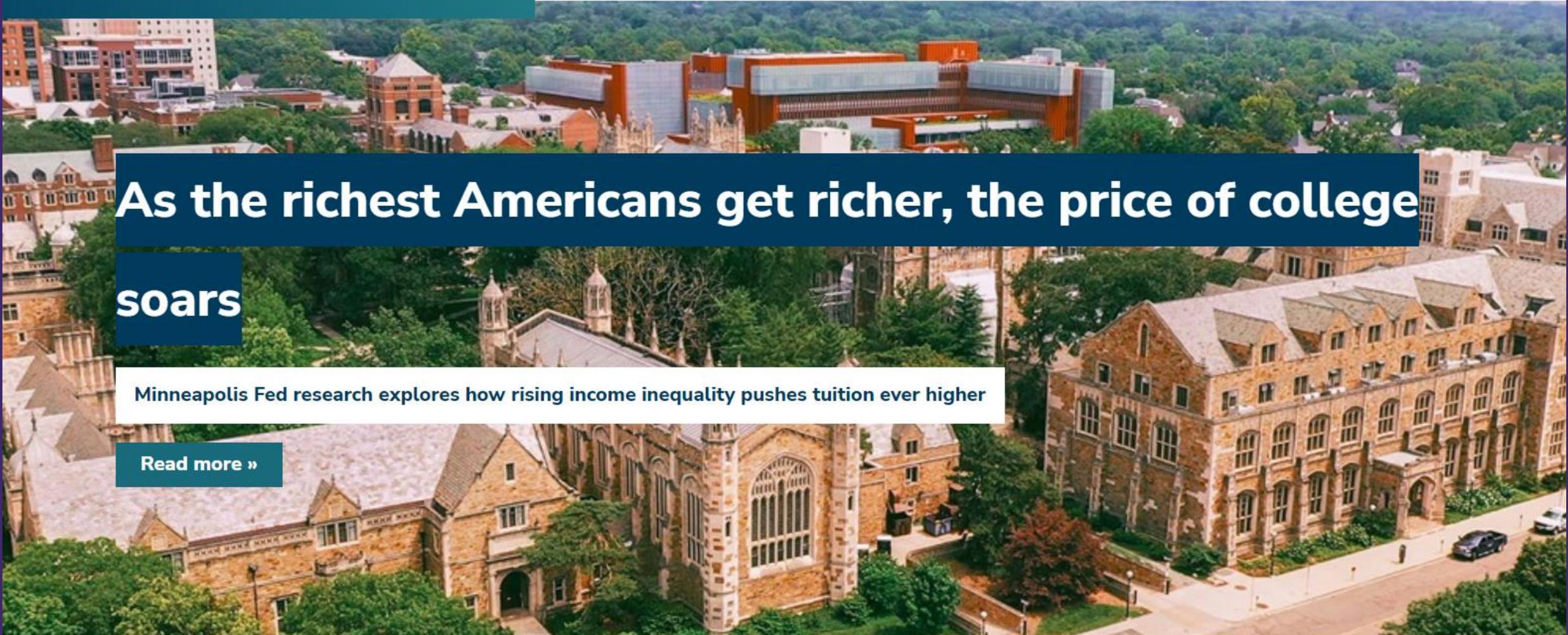
 ARTICLE

## How Do Eligibility and Take-Up of Unemployment Insurance Benefits Differ Among Black and White Individuals?

07 Jun '22

Research in Focus – Bryan Stuart of the Philadelphia Fed and his coauthor estimate the Black-White unemployment insurance gap and analyze individual characteristics to help explain the divide.





# As the richest Americans get richer, the price of college soars

Minneapolis Fed research explores how rising income inequality pushes tuition ever higher

[Read more »](#)

Pursuing an economy that works for all of us



# Constitutional Amendment Proposed to Close Minnesota's Achievement Gaps

Minneapolis Fed's President Kashkari and Justice Page propose making quality education a civil right for all Minnesota children

Minnesota, January 8, 2020

## SHARE



Minneapolis Federal Reserve Bank President Neel Kashkari and former Minnesota Supreme Court Justice Alan Page today called on Minnesotans to pass a constitutional amendment to give every child in Minnesota an equal right to a quality education.

Having not been updated since it was first enacted in 1857, Minnesota's current constitution only provides students access to an adequate education system. While many other states have modernized their constitutions' education provisions and put children first, Minnesota has not. Our education system today reflects its original 1857 design.

This proposal comes on the heels of [new research](#) by the Minneapolis Fed that shows that Minnesota has some of the worst educational disparities in the nation. Low-income white children, children of color, and American Indian children in Minnesota have far worse educational outcomes than children from higher-income families. These disturbing disparities are true across the entire state. It doesn't have to be so.

## MEDIA CONTACT

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## Leaders

Apr 13th 2019 edition >

Central banks

# The independence of central banks is under threat from politics

That is bad news for the world

## Fed must act on 'economic anger', says official

Neel Kashkari warns the bank needs to work harder to rebuild public trust

Sam Fleming and Shawn Donnan in Washington FEBRUARY 17 2016

 84 

“

You are not going to have the population as a whole understand all the nuances of what we are talking about here. They need to trust us

Neel Kashkari, head of the Minneapolis Federal Reserve

## Reggae. Puppies. Whatever It Takes, Central Banks Want Attention

By [Jeanna Smialek](#)

