

Some thoughts about the ECB's mandate

1

1- Single mandate or dual mandate (or multiple mandate...)

2- Interpretation of the mandate : the quantitative definition of price stability

1- Single mandate or dual mandate (or multiple mandate...)?

2

a) The treaty

- One primary objective

b) « Without prejudice... »

- Secondary mandate ? Several objections

c) What about Financial stability

- If about the transmission of MP = in the mandate

d) What about Climate change

2- The interpretation of the mandate : the quantitative definition of price stability

3

- A) Price index
- B) Time horizon
- C) Definition of price stability
 - Why 2%, and why « below but close to » ?
 - Should the definition of price stability be reviewed ?
 - Is there room for a refinement ?

Why 2%, and why « below but close to » ?

4

1. Legacy
2. Common in advanced economies
3. Economic reasoning
4. Less than 2
5. Close to 2

Should the definition of price stability be reviewed?

5

1. Should the definition be set higher ?
2. Should the definition be set lower ?
3. Arguments against changing
4. Is there room for a refinement ?
 - Make explicit a range (over the cycle) around the same objective ?
 - Move to « close to 2 » (not below) with a range ?
 - Move to an average, or targeting an absolute level ?