

The Central Bank of the Future: Opportunities and Challenges

**51st OeNB Annual Economic Conference
in cooperation with SUERF**

Vienna, Austria & hybrid
June 10-11, 2024

CALL FOR PAPERS

Submission deadline: March 13, 2024

SUERF - The European Money and Finance Forum and the Oesterreichische Nationalbank (OeNB) invite paper submissions for the **51th OeNB Annual Economic Conference**, jointly organized with SUERF – The European Money and Finance Forum, which will take place in hybrid format in Vienna on 10-11 June 2024, on the topic **“The Central Bank of the Future: Opportunities and Challenges”**.

Conference motivation

Central banks are currently facing a number of substantial challenges and their various business areas, like in many sectors of the economy and in economic policy making, are undergoing fundamental structural changes. Among other themes, central banks face strategic questions such as: What will be the future monetary policy toolkit, once a “new normal” has been reached, with inflation back to established inflation targets, while the geopolitical and economic environment will likely remain challenging? How will the digital transformation and AI affect monetary policy? How to deal with persistent high uncertainty in an age of polycrises – how is monetary policy affected, what role for central bankers as risk managers? Are central bank finances relevant for central banks’ independence and their ability to deliver on their price stability mandate? How to deal with central banks’ strongly expanded de iure or de facto scope of responsibilities – what implications might “mission creep” have on democratic accountability and central bank independence? What are the interrelations between monetary policy and structural changes, do central banks have a role in facilitating certain structural reforms?

The conference participants are a mix of policy makers, high-level experts and academic researchers. The aim is to stimulate a discussion that will appeal to both the academic and policy-making communities.

We welcome **scientific theoretical and empirical papers which fit into one of the following themes:**

- **Central banks as risk managers during uncertain times**

The rise in inflation from 2021 onwards took everyone by surprise and showed once again how increased uncertainty and its multiple sources affect the decision-making of households, financial markets and policymakers. In such situations, central banks are expected to manage such unpredictable risks by acting as risk managers, while at the same time considering the implications of their actions. To do this, it is imperative that central banks have a clear assessment of relevant variables that are difficult to measure in real time. Therefore, we are interested in papers that present progress on:

- i. What are new developments in estimating potential output or the output and employment gaps, or the natural rate of interest?
- ii. What are the implications of different sources of uncertainty for macroeconomic forecasting and policy making based on such forecasts? What is the role of non-traditional models and data in forecasting under uncertainty?
- iii. Do transmission channels change in times of high uncertainty and how? How can central banks address changes in the transmission mechanism and stabilise expectations when uncertainty is high? What is the relationship between uncertainty, financial markets and financial stability risks?

- **What instrument toolkit for the new normal?**

After several years of using unconventional monetary policy instruments, most central banks find themselves in a situation characterised by significantly enlarged balance sheets. However, the change goes beyond the sheer size of these balance sheets compared to pre-crisis levels. The regulatory landscape has changed and (related to this) there is a potential shift in banks' preferences towards predominantly collateralised money market operations. There is also a shift in the balance of power between the banking and non-banking sectors. This raises the question of how the operational framework for monetary policy should be designed in the future to effectively manage these changes. We would welcome contributions on the following topics:

- i. Analysis of monetary policy instruments (including reserve requirements) and their impact on the economy
- ii. Assessing the different effects of operational frameworks on central banks' profitability
- iii. Assessing the capabilities of different operational frameworks at the effective lower bound.

- **Shaping the future: Global structural changes and monetary policy**

The world is changing. This period of change is characterised by several interrelated global structural shifts that are reshaping our societies and economies. Key factors contributing to this transformation include climate change and the green transition, geopolitical divisions and global fragmentation, changes in production structures and demographic shifts. This session aims to explore the implications of these global structural changes for central banks and monetary policy. It seeks to answer questions about the adaptability of central banks in the face of these challenges and their potential role in influencing structural change and thereby shaping the future. For this session, we invite papers that focus on the following areas:

- i. What are the implications of climate change for monetary policy? What role can central banks play in supporting a sustainable and green transition?
- ii. How will geopolitical divisions and global fragmentation affect international monetary relations and monetary policy? What are the implications of a fragmented world for financial stability?
- iii. Changes in production structures or supply chains: How will shifts in production structures and supply chains affect monetary policy? How can central banks address vulnerabilities and promote resilience to global supply chain disruptions?

Please **submit your (draft) paper** by e-mail attachment in pdf format to suerf@oenb.at by March 13th **cob 2024**. Papers published prior to the conference are not eligible, working/discussion papers are eligible.

Timeline:

Paper submission deadline	March 13, 2024
Notification of acceptance (only authors of accepted papers will be notified)	April 23, 2024
Paper presentation	June 10-11, 2024 Vienna

Submitted papers will be assessed by a **jury of OeNB researchers**.

Selected papers will be invited to be presented at the conference in Vienna and will be **shared among all conference participants**, including policymakers, top academics and financial practitioners from around the world, as well as posted on SUERF's conference website. Only authors of accepted papers will be notified.

Authors of presented papers will be invited to publish a short policy-oriented version of their paper as a SUERF Policy Brief.

In the event of onsite presentation, the OeNB will pay for **accommodation and travel costs** (economy class) of the presenting author if the presenter's institution cannot cover these costs. Speakers from central banks, financial and policy institutions are expected to cover their costs in full.