January 29, 2019, 12:01 AM EST

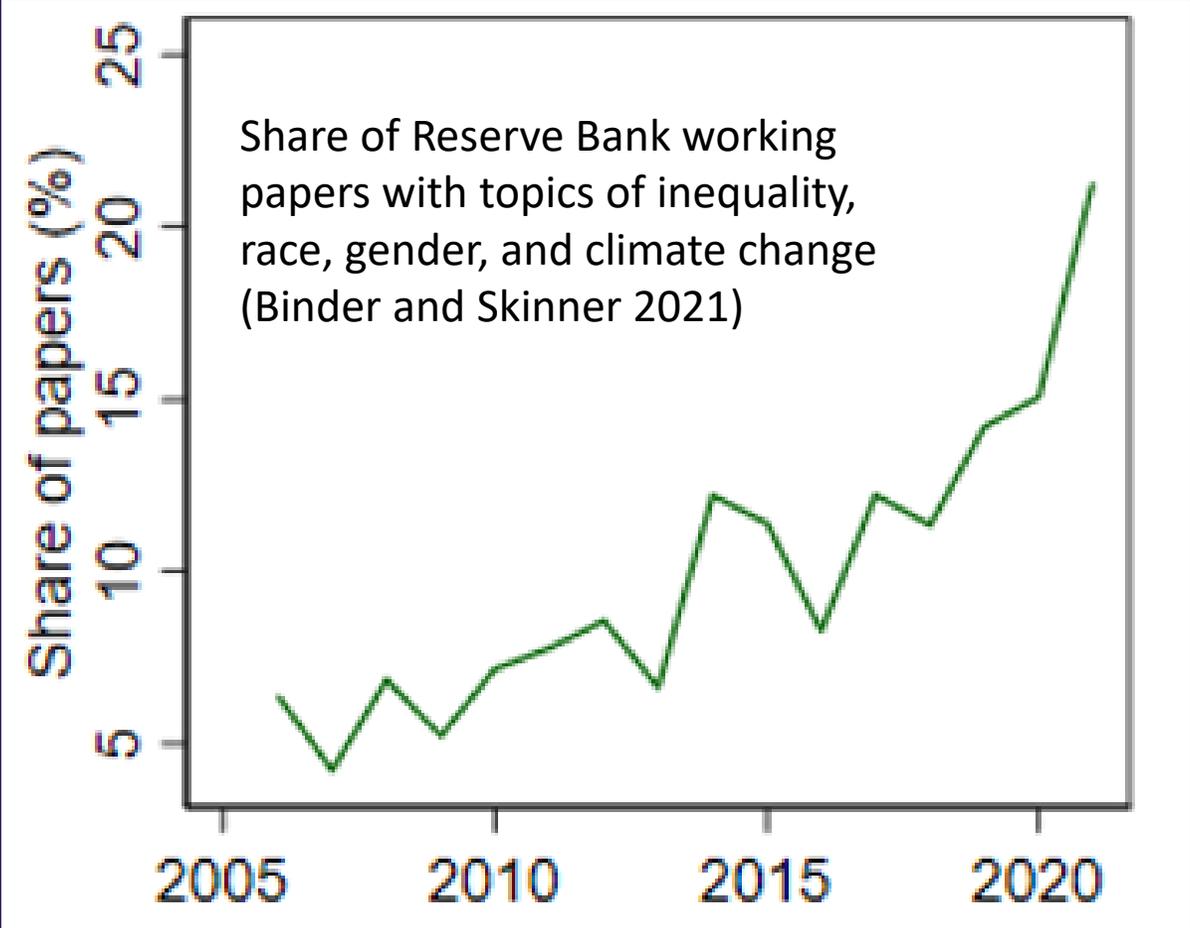
- ▶ They seek direct line to public amid risk of populist backlash
- ▶ Monetary policy, domain of wonks, is all over social media

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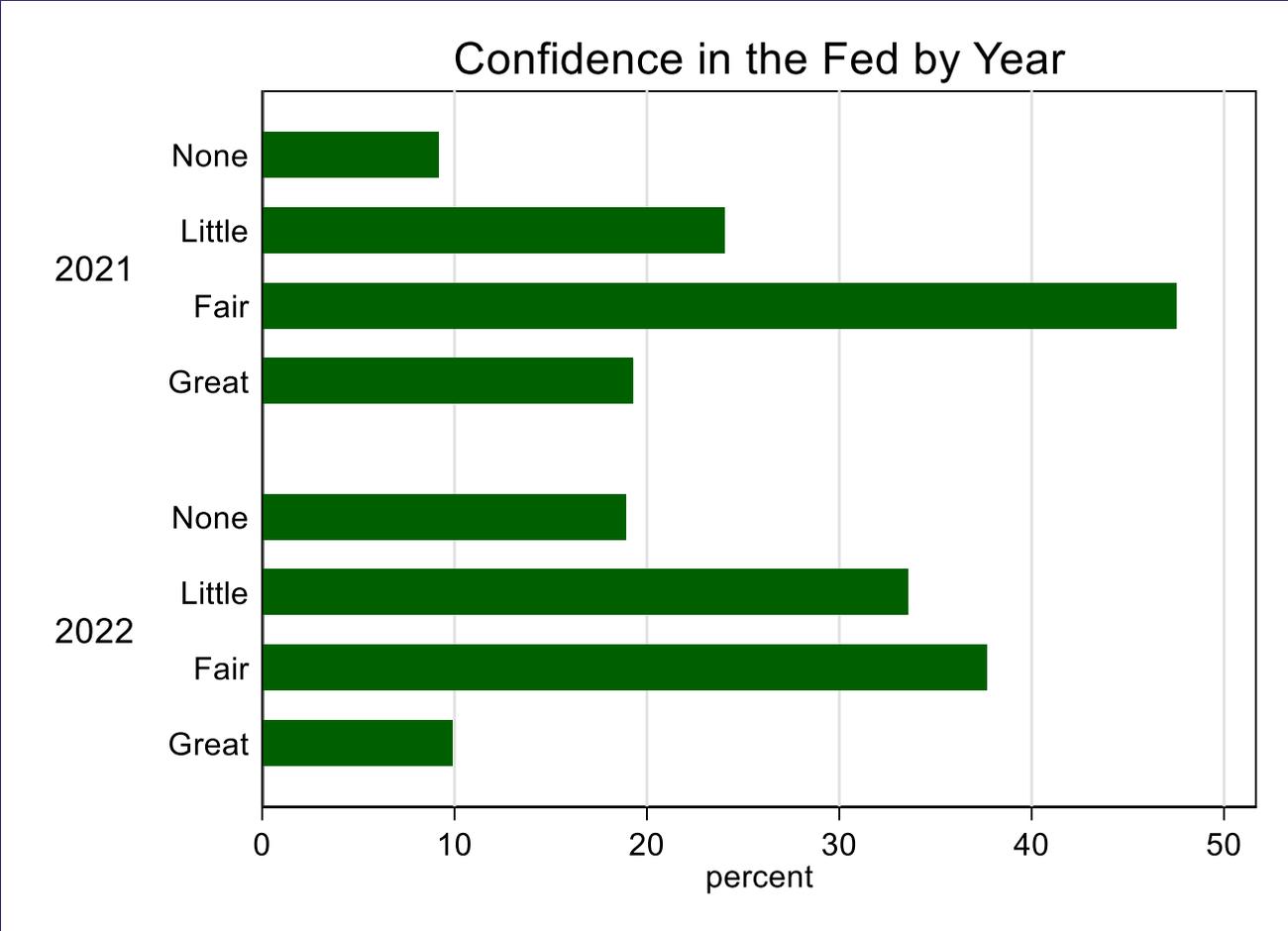
# RESERVE BANK WORKING PAPERS



