Shadow Monetary Policy Committee

13 July 2021

Shadow Monetary Policy Committee votes seven to two to raise Bank Rate in July

At the July video conferencing meeting of the IEA's Shadow Monetary Policy Committee (SMPC), the vote was seven to two to raise the bank rate. Six members wanted it increased to 0.25% immediately and one to 0.5%. Two members, however, voted to leave it at its current level of 0.1% for the time being.

All SMPC members wanted QE to cease immediately, and seven wanted it to be reversed. Concern was expressed that QE was effectively 'accommodating' nascent inflation tendencies and distorting financial market behaviour. There was no agreement on when gilts should start to be sold by the monetary authorities but broad consensus that it should be in a manner that did not create negative feedback to the economy, banks or financial markets.

There was broad agreement that the economy was on a sustained recovery path – risks to its pace notwithstanding - and therefore that the looseness of the monetary policy stance could not be justified. The risks to inflation from the recovery were increasingly skewed to the upside. As a result, there was a unanimous view that rates should be raised over the year ahead in small increments to a rate consistent in the SMPC's perspective with the 2% annual inflation target in the medium term.

Members noted two other policy issues. One is that a focus on output gaps by policymakers seems to be leading to weaker expected future inflation in their forecasts than if they took more account of monetary indicators. The second is that long term decline in population growth and its shrinkage over the decades ahead in advanced economies like the UK implies that monetary expansion will have to slow in historical and absolute terms from current levels. If policymakers try to maintain the pace of financial activity irrespective of these long-term trends, then the risk of embedded inflation is even higher.

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 July 2021 (Held by Video Conference)

Attendance: Roger Bootle**,** Juan Castaneda**,** Tim Congdon, John Greenwood, Julian Jessop, Kent Matthews (Secretary), Patrick Minford, Trevor Williams (Chair).

Apologies: Philip Booth, Graeme Leach

Chairman's comments: Trevor Williams said Graeme Leach had planned to present the monetary analysis but had to pull out at the last minute and so he had to quickly get together some slides to make the presentation and chair the meeting. He apologised in advance for any incompleteness of the presentation.

The Agenda

Trevor Williams began his presentation with a summary of the content. The presentation will focus on the impact of Covid-19 on the economy as the recovery gets underway. It will examine the prospects for growth, inflation, money supply, and interest rates.

The Global economy

China and USA retuned to pre-crisis levels. The UK to follow.

Trevor Williams began by presenting the latest IMF figures indicating that global growth is well underway. The IMF forecast is for a pickup in 2021 that is twice the average annual growth rate. Some countries will exceed this. China has done well, as has New Zealand, the USA, and Vietnam that have already returned to pre-crisis levels or did not have a downturn. The UK is also expected to exceed its pre-crisis level of GDP in the second half of the year.

The Vaccine

Global production of vaccine has hit 15 billion….

He said that the discovery of the vaccine had clearly played a significant role in the rcovery. Production of the vaccine is rising fast. The latest figures show that 8 billion approved doses have been produced, which means 4 billion people can be vaccinated. Adding the non-approved vaccines (such as Sputnik-1 and the Cuban one) adds another 7 billion doses as of May 2021. This is roughly enough to vaccinate the whole world, but procurement is not evenly distributed. Most of the population in emerging market economies will not be vaccinated by the end of 2022. The developed economies have more than enough to vaccinate their respective people, but mutation of different variants means that some governments will retain excess doses in case it is required. In the UK, there is already talk of a third dose in the Autumn in response to the Delta variant.

…. but uneven procurement impacting speed of recovery.

Trevor Williams said that the uneven distribution of vaccine procurement impacts the pace and speed of recovery between countries. But some countries have been able to deal with the virus without a vaccine, such as Vietnam, Taiwan, and South Korea, even though they are rolling it out. To a lesser extent, Senegal and New Zealand have been able to cope without mass vaccination. So not every country has been impacted by their ability or inability to vaccinate to get recovery started. Nevertheless, the pace of recovery has favoured advanced economies because of their access to vaccines relative to developing economies. The usual gap of 3% in favour of the latter because of their catchup potential almost disappeared in 2020 and 2021. That said, forecasts of growth made by the OECD in December 2020 for the next two years have since been upgraded for most countries. Revisions have been overwhelmingly on the positive side, and, notably, the UK stands in a group that has seen upward revision to growth forecasts for both years.

