

Shadow Monetary Policy Committee

30 October 2020

Shadow Monetary Policy Committee votes unanimously to Hold Bank Rate in November and rejects proposals for negative interest rates.

In its meeting of 13th October 2020, held by video-conference due to ongoing COVID-19 restrictions, the Shadow Monetary Policy Committee (SMPC) elected, by a vote of nine to zero, to hold rates in August. One member favoured extending Quantitative Easing (QE) before the end of this year. Three favoured reducing QE once recovery is established.

Current circumstances are especially uncertain, given the apparent commencement of a Second Wave of coronavirus infections and subsequent extension of “Tiering” restrictions in the UK and introduction of national lockdowns in other European countries. There was some debate on the committee regarding the implications of this. Some members felt that concerns about unemployment rising well above 10% have been exaggerated and that a peak below 7% is more plausible. Others noted that sectors most hit by lockdowns and other restrictions tend naturally to be those that are more labour-intensive and questioned the economic meaningfulness of a distinction between “furlough” and unemployment.

There was general agreement on the committee that negative interest rates have no clear rationale at this time. Aside from the general point that the current crisis is a paradigmatic supply shock and especially unsuited to offsetting by monetary policy, there has in any event been a large recent rise in the money stock. Eventually that rise might create inflationary pressure but they are best addressed at a later stage.

The above debates notwithstanding, however, the Committee agreed that policy should not change.

The SMPC is a group of economists who have gathered quarterly at the IEA since July 1997, with a briefer e-mail poll being released in the intermediate months when the minutes of the quarterly gathering are not available. That it was the first such group in Britain, and that it gathers regularly to debate the issues involved, distinguishes the SMPC from the similar exercises carried out elsewhere. To ensure that nine votes are cast each month, it carries a pool of ‘spare’ members. This can lead to changes in the aggregate vote, depending on who contributed to a particular poll. As a result, the nine independent and named analyses should be regarded as more significant than the exact overall vote.

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Minutes of the meeting of 13 October 2020 (Held by Video Conference)

Attendance: Philip Booth, Tim Congdon, John Greenwood, Julian Jessop, Graeme Leach, Andrew Lilico (Chair), Kent Matthews (Secretary), Patrick Minford, Peter Warburton, Trevor Williams.

Apologies: Juan Castaneda

Chairman's comments: Andrew Lilico welcomed the members to the second online conferencing meeting of the SMPC and invited Julian Jessop to make his presentation.

The Agenda

Julian Jessop set out the Agenda for his presentation, which will begin with the global economy and the UK economy in context, and then move on to the UK economy which will be separated into a view of overall activity, the labour market, and how far unemployment might rise in the coming months, inflation, and money and credit. As the special topic he said that he will discuss negative interest rates and whether they will do harm or good.

The Global Context

Global economy is growing again.

Julian Jessop pointed to the first slide of his presentation plotting global PMI against GDP. He said that while there are problems with PMI data it is one of the few timely data available. What the data suggests is that the global economy is growing again. The recovery slowed in September, but there has been a bounce back even if it not yet a strong one.

UK economy hit hard in the downturn but relatively strong recovery

He said that looking at the GDP figures, the UK has been hit relatively hard, along with France, Italy and Spain. The figures have been dragged down by the way the ONS has been recording, the public sector, health care, education and other activity, which accounts for some of the difference. Even allowing for these differences the UK was hit hard in the downturn. The flipside is that the UK has shown a relatively strong recovery at least based on the PMI data.

Rapid broad money growth

The other global development is that the world is awash with broad money. The acceleration in the USA and the UK has been particularly dramatic. China and India have had strong monetary growth for some time but elsewhere there has been an acceleration.

The UK economy

Economy has more momentum in August and September...

Turning to the UK, Julian Jessop said that there was widespread disappointment with the August GDP figures. The latest official UK GDP data suggest that the recovery was running out of steam in August. GDP is still 9 per cent below the pre-pandemic level. Many people think that this is evidence that the 'V-shaped' recovery is petering out. He said that he was less convinced of this view, and that he was wary of the GDP data that has various problems of collection, seasonal factors, and the split between value and volume. Other indicators suggest that the economy has some more momentum in August and September, including the ONS survey of business turnover. He said that he was not convinced that August marked the end of the 'V-shaped' recovery as some commentators fear .