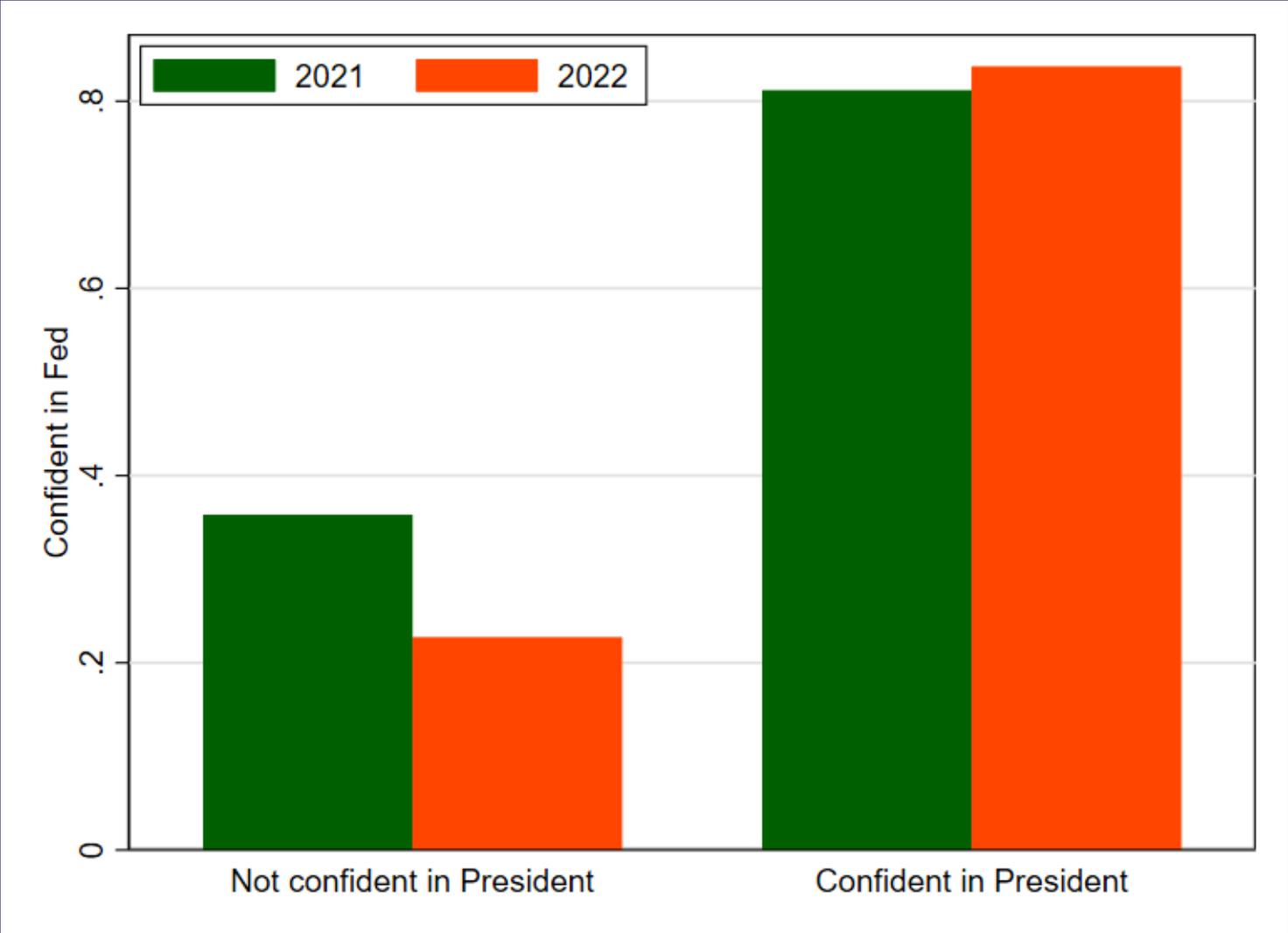
# PUBLIC PERCEPTIONS OF FED LEGITIMACY (WITH CHRISTINA SKINNER)

- Two online surveys on Amazon Mechanical Turk: May-June 2021 and April 2022
- About 1600 respondents
- Asked about confidence in the Fed and role of the Fed
- As inflation has risen, confidence in the Fed and public support for Fed activism have declined

