

Remarks at the Peterson Institute for International Economics Conference on Central Bank Independence

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Conventional wisdom: independent monetary policy is an institutional arrangement that has served society well

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What **more** can we learn from empirical research?

Empirical research provides **answers** on

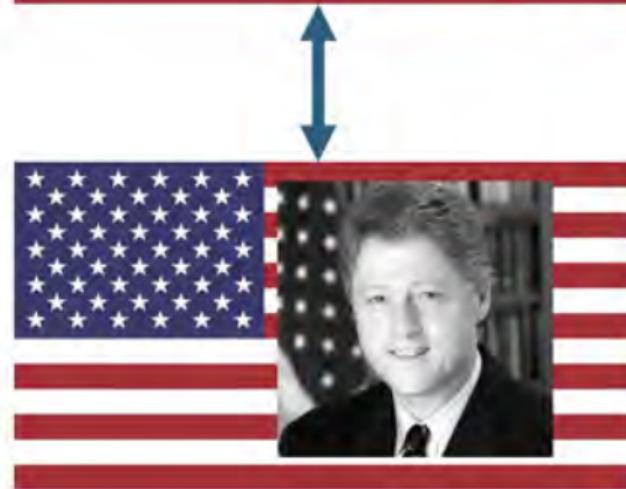
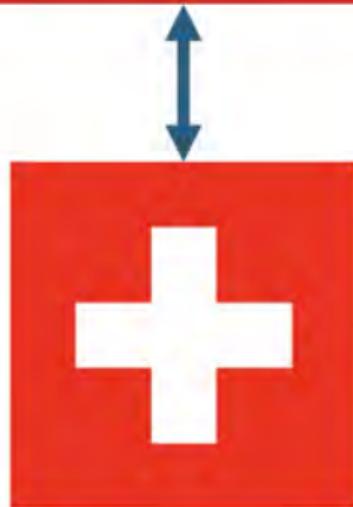
1. Quantitative magnitudes
2. Economic mechanisms

→ See e.g. [Bianchi et al. \(2023\)](#), [Drechsel \(2025\)](#)

Empirical research also raises important **questions**

→ Below I present 4 questions relevant for today's discussion

Question 1: What are good comparisons?



Question 2: Is the United States special?

The US is the center of the global financial system and provides the global reserve currency

If Fed independence is eroded,
does the role of the dollar ...
help?
or hurt?



Question 3: Central bank independence vs. monetary policy independence



“Overuse of nonstandard policies, mission creep, and institutional bloat are threatening the central bank’s monetary independence.”

Treasury Secretary Scott Bessent in *The International Economy (Spring 2025)*

Question 4: How are transparency and accountability related?

Transparency = being open

Accountability = being answerable

Are they substitutes or complements?

Does one necessarily lead to the other?



Summary of questions

1. What are good comparisons?
2. Is the US special?
3. What are the differences between central bank independence and monetary policy independence?
4. How are central bank transparency and accountability related?

Bibliography

References

BIANCHI, F., R. GOMEZ-CRAM, T. KIND, AND H. KUNG (2023): “Threats to central bank independence: High-frequency identification with Twitter,” *Journal of Monetary Economics*.

DRECHSEL, T. (2025): “Estimating the effects of political pressure on the fed: a narrative approach with new data,” *Working Paper*.