Foreword

In the future, monetary policy is likely to face two sets of interconnected challenges. First, projections call for nominal interest rates in developed countries to remain much lower than in the past, reflecting a meeting of factors such as demographic change, lower inflation rates and low equilibrium real interest rates. The second is how to implement monetary policy in an environment with persistently low rates and what tools central banks should have at their disposal. In developing countries, a future encounter with the lower bound on short-term rates may prompt adoption of aggressive balance sheet policies, forward guidance and perhaps substantially negative rates. Such policies have domestic implications and may affect capital flows that can pose challenges to smaller, open economies.

As central banks address these challenges, they will need to adopt monetary policy frameworks that will be resilient to future shocks and encounters with lower bound constraints on nominal interest rates. The 2016 Jackson Hole Economic Policy Symposium addressed these issues and provided a forum to discuss the design of a resilient monetary policy framework.

The Federal Reserve Bank of Kansas City has hosted an annual symposium since 1978. Including two symposiums in 1985, the 2016 event is the 40th time that a diverse group of participants from across the world has gathered to discuss issues highly relevant to policymakers. This year's symposium, titled "Designing Resilient Monetary Policy Frameworks for the Future," occurred Aug. 25-27, 2016, in Jackson Hole, Wyo.

The hallmark of the symposium proceedings is its discussion, questions, response and debates, which is why we reconstruct the dialogue for the public in this volume. The proceedings provide a variety of perspectives on a range of inflation and policy issues that have or will affect economies.

We are grateful for the efforts of the authors, discussants, panelists and other participants for their important contributions. I also thank members of the staff of the Federal Reserve Bank of Kansas City who helped plan and arrange the symposium.

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