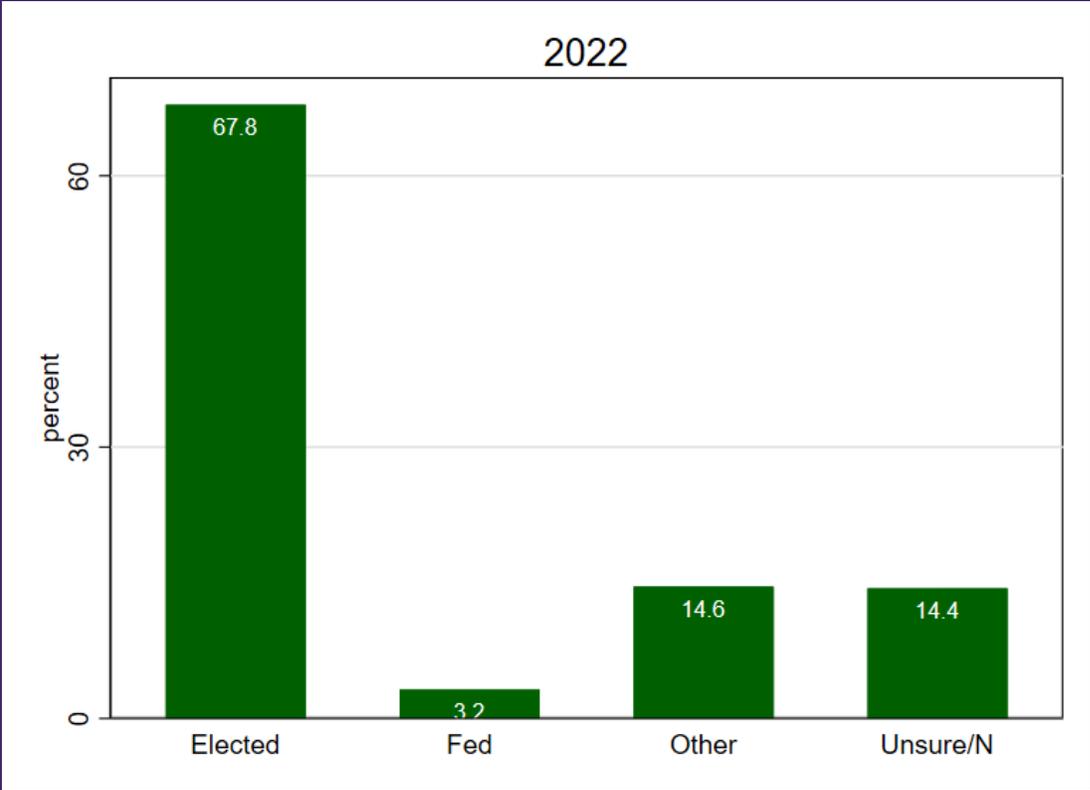
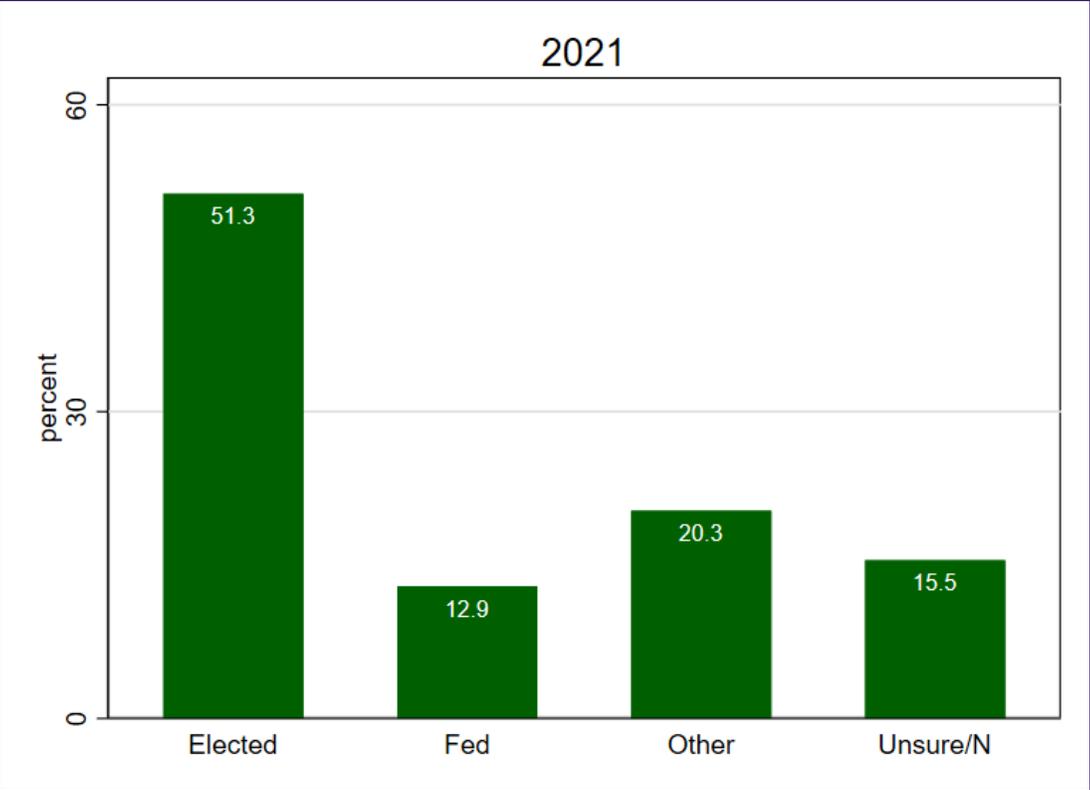
# CONFIDENCE IN THE FED HAS DECLINED