UK slower into the first lockdown

Julian Jessop said that looking ahead, the biggest uncertainty is the impact of the lockdowns. He said that it is difficult to capture the impact in a single number and the best attempt anyone has made is the government response stringency index. Plotting this index against similar measures for European countries shows that

the UK was slower into the first lockdown and has persisted with the restrictions longer than the other countries. This may continue to drag on the economy for longer than otherwise would be the case.

Growing headwinds?

Furthermore, there are a number of headwinds. The new wage subsidies are less generous than the Job Retention Schemes. The government is moving away from the one size fits all thinking, but other support is being made available and being stepped up, targeted by sector, geographic area, and age. Restrictions are being tightened again, but these are also better targeted than in the first lockdown. The impact is also mainly social rather than on economic activity which will have welfare costs but they do not prevent shopping and work activity. However, anything that makes consumers and businesses nervous will drag on the economy. Surveys suggest most people welcome the new restrictions. Also talk of tax rises can be a drag on economic activity as households increase their precautionary saving. He said that however, he was not convinced that the economy is going into a double-dip.

Retail footfall is slipping again

The survey of weekly footfall, which provides timelier data has shown a steady recovery but has tailed-off in the last few weeks. The figures could be exaggerated by the wet weather and the consequent renewal in online spending. But the slowdown is also consistent with the new restrictions coming into effect.

The Labour Market

Unemployment data unreliable...

Moving on to the labour market, Julian Jessop described the data as a 'dog's breakfast'. The ONS has also updated the weights in the Labour Force Survey resulting in a larger fall in employment but that has been largely offset by an increase in economic inactivity. People were dropping out of employment but they were not being counted as unemployed because of furlough and discouraged worker effects. He said that the new method means that there is no single monthly figure as yet, but that the best guess was that unemployment was about 5% in August alone. The claimant count is also less useful with the change in the eligibility rules.

... but payroll data more useful.

The best measure he said was from the payrolled employees from PAYE data. This is hard data from companies and is also timely in that there is data for September. These suggest that UK payrolls have fallen by 673,000 between February and September with the largest fall taking place in April and May. There was a tiny increase of 20,000 in September which is consistent with the notion that after the initial shock, the labour market has stabilised a little.

Julian Jessop said that a bit more positive news is that surveys suggest that hiring is recovering, while the pace of job losses is actually falling. He said that job ads were beginning to pick up and the equivalent of the PMI survey for recruitment has rebounded.

Unemployment range from 6½% to 9½%.

The implication for unemployment can be gauged from a 'top-down' approach or a 'bottom-up' approach. The 'top-down' approach is the method taken by the MPC. In August, they said that they expected unemployment to rise to 7½% (an increase of 1 million to 2½ million) by the year end. They get this by assuming that GDP will be 5.4% below its pre-Covid level and then apply an Okun's Law formula. If there is no GDP growth from August, the GDP gap would rise to greater than 9% and unemployment would rise to 9½%. A more optimistic scenario is a stronger recovery leaving GDP 4% lower resulting in a peak in unemployment of 6½%.

Forecast under 7%...

He said that looking at it the other way around, in terms of who is at risk of losing a job, there are perhaps 2-2½ million on furlough. The vulnerable sectors, such as accommodation and food services, and arts, entertainment and recreation account for 3 million jobs of which 1¼ million were furloughed at the end-July. Estimates that one million can lose their jobs are plausible. Even if they find new jobs, a net loss of one million jobs would take unemployment to 7¼%. He said

that he was optimistic about the economy and he was sticking to his forecast of a peak below 7%.

Inflation, Money, and Credit

Inflation well below 2% but inflation expectations rising...broad money growth rising steeply

Julian Jessop said that inflation is well below 2% and the August CPI was 0.2% year-on-year. He said that although that is not a surprise given the collapse in demand, there are also data collection problems and shifts in the basket of goods that people are buying. He said however, that the distortions are likely to be small. He added that there is anecdotal evidence of sharply rising prices but there is little hard evidence of this. Low inflation is also evidenced in the online prices collected by the ONS. None the less, inflation expectations are picking up. The YouGov-Citi inflation expectations measure has jumped on recent data so that people are thinking about inflation in the longer term. He said that he would like to think that the recent trend in broad money growth was the reason for this. M4X has accelerated sharply in the last few months. Consumer credit has also bounced back, and mortgage approvals have also soared. There is no evidence that the availability of credit or the price of credit is holding back the housing market.