Merchandise trade recovering but shipping costs also rising,

Economic indicators suggest that global merchandise trade has picked up, but not surprisingly, global shipping costs have risen rapidly. The OECD expects this to come through cost-push pressure of about 5% this year before declining later. The forecast for US inflation is to be over 3% and eurozone inflation to be around 2% this year. He said the OECD thinks that the inflation uplift this year is temporary and falls back in 2022, but is it and will it?

Tim Congdon asked what measure of inflation the OECD is forecasting? The figures for the US CPI were released today, and the rise in June was 0.9%, and the annual increase was 5.4%. He said that the OECD forecast is ‘rubbish’. Trevor Williams said that the OECD forecasts were based on consumer prices and annual averages but said he agreed they underestimated inflation on current trends.

He said that OECD forecasts are for the employment recovery to lag the output recovery. The question he posed is to what extent this feed into lower wage inflation. There may be a difference in response between the skilled and unskilled sectors in the labour market. He said that wage inflation in the professional category is rising fast, which could feed into price inflation. He said that despite the rising inflation figures, it is surprising that the US Treasury yields have slipped off their peak, indicating a low concern for inflation. Still, there could be many reasons why interest rates are not reacting upward, not least signs of a weakening in growth trends and a rise in Covid-19 cases.

UK near term outlook

UK recovery well under way..

Turning to the UK, Trevor Williams said that GDP is estimated to have grown for the 4th consecutive month in June. The UK recovery is also well underway, led by services and in particular education and public services. However, the construction sector is the only one that is above its pre-crisis level. The second fastest recovering sector is manufacturing. Services are lagging because hospitality is still behind the recovery curve but is expected to respond sharply once the lockdown ends. He said that passenger journey numbers are rising, and vehicle traffic and bus journeys are all pointing to a sustained recovery.

The labour market indicates a robust recovery, with the employment figures indicating labour shortages in some areas for a variety of reasons. People may be switching jobs or retraining, adding to the pressures in the labour market.

One sector that remains constrained is airline travel, with the pandemic curbing international travel. Goods exports have also been hit hard by Covid and possibly Brexit, but UK exports of services have held up far better. Also, we know that unemployment has been remarkably low, and government action has played a significant role in maintaining wage growth and preventing a sharp rise in unemployment.

A high proportion of elevated household disposable income will go towards spending as the economy recovers, but survey results also indicate that a large proportion will be saved. Overall, the household savings ratio is expected to fall back.

Monetary and Inflation Trends in the UK

M4 growth is slowing but mortgage borrowing is holding up

Trevor Williams said that the latest figures from the Bank of England show that M4 is slowing from its autumnal and spring peaks but needs to be under a 5% annual rate to ensure stable medium-term price inflation. The Bank of England's 2020 Q1 Credit Conditions Survey indicates that UK banks expect to increase credit supply to households in the next quarter. However, actual data show that while credit cards were being used more for spending in shops in July, the data also suggest that consumers are repaying credit debt year on year.

However, mortgage borrowing is holding up and has remained at a 3% annual pace since late 2016, but in cash terms were slightly higher in May 2021 than the monthly average since then. Company borrowing is also increasing, driven by some large M&As deals by overseas investors, as some UK companies look attractive vis US equity valuations. This is being funded by bonds rather than equities. The borrowing is coming from large companies but not SMEs. The good news, however, is that new firm start-ups are rising.

Kent Matthews asked if the data on SME borrowing indicates that the SMEs are not borrowing or that the banks are not lending. Trevor Williams said that the information does not distinguish, and it could be a bit of both. Whatever the reason, the net position of company deposits relative to borrowing has increased a lot, suggesting that SMEs are deleveraging. But this relates to existing businesses, while start-ups are growing strongly, mainly in the Fintech space.