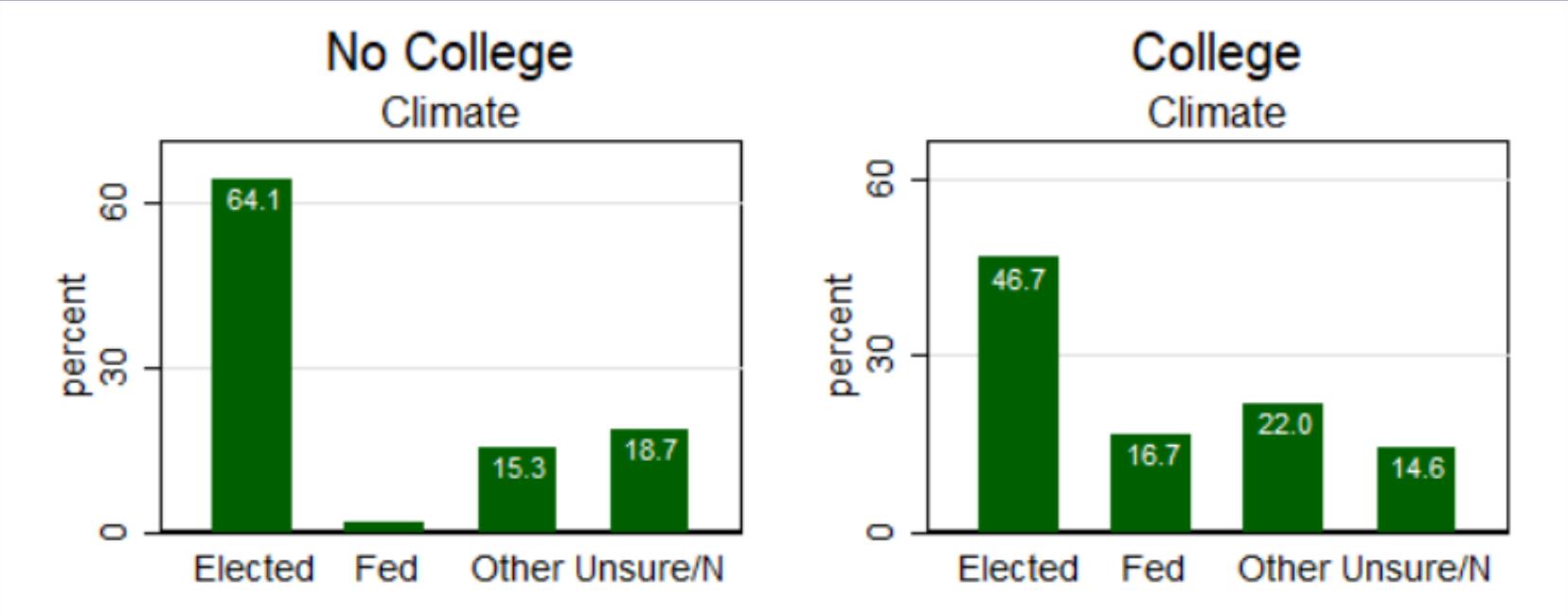
# CONFIDENCE IN THE FED IS POLITICIZED



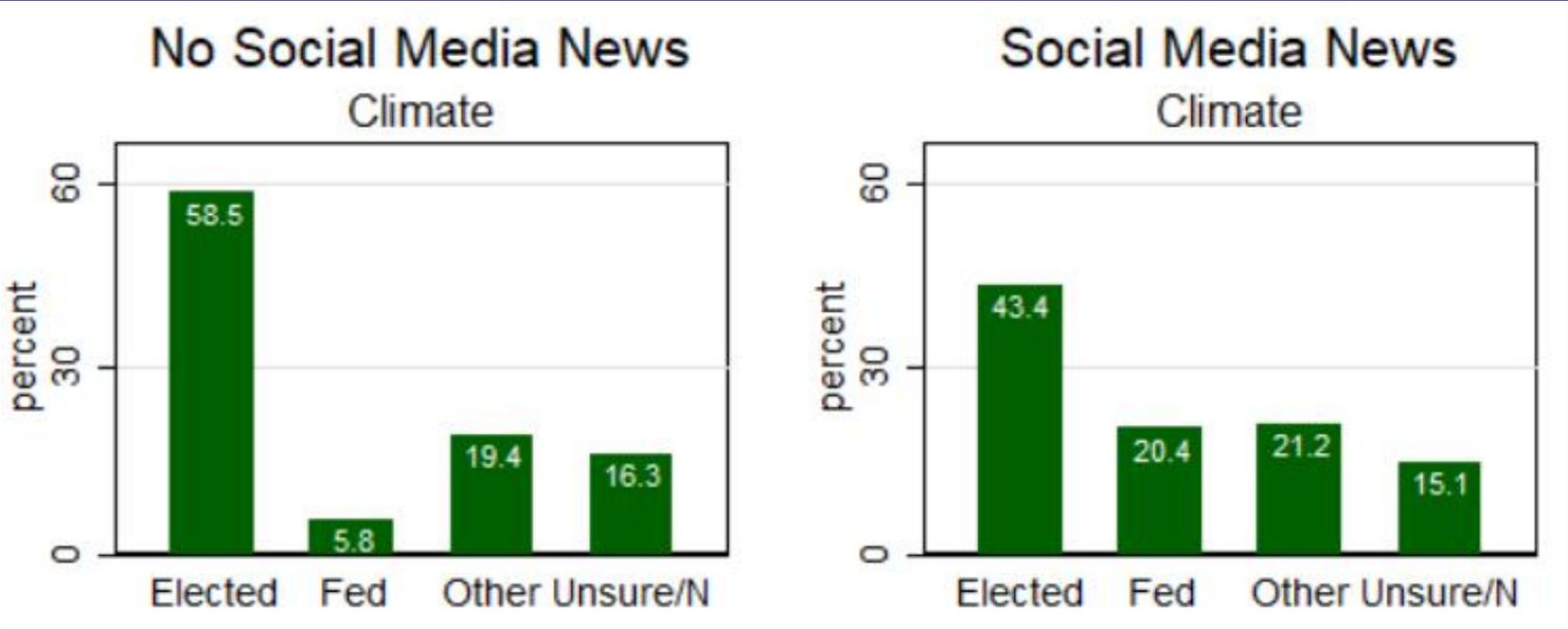
# RESPONSIBILITY FOR CLIMATE POLICY



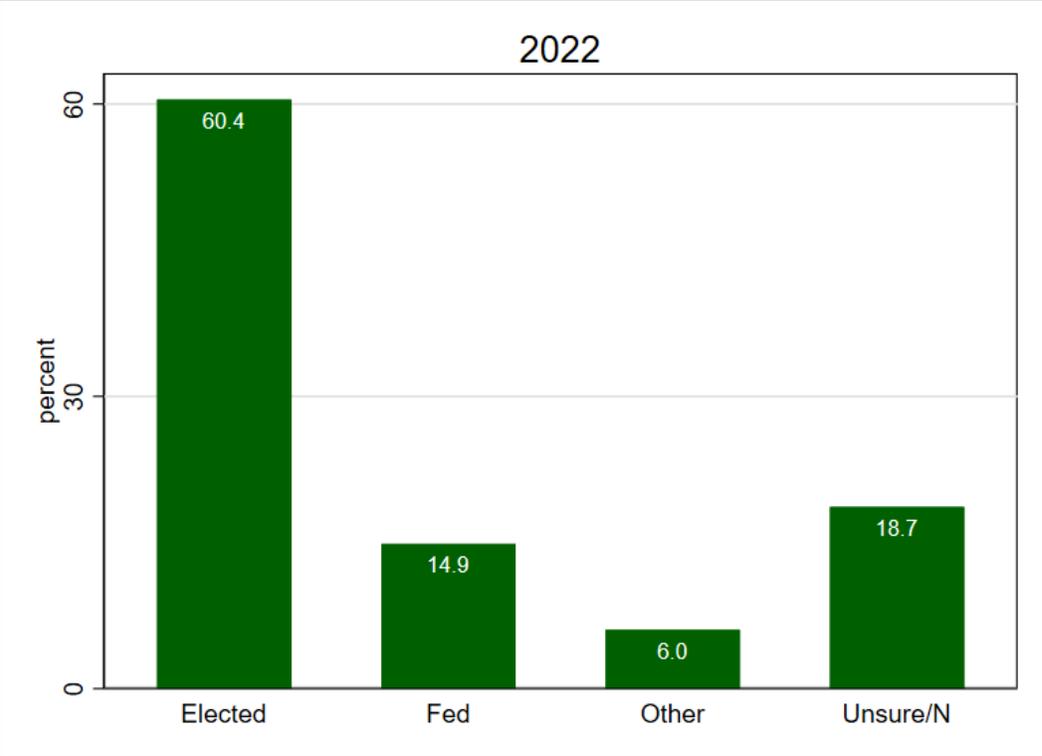
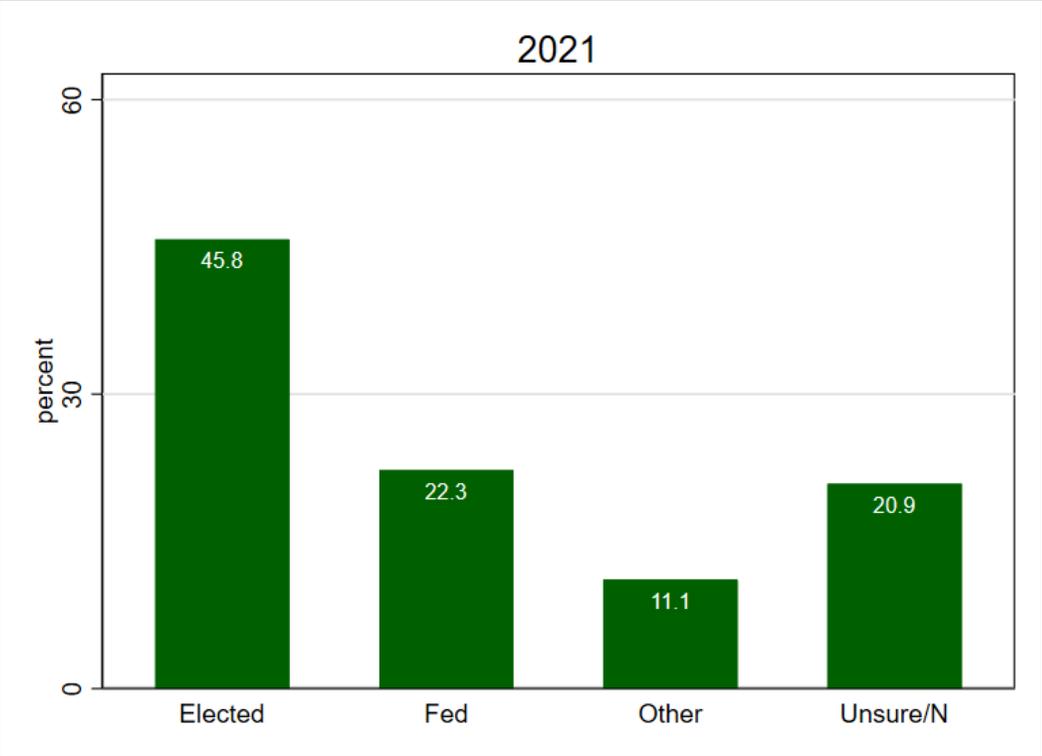
# 2021 BELIEFS BY EDUCATIONAL ATTAINMENT



