



BANK OF ENGLAND

Speech

Bank of England Future Forum 2017

Opening remarks given by

Mark Carney

Governor, Bank of England

St. George's Hall, Liverpool

16 November 2017

Good afternoon. Welcome to the Bank of England's Future Forum to everyone here in beautiful St George's Hall, and to those viewing on our webcast.

My colleagues and I are delighted to be here in Merseyside. It's been three decades since I first visited. Back then, I discovered my favourite band the Lightning Seeds, who would later pen England's football anthem.

We'll learn next year whether the Three Lions can end what's become fifty years of hurt.

1987 was the Life of Riley for local football. Everton and Liverpool were top of the tables, with the Toffees beating the Reds to win the Championship – sadly their most recent of their 9 titles.

How things change. It's not pure and simple all the time.

Just like footballing fortunes, economic conditions in Liverpool have waxed and waned. The de-industrialisation of the 1970s and 80s affected the region particularly badly, with unemployment ultimately rising to above 20%. With the 1990s came revival and regeneration, with particular emphasis on the city's rich cultural and economic history – a heritage rightly celebrated when city centre riverfront was designated a World Heritage Site in 2004 and when Liverpool became European Capital for Culture in 2008.

In the decade that followed that honour, the UK has been through a searing financial crisis and a recovery that has been even slower than that following the Great Depression. Once the financial system was fixed, however, the UK became, until recently, the fastest growing economy in the G7. Unemployment nationwide has fallen from 8.5% to 4.3%, a 42-year low. In Liverpool, the unemployment rate has declined steadily to 4.7% today, around 2 percentage points below its pre-crisis rate.

The recovery here is being aided by further regeneration, both economic and physical – building the infrastructure that will enable businesses and households to flourish. These efforts are building on past successes, with Liverpool now home to many award-winning museums including the Museum of Liverpool, the International Slavery Museum, and Tate Liverpool.

Liverpool Council is working in partnership with businesses and other organisations to exploit the best of what each can bring. For example, Liverpool Council, Liverpool FC and Your Housing Group are working together to bring new vibrancy to the Anfield area. I personally heard last night about some of the great work that Everton in the Community are doing to tackle problems like homelessness and boost educational attainment. And the club of course has ambitious plans for a new stadium at Bramley Moore dock. Liverpool's Science Park provides office space alongside commercial labs, right at the heart of the city's Knowledge Quarter.

We're here today to discuss with you what causes changes in the economy, how they affect people and businesses in Merseyside and across the country and the Bank of England's role in supporting jobs and growth.

The economy matters for everyone and people want to understand it better. Three quarters think there should be better education about the economy and half want a better understanding themselves but virtually no-one – just 1 in 10 – think public figures talk about economics in an accessible way.

Today, we are trying to bridge that gap. We are helping to make discussions of the economy more accessible and are launching practical tools that can be used to help educate students, and indeed everyone, about the economy.

This is all part of a wider effort to improve our communications. We are doing this to make the Bank more open and accountable. Quite simply, people need to understand our actions and their effects in order to hold us to account. Doing so will also make our policies more effective.

Let me give you an example. Our mission was originally set out in 1694 in the Bank's founding charter. That was to 'promote the publick Good' – although that sentiment was contained within a 700 word sentence, hardly clear and transparent communication. And in practice at the time what it meant was raising money to carry on a war against France.

Today, our mission is still to promote the good of the people of the United Kingdom, but now we do that by maintaining monetary and financial stability. Let me explain what that means.

Maintaining monetary stability means two things. First, providing banknotes that you can use and trust. We have over 3 billion notes currently in use, and they are used in 44% of all transactions. Second, it means maintaining low and stable inflation.

Maintaining financial stability means three things. First, making sure that when you put your money in a bank it is safe. Second, it means that if a bank fails, the costs fall on the bank's investors and senior management, not ordinary people with deposits in banks. And finally it means making sure that if you take out an insurance contract, it will pay out if whatever you are insuring against happens.

The work that the Bank does in all of these areas can ultimately be summed up very simply: we maintain confidence in money. This confidence is not, though an end in itself; it is a means to an end. Confidence in money provides the foundations for prosperity. Without it, companies would struggle to provide the goods and services we all use every day; you would face difficulties in knowing how to invest for your futures, be it financing studies or buying a house. Maintaining this confidence is the best contribution the Bank of England can make to the good of the people of the United Kingdom.

Building public understanding of what the Bank does – by engaging with people directly– is essential to our work.

That's because our policies work better if our objectives are clear and the British people have confidence that we will do the right thing whatever happens.

Improving understanding of the Bank's role is also part of being accountable to the people we serve. The Bank is at the heart of the UK economy. The responsibilities Parliament has given us are wide-ranging and the decisions we take affect everyone in the country. People deserve the information and tools to judge how well we are doing our job and to know that we are listening to your views.

Today's event is also part of a wider effort by the Bank to move beyond traditional modes of communication to speak more directly to the people we serve. While three hundred thousand people read the Financial Times, there are 30 million Facebook users in the UK. And while everyone knows it is good to talk, the Bank is learning how it can also be good to Tweet – our Twitter account has 227,000 followers, though that still leaves us a little behind Wayne Rooney's 16.7 million.

We are revamping our publications to make them more accessible, using icons and graphics to convey our messages on webpages designed for mobiles and tablets, rather than relying only on pages of words on paper. You can take a look at our first example of this – the November Inflation Report –online, at www.inflationreport.co.uk.

This afternoon's event will showcase a selection of the materials we are planning to run alongside these changes in our communications to help explain to people about the Bank's work.

To bring that to life, the first session will kick off with three of my colleagues – Ben, Sam and Jon –explaining to you what the Bank is doing on some topical issues, things that are influencing the Bank's policies and the role we play in the economy right now. The questions they will answer are:

- Why did the Bank change interest rates earlier this month?
- What we are doing to keep banks safe?; and
- What are we doing in response to the vote to leave the EU to ensure the Brexit process is as smooth as possible?

Through our dialogue with you today, we will enrich our understanding of how we can meet our objective more effectively, and we hope you will gain a better understanding of what the Bank does and how it is going about it.

Before handing back to Ranvir, I'd like to thank Speakers for Schools, We Are Futures, Economy.org and Rethinking Economics – the key stakeholders that have helped us with this morning's events and who have been working with us to develop our educational resources. As you will hear in a moment, we have already learned a lot.

I'd encourage you all – those in the room and viewers elsewhere – to submit your questions and contributions via Twitter (#FutureForumBoE).

Finally, let me thank Ranvir Singh, our moderator for today's Future Forum, for keeping us on track today – and with that I'll hand back to her.