

Jean-Pierre Roth: Once a student, always a student

Summary of a speech by Mr Jean-Pierre Roth, Chairman of the Governing Board of the Swiss National Bank, at the University of Bern, Switzerland, 9 February 2006.

The complete speech can be found in German on the Swiss National Bank's website (www.snb.ch).

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Like all decisions relating to the future, monetary policy decisions involve numerous uncertainties. Economic researchers are divided as regards both the effects of monetary policy and the form that this policy should take. There are a number of competing models in economic theory, and their policy recommendations often vary. Relationships that have been stable in the past may change at any time, due to the fact that the structural equations used in economic models are not based on the laws of nature. The Swiss National Bank's monetary policy concept takes account of these uncertainties. Our inflation forecast is a key element in this concept and combines the results obtained by a variety of different models. Research is extremely important in our changing world. We can only be sure of identifying new developments as early as possible and basing our monetary policy decisions on a solid foundation if we engage in constant research.