Bank of England expects inflation to remain low and stable.

Business confidence is rising and has reached its highest level since 2005 on the BDO index. The survey also indicates an increasing concern for inflation driven by supply-chain disruptions. Gas and oil prices have risen, and generally, input prices have soared. He said that the Bank of England thinks that inflation will remain low and stable. Productivity trends continue to look poor and, although it has increased slightly, the reason was that output fell more slowly. The OBR is projecting a lower level and growth of potential GDP in the years after 2022.

Discussion

Trevor Williams invited the Committee to make their comments.

Central banks are complacent about inflation and too quick to dismiss it as transitory

Julian Jessop said that he had two observations. First, on the real economy. He said that there has been some concern that the economy has been running out of steam with the May GDP figures which showed growth of only 0.8% which is half of what was expected. He said that he was wary about reading too much into one months numbers where bad weather will have played a part. June surveys by the BRC, and the CFO survey from Deloitte, suggest that the economy is still gaining momentum. He said that there are supply problems from semiconductors to labour that may be a constraint. So if the economy is slowing, it is because of supply problems which has very different implications for monetary policy than if it was any weakness in demand. The evidence that the economy is running into supply constraints is another warning sign for the Bank of England in terms of continuing to provide aditional monetary stimulus.

The second point is on inflation. It is striking that inflation is stronger everywhere. Central banks are complacent about this and keep saying that it is only transitory. But even if you believe it is transitory, it is a bigger transitory shock than what was expected and it is also longer lasting. Global shipping costs are rising and there is no suggestion that they will fall back. Oil prices are still rising. He said that there is no doubt that inflation will rise further and stay up longer. When the Bank of England made the decision to undertake the additional QE of £150 billion they were assuming a much weaker economic recovery. Since then forecasts of GDP and inflation have been revised up by almost everyone. So if the economy is slowing because of capacity constraints the case for continued QE is weakening rapidly. He said that it was hard to read much into the productivity data because of all the dislocation created by social distancing and lockdown.

Federal Reserve in danger of making mistake of historic proportions.

Roger Bootle said that he agreed with much of what Julian Jessop said. He wanted to make a few additional points. He said that there are still very great uncertainties regarding Covid. It is possiblke that a new wave will be seen in a months time which will see another lockdown or other restrictive measures. The mood of the government has changed since the replacement of Hancock. While the government has changed its attitude, there are still very real risks and we should not go overboard with our forecasts of continuing strong recovery. He agreed with Juilan Jessop about central bank complacency and particularly the Fed who is in danger of making a mistake of historic proportions. It is possible that there may be an inflation transitory effect but he said that there were two things about the current situation that made him think that it would not happen. First, the rapid increase in the money supply will enable an inflationary spiral to continue. Second, the effect on expectations of a rise in inflation. In addition, central banks have sent the message out to markets that interest rates are not going to rise soon. The combinatin of these factors is guaranteed to create an upsurge in inflation. He said that he agreed with Julian Jessop on QE but he thought there should be some movement on interest rates as well. He said that interest rates need to return to some normal level. Interest rates should not rise in big jumps and he said that it should rise by 15bps and then move up in steps of 25bps as long as the recovery continues and there is no lockdown.

Inflation is here for a long time until the central banks come to their senses.