Negative interest rates

Negative interest rates? ... more trouble than they are worth.

The Bank of England is exploring the possibility of setting negative interest rates. Julian Jessop said that he was sceptical but persuadable. He said that it makes sense to explore the option as it is part of the toolbox of instruments but, his instincts are that negative interest rates are more trouble than they are worth. The benefits of cutting interest rates when rates are already so low would be very small. Bond yields are already negative and there does not seem to be a problem of the availability of credit. Companies and households are being helped by the government-BoE loan schemes and mortgage holidays.

Against the very small benefits of cutting rates are the costs of doing that. There is the damage to bank margins, given their reluctance to charge their customers for deposits, as well as adverse effects on confidence and inflation expectations. In Japan, negative interest rates have been accompanied with expectations of deflation. There is an issue of causation because the Bank of Japan may have cut interest rates in response to expectations of deflation. But there is little evidence that negative interest rates have led to an increase in inflation expectations. Scandinavian studies have found some evidence of pass-through of negative interest rates to corporate borrowers but not household borrowers. He said that it was not obvious that this is relevant to the UK where the issue is the quantity of credit rather than the price of credit.

The ECB has set its overnight deposit rate at $-1/2\%$ and is also lending money at a negative interest rate. This is the targeted longer-term refinancing operations rate which can be as low as -1% . It is also worth noting that the ECB main refinancing rate remains at 0.0% . He added that it is significant that only a small number of central banks have set negative rates – often those worried about currency strength which does not apply to the UK.

Prospects for the economy are not as bad...

In conclusion, Julian Jessop said that he had four key points. He said he was still relatively optimistic and that the prospects for the economy and unemployment are probably not as bad most people seem to fear. He said that there is already a huge monetary and fiscal stimulus in place. From the MPCs perspective short term activity is not the focus and that it should be the medium- and longer-term outlook for inflation. While inflation is low now, the longer-term risks may be building with the surge in money growth. Finally, the case for cutting interest rates below zero remains unproven. He said that he quite likes the idea of paying banks to lend more but not charging them to deposit.

Discussion

Andrew Lilico thanked Julian Jessop and said that he raised a number of important points which can be probed further in discussion. However, before that happens he said he was conscious that Patrick Minford had to leave the online meeting and asked him to provide his views and following him, Philip Booth had to leave and so his views and vote would be taken next.

Patrick Minford thanked Julian Jessop for his presentation and said that he shared his view that the recovery is 'V-shaped'. He said there has been a slowing down in recent months but the economy is 5% below the pre-Covid point and he felt that it should recover that before the end of the year. He said that 2021 will see the economy return to something that we are more used to, which is the background for the discussion of monetary policy. He said that we need to prepare ourselves for re-entry and that he worried that the Bank will go on flogging the virus loosening policy till the bitter end.

Debt maturity must be increased to spare the taxpayer

He said that he was against any further loosening of monetary policy but also that an expansionary fiscal policy had to be included in the frame in getting rid of the zero-lower-bound. Also the government needs to extend the maturity of debt, to keep the taxpayer out of the picture for the huge corona-virus support programme. He said that there was a lot of material coming out of the IFS and implicitly the OBR about future tax rises. Tax rises would be a very bad idea. Debt should be reissued on a perpetuity basis and the Bank encouraged to get rid of the debt it is holding out of the public sector and into the private sector so that the costs to the taxpayer are kept down. He said that looking forward, the banks had had regulation holding back their lending and this has been removed as a result of the coronavirus loosening. Which means that money has to be tightened in the recovery and fiscal policy kept positive, while locking in the low interest rates so as to minimise the impact on the tax payer.

Second lockdown could see a double-dip

Andrew Lilico thanked Patrick for his views and turned to the discussion of the presentation. He said that he was more pessimistic on unemployment than Julian. First, a second lockdown could mean a further drop in GDP and second, the sectors impacted are the more labour intensive ones which means that the employment effects are going to be more than the average for a given reduction in GDP. Julian Jessop responded that if we go back to the same type of lockdown as the first one, he would expect the job retention scheme to be restored which will disguise the unemployment effect. On the second point he said that the sectors most affected also employ younger people. Ironically this being a low pay sectors will have less of an impact on the economy in the short term than if it affected the high pay sector. The young also have other options and can become economically inactive so measured unemployment does not rise as much.

UK is a price taker in the global capital market...

