



## Assessing important shifts in the worldwide economy

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Discussions at the 46th Jackson Hole Economic Policy Symposium centered on significant and potentially long-lasting disruptions that have affected the global economy in recent years.

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At the 46th Jackson Hole Economic Policy Symposium, participants from 37 countries explored how inflation has reemerged as a top global economic concern.

The event, hosted annually by the Federal Reserve Bank of Kansas City, took place Aug. 24-25 near Jackson, Wyoming, with Fed officials, international central bankers, economists and academics in attendance. The symposium convenes presenters and discussants to examine significant issues, implications and policy options facing the United States and world economies.

The theme for this year's symposium, "Structural Shifts in the Global Economy," provided the backdrop for discussions about significant and potentially long-lasting disruptions that have affected the global economy in recent years.

The Kansas City Fed's Economic Research Department selected the topic, asserting that while the immediate disruption of the pandemic is fading, there likely will be long-lasting aftereffects for how economies are structured—domestically and globally—as trade networks shift and global financial flows react. Similarly, rising geopolitical tensions also are likely to promote shifts in the structure of the global economy, as existing supply chains, production networks, and financial flows come under pressure.

Papers prepared for the symposium showed how these developments are likely to affect the context for growth and monetary policy in the coming decade.

Attendees from the Federal Reserve included Chair Jerome Powell, Board of Governors members, current and former Reserve Bank presidents, and senior research officers. International attendees included Kazuo Ueda, governor of the Bank of Japan, and Christine Lagarde, president of the European Central Bank. Kansas City Fed attendees included Executive Vice President and Research Director Joe Gruber and President Jeff Schmid, who joined the Bank earlier in August.

"Our team is honored to host the Symposium," Schmid said. "And while I have much to learn on how to be a good Reserve Bank president, I know how significant this event has been to the central banking community. I will seek to preserve the best of the

event by upholding the Symposium's reputation for identifying timely topics that are addressed with intellectual rigor in papers that inspire candid debate."

## **Powell on inflation flight: 'We will keep at it'**

Similar to the atmosphere around the 2022 symposium, keen interest centered on Powell's remarks about the Fed's strategy of raising interest rates to stem inflation. A key difference heading into this year's event was headline inflation data, fueled by declines in food and energy prices, signaling that the Fed was nearing its goal.

"It is the Fed's job to bring inflation down to our 2 percent goal, and we will do so," Powell said in an Aug. 25 speech from the symposium. "We have tightened policy significantly over the past year. Although inflation has moved down from its peak—a welcome development—it remains too high. We are prepared to raise rates further, if appropriate, and intend to hold policy at a restrictive level until we are confident that inflation is moving sustainably down toward our objective...We will keep at it until the job is done."

The full text of Powell's speech is available at [FederalReserve.org](https://www.federalreserve.org), and video of his Jackson Hole remarks can be viewed in the [Kansas City Fed's YouTube channel](#).

"As is often the case, we are navigating by the stars under cloudy skies," Powell said. "In such circumstances, risk-management considerations are critical. At upcoming meetings, we will assess our progress based on the totality of the data and the evolving outlook and risks. Based on this assessment, we will proceed carefully as we decide whether to tighten further or, instead, to hold the policy rate constant and await further data. Restoring price stability is essential to achieving both sides of our dual mandate. We will need price stability to achieve a sustained period of strong labor market conditions that benefit all."

## **About the symposium**

The Economic Policy Symposium is one of the longest-standing central banking conferences in the world. Since 1978, the Kansas City Fed has sponsored the event, with each year's gathering focusing on an important economic issue facing the U.S. and world economies.

Beginning in 1982, the symposium has been hosted at the Jackson Lake Lodge at Grand Teton National Park in Wyoming—one of the seven states served by the Tenth Federal Reserve District. In 2022 the symposium returned to an entirely in-person format after two years of largely virtual events because of the pandemic.

See research papers, presentations and related material from the 2023 Economic Policy Symposium at [KansasCityFed.org/research](https://www.kansascityfed.org/research). Access the free book, "In Late August," a history of the symposium, at



## Media



As part of a tradition established by former Kansas City Fed president Esther George, women participating in the Jackson Hole symposium gathered for networking activities.