Tim Congdon said that the big picture is inflation caused by the excessive growth of the money supply. The issue of how long lasting inflation will be depends on the current growth of broad money relative to the growth of goods and services. There was a burst of money growth last spring and since then there has been a deceleration. So inflation will peak in the second half of this year. Looking forward, he said that money growth is unlikely to return to where it was in the 2010s partly because of larger budget deficits. A lot depends if lending to the private sector also picks up. The growth of the money supply depends essentially on the growth of the bank's claims on the state including the central banks, or claims on the private sector. The second issue is about how we interpret the supply-side shortage. He said that it is not possible to easily interpret this. He said that it is very easy to argue that the trend rate of growth in the eurozone is basically nil. The workforce is declining by 0.5% a year because of demographics. The UK is not much better and so the trend rate of growth is low everywhere. In the developing economies it is low and in the advanced economies it is zero. So these supply problems are not just cyclical but symptomatic of longer term problems. What we have now is money supply growth of 5-10 per cent a year and output growth of nil. So inflation is here for a long time until the central banks come to their senses and acknowledge the intellectual revolution of the Quantity Theory of Money. The Federal Reserve forecast for CPI inflation in the USA 2021 4th quarter is 3.1%. The actual inflation in the first six months of this year is in excess of 3.3%. He said that he was in favour of ending QE, and raising interest rates immediately. As a signal of intent a rise of 15bps would work. The one imponderable is the reaction of bank lending to the private sector. The banks are still under the constraints of regulation and would very happy to expand their balance sheets if they were allowed. He said that interest rates should be raised sharply now simply to wake markets up but he would go with the consensus.

Central banks will react next year when inflation settles at 5 per cent.

Patrick Minford said that he agreed with what has been said so far. He said that the prospects are for a rise in inflation and it looks like the central banks are not going to react. So there is the danger that inflation will get embedded in the system. However, he thought that the central banks will start to react next year once inflation reaches 5%. He said that he did not think that this would cause a crash as the recovery would be strong. Profits would recover and the equity markets will be able to weather a rise in rates. He said that we should welcome a rise in rates as this would get us out of the zero bound. In some ways we should welcome a rise in inflation as this would end the psychology of central banks continuously pumping money into the system and to get them moving interest rates upwards. He said that on policy he was with all that has been said so far. There should be an end to QE and a rise in interest rates. He added that although that is what he would like to see, he said that it is not going to happen as the central banks are simply not listening.

Sustained inflation occurs when the labour market also tightens

Tim Congdon said that inflation is 5.4 per cent in the US now and it is going to rise to 7 per cent before the end of the year. Patrick Minford said that he wouldn't disagree with that but once the pipeline effect for inflation comes through he said that it should fall back to 5 per cent. The Fed thinks that it will come down to 2 per cent but that is unlikely. Tim Congdon said that he would be surprised if it fell back to 5 per cent. Patrick Minford said that a lot depends on the labour market. After the lockdown people come off job support. This would normally create a lot of excess supply. Normally, sustained high inflation occurs when the labour market joins in.

Across the board except for China, there has been strong monetary growth

John Greenwood said that his starting point would always be with monetary policy and the rate of growth of money. As everybody else has said we have seen very strong rates of growth of money in the US. The peak M2 growth rate in the USA, using weekly data, was 27 per cent. This has not been seen since 1943. In the euro area the peak was 12.3 per cent and is now down to 8.4 per cent. The UK M4X peaked at 15 per cent and is now down to 8.3 per cent. The Bank of England is still doing QE. In Japan where we have got used to seeing broad money growth of 2-3 per cent, the peak was 9.7 per cent and has fallen back to about 6 per cent. These are the major economies but in Canada the peak money growth was 16.3 per cent, in Australia it was 13 per cent in October, in New Zealand it was 12 per cent in the same month, and in Brazil it was 18.2 per cent in Febuary. So across the board except for China, there has been strong monetary growth. China has not put its foot on the monetary accelerator like it did in 2008-11. But except for China we have seen an increase in asset prices, with equities and house prices rising in all these countries. Some of this has fed into commodity prices. Monetary growth first shows itself up in asset prices. There are conceptually two phases of this inflation. Phase 1 is reopening inflation which is all about the bottleneck, supply-side issues, and repricing of services – items that were slashed this time last year. So some of the inflation is due to base effects. But Phase 2 will be inflation due to excess monetary growth.