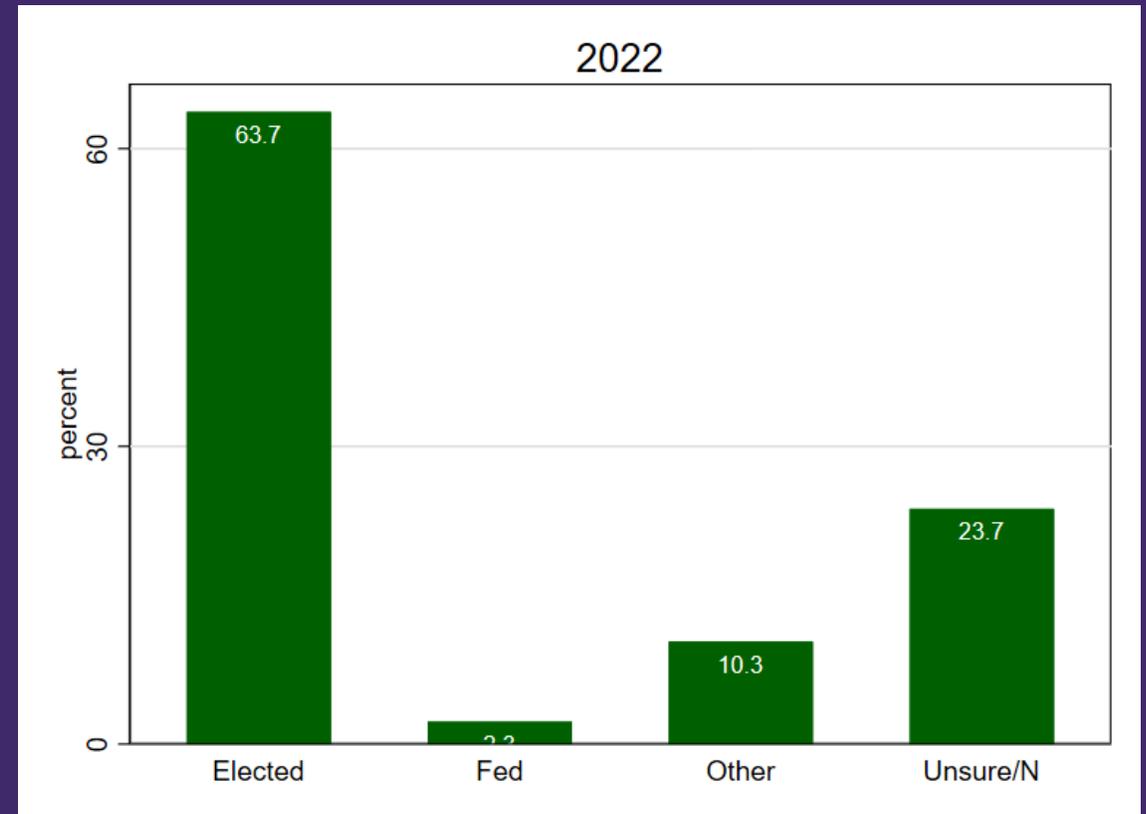
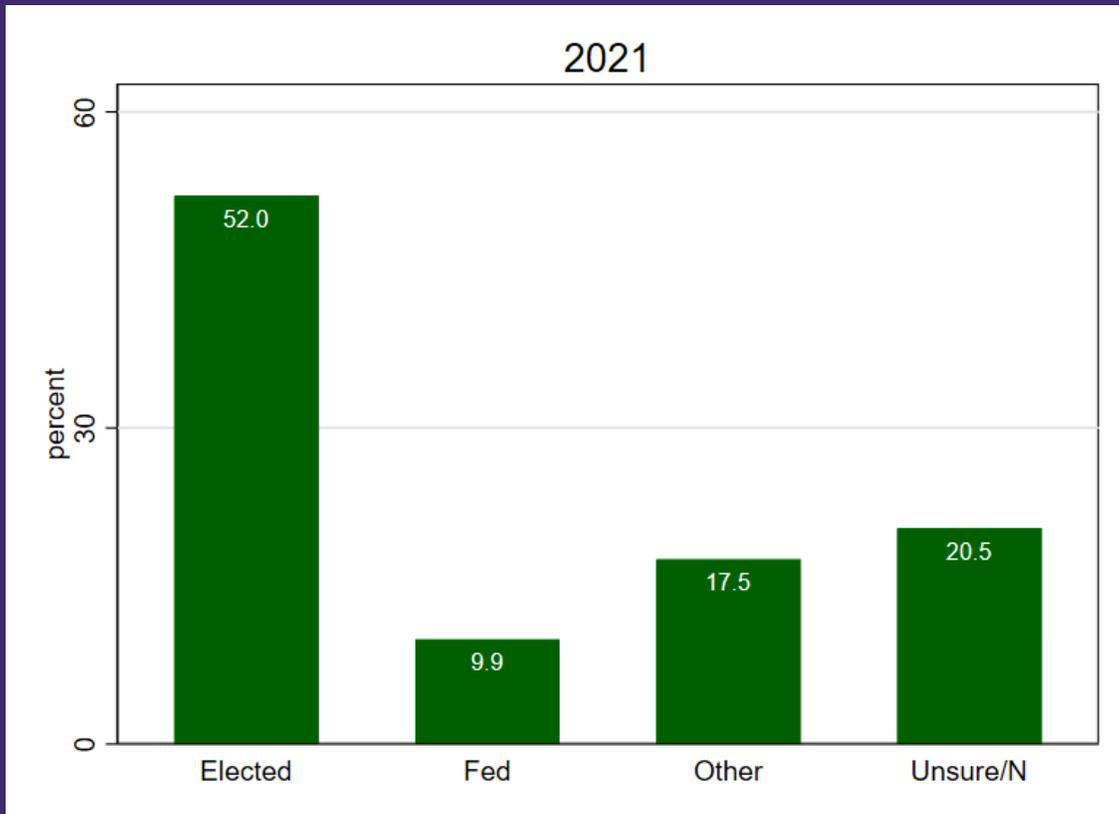
# 2021 BELIEFS BY SOCIAL MEDIA CONSUMPTION