Andrew Lilico invited Philip Booth to express his views. Philip Booth questioned Patrick Minford's stance on fiscal policy. He said that Patrick Minford had always taken the position that the UK government borrows at the world rate of interest. The UK is a price-taker in this market unless the borrowing is so large that the UK becomes a credit risk, the interest rate cannot be influenced by the quantity of UK borrowing. On the prediction that long term interest rates will rise, Philip Booth says he takes no position on the forecast on interest rates and that Patrick Minford may well be right but in keeping with the Efficient Markets Hypothesis, it is hard to say which way the interest rate will go. He said that the current problems cannot be solved by monetary policy. Patrick Minford said that we have seen that an active policy of QE has depressed gilt yields. He said that under UIP we can raise real rates above world rates which would raise the real exchange rate, which would also go towards tightening the economy.

Trevor Williams said that the effects of negative interest rates are not only in the way Julian Jessop described them. He said that there are surely confidence effects from knowing that zero or negative interest rates can be locked in over a longer period of time. Julian Jessop said there may be disproportionate effects of

Negative yields on bonds is different from negative interest rates on deposits

a reduction in rates that remained positive and a cut that moves from positive to negative, but the effect on savers, and the signalling of a desperate policy move could have larger negative effects on confidence. Trevor Williams said that post-pandemic, the experience has been one of negative real interest rates as price inflation fell and the supply was hit, and so it is not the concept of negativity that is the issue but more of nominal rates being negative. He added that Julian Jessop had not mentioned Brexit in his presentation and what this would mean for the economy. Julian Jessop said that there is a difference between a negative yield on a bond where there is a positive coupon payment but a lower redemption value than par than in the case of a negative interest rate where savers have to pay banks to keep their money. On Brexit, Julian Jessop said that whether the impacts are positive or negative the effects are small beer compared to the health crisis. Any negative effects in terms of labour shortages or travel disruption will be trumped by the pandemic. More positively he said that he expected a thin trade deal, which will result in a small relief rally and a pick up in confidence.

Buying assets from the non-banks creates deposits

Andrew Lilico said that he was unclear what problem the negative interest rate is meant to solve as the point was made in the presentation that the economy is awash with liquidity. John Greenwood said that he wanted to relate the experience of Japan on negative rates. He said that in both Europe and Japan the move to negative interest rates came after money growth was too low for too long. The central banks generally think in terms of interest rates rather than the quantity of money. Instead of taking measures such as QE they first think about cutting interest rates. Buying assets from the non-banks creates deposits. The mistake Europe and Japan have made is that they don't have non-banks as counterparties to the central banks. In the USA the Fed interacts with non-banks through the New York Fed which buys assets from the non-banks. The effect of this was seen when the Fed tried to reverse QE, the commercial banks reduced their lending. In Japan and Europe, almost all the purchases of bonds are done through the banks which amounts to an asset swap and does not encourage banks to lend. He said that negative interest rates are a *cul de sac* that we should not go down.

Tim Congdon said he agreed with the question that asked what is the point of negative interest rates, when the money supply can always be increased through the central bank purchasing assets from the non-banks? He said that he understood Patrick Minford's point about trying to lock-in the current low interest rates on debt. However, if the banking system as a whole sells debt to the non-banks, they in turn pay for it by reducing their deposits and then end up destroying money. He said that a switch between maturities would be ok but selling bonds to the non-banking system as a whole would be a reversal of QE.

Graeme Leach said that it is amazing that negative interest rates are still being discussed when there is double-digit growth in the money supply. Given the high growth in the money supply, he said that there has to be a good story about why we are not looking at reversing QE and that story is missing. He said that anecdotal evidence is that shopping prices have risen.

Rational expectations of a rise in bond rates can result in a sharp rise in interest rates.

Kent Matthews said that he was unclear about Patrick Minford's argument about locking in low interest rates on government debt to spare the tax payer. By aiming to offload the Bank's holding of bonds onto the private sector, an expectation of future interest rates are created and he saw no evidence of this being reflected in expectations of interest rates. If the argument is that the non-bank sector is expected to absorb the Bank's holding of bonds, a rational expectations model would generate a sharp rise in bond rates as the demand for bonds would collapse. Indeed Patrick's book on rational expectations macroeconomics has a Blinder-Solow model, that generates an unstable path for interest rates in the case of a permanent bond-financed deficit. The model is solved only when the government switches to money financing and the inflation tax. He said that, that this is how governments have traditionally dealt with high debt. If the inflation tax is ruled out by monetary policy and inflation targets, he said he could not see how the tax payer could be insulated from future tax rises. Even in a world of low interest rates, the total debt service would be high simply because overall debt is

Unclear what
monetary policy
can do in a real
economy shock

high. He said that household sector surplus is offsetting the government deficit and that also explains why money growth is not feeding into expenditure as households have increased their savings.