Today's figures for CPI inflation in the US (5.4% year-on-year) has come in with wage data which shows that real earnings growth was negative. This is going to create pressure for wage hikes to compensate. Like everyone else, he said that he did not understand why the bond markets are buying the propaganda by the Fed that this inflation is transitory. It is abundantly clear that there will be sustained inflation for a while. But he wouldn't say that we are entering an inflationary era because bank lending growth in the UK, USA and other countries has been sluggish. Unless the restrictive Basel regulations are eased, or there is a massive demand for credit as the economies reopen, as the central banks dial down on QE, money growth should slow significantly. Central banks are being much too complacent. The Governor of the Bank of England will be writing to the Treasury blaming inflation on reopening and oil prices when in reality they have allowed money growth to be far too rapid. So QE should be terminated and interest rates should be raised. He said that he was less concerned about the level because they are not meaningful at the present. So a ¼ - ½% would be an adequate signal.

On the other side, he said that he was also concerned about the regulations that make it harder for banks to undertake normal business which threatens the risk that money growth will be slow and sluggish after this episode of inflation which will be a return to the deflationary tendencies of the pre-covid period.

Banks are well capitalised and are in a good position to expand their balance sheets.

Juan Castaneda said that he also agreed with what has been said by everyone. He added that one of the things that needs to be watched, as John Greenwood has said, is bank lending in the next few months. He said that where he disagreed was that the banks are now well-capitalised and they have access to ample liquidity. Banks will be in a very good position to expand their balance sheets. If that happens, that will add to the monetary fire. The normal state of things in a market economy is that monetary growth is dominated by the banking sector. The Bank of England should be sending a strong signal to the markets with a rise in interest rates, although like Patrick Minford he did not believe that they would do it. He said that interest rates should be raised to 0.25% immediately and then raised a further 0.25% at the next MPC meeting. QE should be stopped and even reversed depending on what happens to bank lending.

Trevor Williams said that he has been arguing that the Bank should cease QE and begin to reverse it. However, as others have noted, there may be a further slowing of economic activity if there is a resurgence of the virus. As Juan Castenada said, banks have ample liquidity, but to ensure that the funds get into the hands of a business, the central banks may think they have to overdo QE. The massive amount of QE that is already there doesn't appear to be being borrowed and spent by companies or households - in other words, the private sector. In the minds of the members of the MPC, the QE is not leading to an excessive increase in private sector borrowing, with the only area being the residential property market. It is not clear to what extent it was driven by a cut in stamp duty that is currently being phased out.

Central banks think they must overdo QE

He said that the UK stock market is looking attractive because the US stock prices are over-inflated, and this explains the large M&A inflows from there to the UK. As John Greenwood said, M4X growth at 8.3 per cent is twice as much as we would have expected given historical trend growth of GDP of 2.5-3 per cent, but trend growth is likely to be 1-1.5 per cent in the years ahead. So money growth has to come down even further to 2-3 per cent per annum to maintain stable inflation. He said that he agreed that QE should be ended and reversed. Interest rates should not be raised as yet. He said that he does not think it will make a difference but would wait till Q3 and Q4 to see how the economy grows first. Assuming growth is holding up, interest rates should then be raised first to 0.25% and then quickly to 0.5%.

Kent Matthews said that he has heard nothing in the discussion that warrants a change in the vote he made at the last meeting. For some time he has been advocating a halt to QE which is not doing what it was intended to do and to raise rates immediately so to signal to markets that monetary policy is returning to normality. He said that he did not agree with the view that small changes in interest rates will not matter. Markets do not expect a rate rise because they have been told that rates will not rise for the forseable future, hence even a small rise will be unexpected and because it will be unexpected it will matter even more. It will also give a signal of intent for the future that will be reflected immediately in the value of sterling. He agreed that halting QE will aid the process of raising long-term rates but as he said at previous meetings long-term rates are more likely to respond to expectations of further rises in short rates than just halting QE.

Central banks see inflation driven by the output gap not money growth.

He said that he pondered on why the MPC does not see the inflation threat that the SMPC sees in the data. The reason is because they have a New Keynesian type DSGE model that they use for forecasting and in that model, inflation is driven by the output gap and not by money. The OBR and the Bank of England see a positive output gap long into the future and therefore expect long-term inflation to be muted.