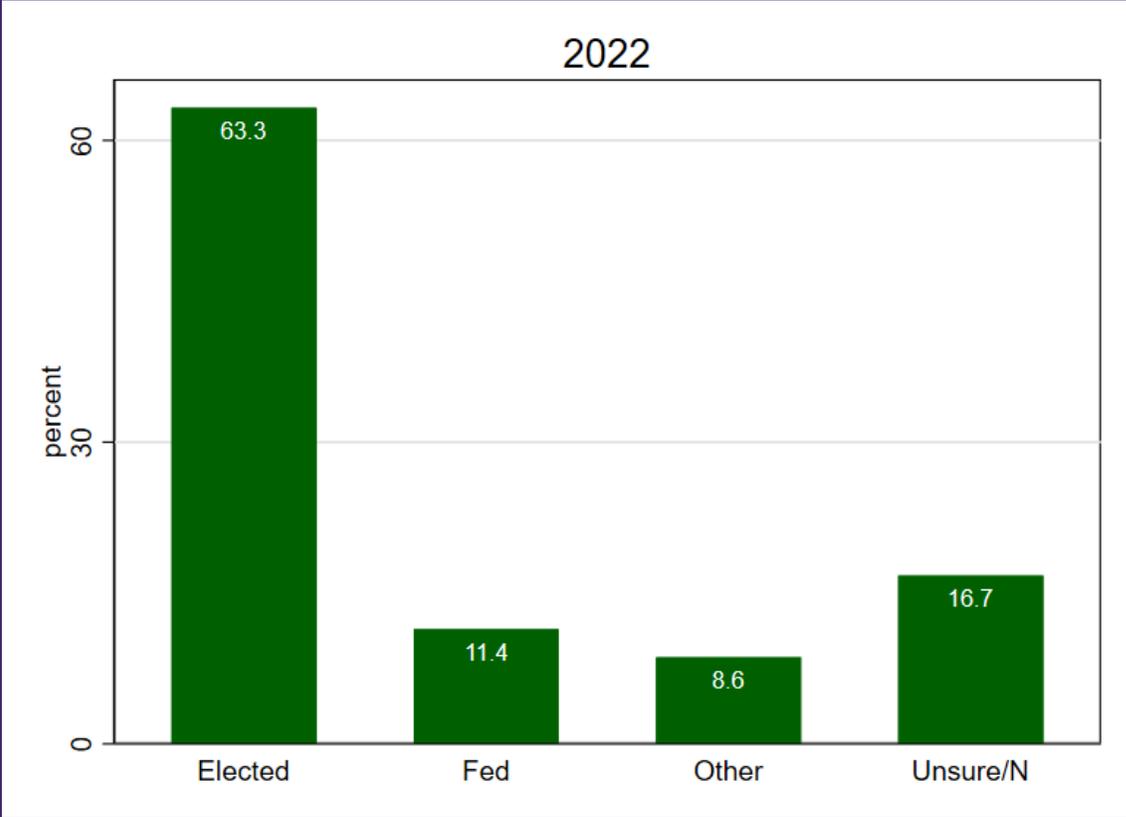
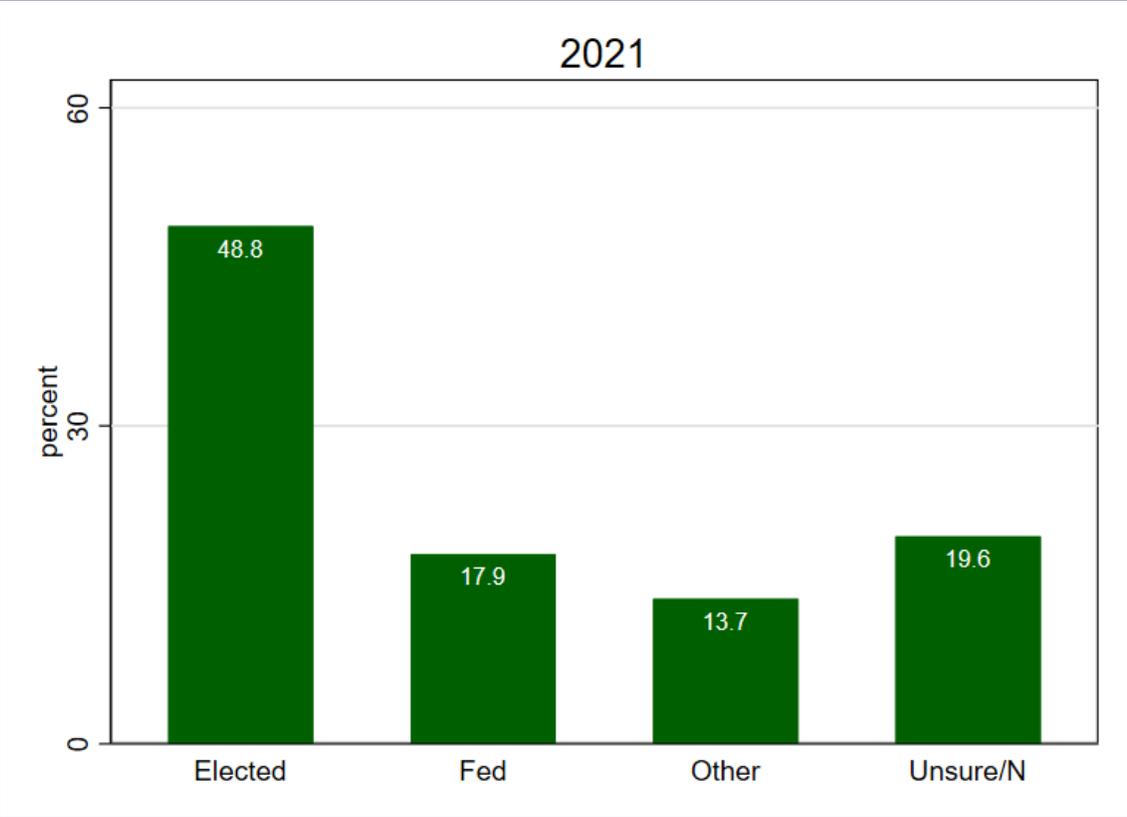
# RESPONSIBILITY FOR ECONOMIC INEQUALITY



