

## **Panel 3: Monetary Policy**

### **Introductory Comments by William White**

First, let me thank the BIS for the honor of being asked to chair this panel with such distinguished participants, some of whom are also old friends.

Second, let me say what a pleasure it is to be here to pay homage, along with so many others, to Claudio's remarkable contribution to "the art of central banking". And note, moreover, it is a contribution that has been sustained over many decades. While Claudio has commented on virtually every aspect of central banking, the topic of this panel – monetary policy – has always been central to his work. And if there has been one central theme linking together all his work on monetary policy it is that monetary policy actions should be sustainable over time. Fixing today's problem at the cost of making tomorrow's problem worse is not a sustainable solution. Put otherwise, quick fixes often come with unintended consequences. I am sure we will hear more about this from Claudio later this afternoon.

Let me make a broader point focusing on the wide range of Claudio's talents. I came to the BIS in 1994 and soon after became the Economic Adviser and the Head of the Monetary and Economics Department. I had the good fortune to work closely with Claudio for fourteen years until my retirement from the BIS in 2008. I greatly appreciated Claudio over all those years, not only for his intellectual insights and his capacity to rigorously defend his policy positions, but also his outstanding administrative and organizational skills. Under Claudio's leadership, research at the BIS advanced remarkably in both quantity and quality. And let me also draw attention to his drafting skills. I would say they were better than anyone else who has ever worked for me, and I have now been supervising such work for a very long time. Claudio writes beautifully in English, and I would remind the English speakers in particular

that English is only his third language. Finally, let me say that I not only admired Claudio, but I liked him a lot. And I still do.

At last, let me turn to the substance of monetary policy, the topic of this panel. It seems to me that this is a particularly difficult time for central banks and central bankers. After the sudden upsurge of inflation during the pandemic, not yet fully defeated, they now face growing political and geopolitical disorder as well as the need to confront the many economic and financial imbalances built up during decades of ultra-easy monetary policies. Moreover, it seems likely that the many forces acting to suppress inflation in the past are now going into reverse. If so, it could be more difficult than in the past to “kick the can” of easy money just one more time.

Fortunately, we have a panel of experts capable of evaluating these challenges and perhaps even charting a way forward. While somewhat at odds with the order in your printed program, let us begin with Isabel Schnabel who is a member of the Executive Board of the European Central Bank.