Bank lending must grow higher than normal if reverse QE is not to cause a liquidity crisis

John Greenwood said that there has not been any reversal of QE (QT) since the global financial crisis. The Fed attempted a reduced QE for nine months and ran into a problem in the repo market in September 2019 because of the liquidity conditions imposed upon the banks by Basle 3 regulations. In order to reverse QE, bank lending has to be growing at a significantly higher rate than normal. By reversing QE in the current regulatory framework the central banks would be tightening monetary policy. Therefore the banks have to be lending more than normal, so that the offset of reverse QE does not lead to an overtigtening.

Votes.

Votes are recorded in the order they were given

Comment by Julian Jessop

(Independent Economist)
Vote: Immediate rise in Bank Rate to 0.25%. End QE.
Bias: To tighten.

Julian Jessop said that there should be an immediate rise in Bank rate by 15 basis points. QE should be ended, and he had a bias towards further tightening.

Comment by Roger Bootle

(Capital Economics)
Vote: Raise Bank Rate to 0.25%. End QE.
Bias: To tighten.

Roger Bootle said that Bank rate should be raised by 15 basis points and raised thereafter in 25 bps in stages. QE should be halted. He was not sure that the time was right to start a reversal of QE.

Comment by Tim Congdon

(Institute of International Monetary Research, University of Buckingham)
Vote: Raise Bank Rate to 0.25%. Halt QE
Bias: To tighten

Tim Congdon said that he is happy to go with what is appearing to be the consensus and to raise Bank rate by 15 basis points to 0.25%. He said he was in favour of stopping QE immediately.

Comment by Patrick Minford

(Cardiff Business School, Cardiff University)
Vote: Raise Bank Rate to 0.25%. Stop QE.
Bias: to tighten and to reverse QE.

Patrick Minford said that the Bank needs to raise Bank rate and end QE. Quantitative tightening should begin in the following year.

Comment by John Greenwood

(Invesco Asset Management)

Vote: Raise Bank Rate to 0.5%. Halt QE but not reverse.
Bias: No bias.

John Greenwood said that a strong signal should be sent, and Bank rate should be raised to 0.5%. QE must be terminated but not reversed.

Comment by Juan Castaneda

(Institute of International Monetary Research, University of Buckingham)
Vote: Raise Bank Rate to 0.25%. Halt QE.
Bias: To tighten and to reverse QE

Juan Castaneda said that the market needed a strong signal and voted to raise Bank rate by 15 bps. He indicated a bias to reverse QE.

Comment by Trevor Williams

(University of Derby, St Mary's University, and TW Consultancy)
Vote: Hold Bank Rate. Halt QE.
Bias: Bias to tighten and start to reverse QE

Trevor Williams said that Bank rate should remain on hold and that QE should be halted. Bank rate should be raised to 0.25% at the November MPC meeting if economic conditions justify it and raised in small steps at quarterly meetings in 2022 to 1% by the end of that year.

Comment by Kent Matthews

(Cardiff Business School, Cardiff University)
Vote: To Raise Bank Rate to 0.25%. Halt QE.
Bias: to reverse QE gradually and a bias to raise rates in small steps.

Kent Matthews said that he would go with the majority and call for an immediate rise in Bank rate by 15 basis points. QE must be stopped, and the process of reversal undertaken at a gradual and ordered pace.

Comment by Peter Warburton (in absentia)

(Economic Perspectives Ltd)
Vote: To Hold Bank Rate. Taper QE.
Bias: bias to tighten.

Hold Bank Rate with a bias to raise. Cease QE and commence gilt sales at a pace of £10bn per month.

Any other business

The Chairman said that the Committee should highlight the reasoning as to why the Bank of England and other central banks do not see the inflationary dangers in the data. The reason being that the common model that is being used by central banks sees inflation driven by the output gap and not money growth.

Policy response

1. On a vote of 7 to 2 Bank rate should be raised immediately to 0.25%
2. There was unanimity that QE must be halted.
3. There was a unanimous view that Bank rate must rise in small steps in the future.
4. While some members of the committee voted to reverse QE immediately there was no consensus as to when the process of selling gilts should begin.

Date of next meeting

12 October 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 quarterly meeting held 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), 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).