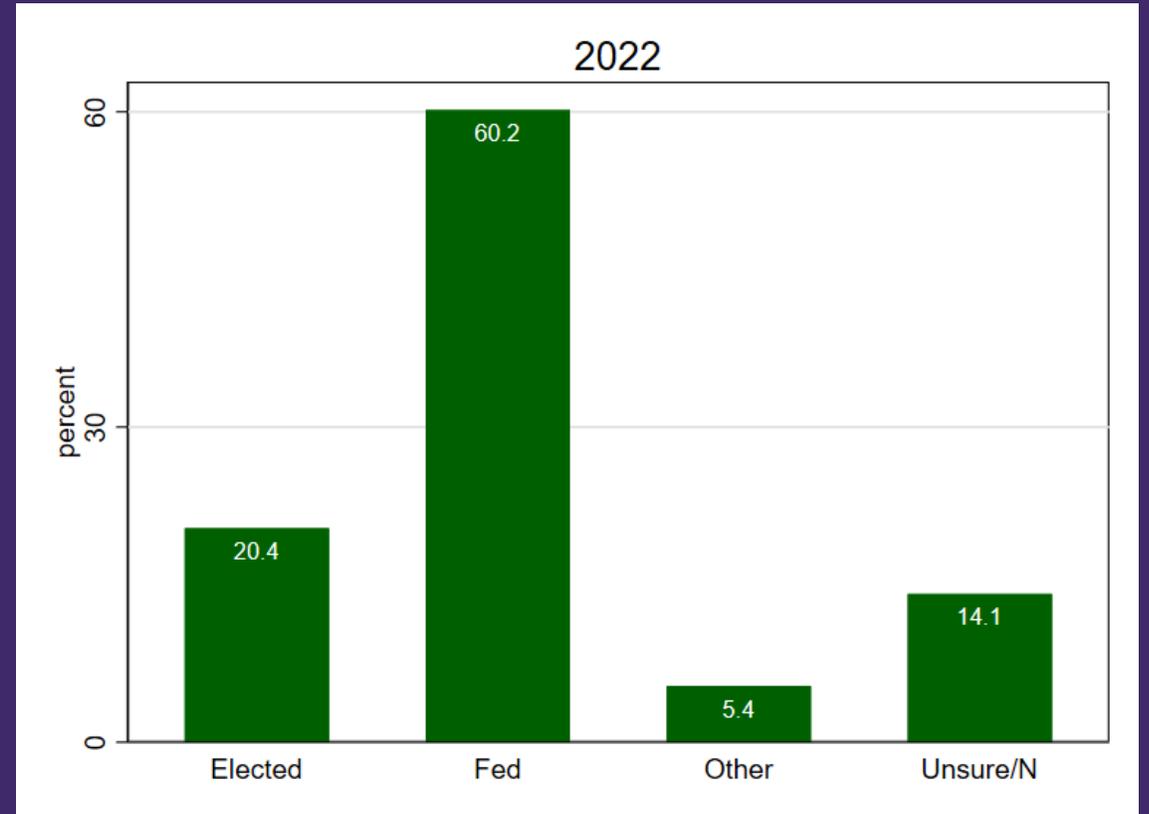
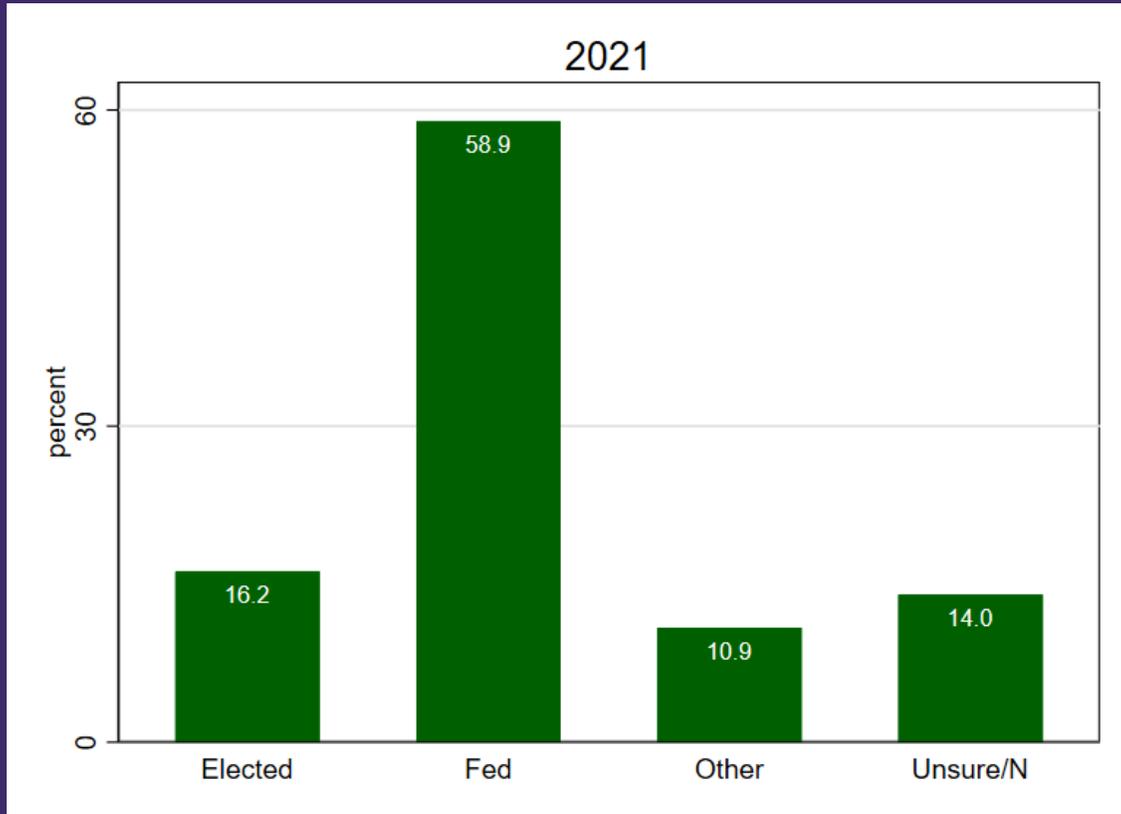
# RESPONSIBILITY FOR GENDER INEQUALITY



# RESPONSIBILITY FOR EMPLOYMENT



# RESPONSIBILITY FOR PRICE STABILITY



“Trust and independence must be earned by evident competence and institutional restraint... But a popular movement wants all institutions of society to jump into the social and political goals of the moment, regardless of boring legalities...

... Those constraints, of course, are essential for a functioning democratic society, for functioning independent technocratic institutions, and incidentally for making durable progress on those same important social and political goals.”

(John Cochrane)