Andrew Lilico said that if there is a rapid growth in money supply and a fall in GDP, the money is eventually going to end up somewhere, either in asset prices or inflation. He said that Julian Jessop was sanguine about unemployment and he was also sanguine about the general economic condition. Another scenario is that the corona-virus worsens and we end up with more lockdowns and increased deaths resulting in a further loss of confidence. The government published the model predictions that underpin the new measures of covid deaths and infections that show deaths rising to 550 a day by the end of October which is half the peak in March-April. He felt that other scenarios that included further lockdowns or targeted lockdowns should have been examined. He said it is not clear what monetary policy can do in such a real economy situation.

Votes are recorded in order they were given

Comment by Patrick Minford

(Cardiff Business School, Cardiff University)
Vote: Hold and some Quantitative Tightening
Bias: to raise.

Patrick Minford said that the window from which the public sector can borrow at low interest rates with high maturities is going to close as we go into the new year. The Bank of England needs to get rid of this debt before the recovery happens. The public sector must avoid the refinancing problem by issuing longer maturity. The Bank should off load the debt before interest rates start to rise.

Comment by Phillip Booth

(St Marys University)
Vote: To Hold
Bias: No bias

Phillip Booth said that none of the problems the economy faces today can be solved by monetary policy intervention. He said that his vote would be for no change to anything for the present.

Comment by Graeme Leach

(Macronomics)
Vote: To Hold
Bias: Bias to tighten

Graeme Leach said that given the state of uncertainty and given the risk of a further lockdown, there should be no change in policy. However, he said that he would record a bias to tighten.

Comment by Trevor Williams

(University of Derby, St Mary's University, and TW Consultancy)

Vote: Hold

Bias: Bias to increase QE.

Trevor Williams said that interest rates should be kept where they are. He said that more QE may be needed before the end of the year. He said that the government would have to do much more on the furlough schemes than what they have announced. Fiscal policy should be loose given the low cost of borrowing. He did not think negative rates are justified. He said that he expected a negative Brexit impact in 2021 and that was another reason to keep interest rates on hold and fiscal policy primed to do more.

Comment by John Greenwood

(Invesco Asset Management)

Vote: Hold Bank Rate. To continue with QE but at a lower pace.

Bias: No bias.

John Greenwood said that for clear thinking about the current situation it is helpful to separate fiscal from monetary policy. The Bank of England has been conducting a monetary operation whereby it has been buying securities to create money in the system and the government faced no problem in funding debt. It is important to ask where is that money being held? Initially the money is held by the financial sector. Because the government is doing a lot of fiscal support, some of the money is going to households. People are holding excess cash balances as their savings have increased and companies are holding money because of uncertainty. For these reasons, the lag between money growth and economic activity will have lengthened meaning that velocity will stay lower for longer. Perhaps by the middle of next year when the pandemic has begun to wane, and we have a vaccine, spending and confidence will return. The government has done a huge amount and can continue to run a 2-3% or higher budget deficit. So, in the short term the level of government debt is not a worry. Short bursts of QE may not do much to inflation. He said that China had two years of 25% money growth in 2009-10. The result was that inflation went up to about 6% over 2 years. In the UK we may experience 3-5% inflation over a 2-3-year period but he said that it is unlikely that there will be a big spike in inflation. He said that he was not in favour of an early rise in rates. The experience of the Fed and the USA suggest that the Bank needs to do QE but at a slower rate.

Comment by Julian Jessop

(Independent Economist)

Vote: Hold.

Bias: To tighten.

Julian Jessop said that with everyone else he saw no reason to change monetary policy. The amount of monetary support provided by the Bank of England is more than ample. He said he had a bias to tightening and would vote against cutting rates.

Comment by Peter Warburton

(Economic Perspectives Ltd)

Vote: To Hold

Bias: No bias

Peter Warburton said that what is happening is a stalemate or standoff which is very visible in the UK flow of funds in the second quarter. Household saving has effectively cancelled the additional borrowing by the public sector. He said that we need to think about the dynamic that is going to release the fiscal stimulus. He said that would have to be around an expectation that inflation is about to rise. If the expectation is that inflation is not going to rise, then people will be happy to let their savings sit. The price deflator for the UK market sector in the second quarter shows a 4% rise on a year ago, which is very different from the CPI. He said that there may be an inflation spike in the short run which will validate inflation expectations and the savings rate will plummet while household expenditure rises. He voted to hold.

Comment by Tim Congdon

(Institute of International Monetary Research, University of Buckingham)

Vote: Hold

Bias: No bias

Tim Congdon said that the key issue is when a vaccine will be available. If the vulnerable people are immunised by March next year, we can expect spending and activity to return to normal. At present people are scared and are holding higher ratios of money to wealth and income than they otherwise would. As things return to normal the ratios will return to normal. (In other words, the velocity of circulation will rise.) ~~and~~ If there is not a contraction in the money stock, there is going to be a boom and inflation. It is important to note that central banks do not think in these terms at all.

Comment by Kent Matthews

(Cardiff Business School, Cardiff University)

Vote: To Hold

Bias: to gradually reverse QE.

Kent Matthews said that he stood with everyone else on interest rates. Nobody wants to see a rise in interest rates at this point. He said that he could not see what monetary policy can do in this situation. He said that he is not in favour of lowering interest rates into negative territory. The point has been made that the increase in money is not dangerous because there has been a commensurate increase in money demand. He agreed that once people think that things are getting back to normal, then savings will fall, and expenditure will rise, and inflation increase. Currently he sees no sign of this. What we see is a change in relative prices not an inflationary rise in all prices. He said that he saw no purpose to increase QE as it is not doing what we think it should do. It is feeding into asset prices and not stimulating spending as households simply increase their holdings of money balances. While there is no purpose for further QE he said that reversing QE now would not be the right time. His bias would be for a gradual Quantitative Tightening as anything stronger could prompt expectations to price in a rapid rise in bond rates and the kind of result John Greenwood mentioned that US experienced.

Comment by Andrew Lilico

(Europe Economics)

Vote: To Hold

Bias: None.

Andrew Lilico said that he did not favour a change in interest rates or in QE. For a bias he said that he would like to see a modest Quantitative Tightening. He said that he was quite pessimistic about the GDP outlook. He said that he expected a second dip, but he expected some normalisation by the back end of next year either from many people having caught the virus, or as Tim Congdon said through the widespread application of a vaccine. When that happens, monetary policy may have a large role to play, but for now, do nothing.

Any other business

Nine votes will be taken although ten members attended. In keeping with precedent, the vote of the last person to join meeting will not be counted. This was Peter Warburton. His views are recorded in the Minutes

Policy response

1. There was unanimity that interest rates should be kept unchanged.
2. The majority view was there was no bias until a recovery takes place.
3. Three said that QE should be reversed once the recovery takes place.
4. One member said that QE should be extended before the end of the year.

Date of next meeting

14 January 2021.

Note to Editors

What is the SMPC?

The Shadow Monetary Policy Committee (SMPC) is a group of independent economists drawn from academia, the City and elsewhere, which meets physically for two hours once a quarter at the Institute for Economic Affairs (IEA) in Westminster, to discuss the state of the international and British economies, monitor the Bank of England's interest rate decisions, and to make rate recommendations of its own. The inaugural meeting of the SMPC was held in July 1997, and the Committee has met regularly since then. The present note summarises the results of the latest monthly poll, conducted by the SMPC.

Current SMPC membership

The Secretary of the SMPC is Kent Matthews of Cardiff Business School, Cardiff University, and its Rotating Chairman is Andrew Lilico (Europe Economics) and Trevor Williams (TW Consultancy, University of Derby, St Mary's University). Other members of the Committee include: Philip Booth (St Mary's University, Twickenham), Roger Bootle (Capital Economics Ltd), Tim Congdon (Institute of International Monetary Research), Jamie Dannhauser (Ruffer LLP), John Greenwood (Invesco Asset Management), Julian Jessop (Independent Economist), Graeme Leach (Macronomics), Patrick Minford (Cardiff Business School, Cardiff University), Akos Valentinyi (Manchester University), Peter Warburton (Economic Perspectives Ltd), Mike Wickens (University of York and Cardiff Business School),

Juan Castaneda (Institute of International Monetary Research and University of Buckingham).