

LATVIJAS BANKA ECONOMIC CONFERENCE 2022

Sustainability and Money: Shaping the Economy of the Future

➤ 3 November 2022

On-site: National Library of Latvia, Mūkusalas iela 3, Rīga

Online: www.makroekonomika.lv

All times are indicated as EET (or CET+1)

8.45–9.30 REGISTRATION, WELCOME COFFEE

9.30–9.35 CONFERENCE OPENING

Master of Ceremony Mr Juris Kravalis, Head of General Secretariat, Latvijas Banka

9.35–9.50 OPENING ADDRESS

Mr Egils Levits, President of Latvia

9.50–11.20 VISIONARY INTRODUCTORY PANEL

A Bridge over Troubled Waters

- **2008 vs 2020 or "A Tale of Two Crises"**: what were the measures that helped the euro area as a whole and Latvia to emerge from these crises stronger? What homework was done by the euro area in-between the two crises? What was the role of the euro in overcoming the thorny way from the GFC to the pandemic in Latvia in particular?
- **"On the Verge of the Next Crisis"**: what are the current and future challenges ahead for the euro area? How to reconcile fiscal and monetary policy in the current environment? How to restore monetary policy space through structural reforms and productive investments? What is the role of measures taken at individual country vs community level?
- **"Future Trends"**: what does the Green Deal mean for European citizens? How to address the climate goals while strengthening European fiscal capacity and harmonising progress in individual country efforts to reach these objectives? What is the role of central banks to facilitate climate transition? And what should be done by governments? Where does Europe stand regarding digitalization and automation and where does it need to arrive? How could digitalization and increasing scope of automatization in labour intensive sectors pave the way to bringing back strategic industrial infrastructure to Europe without imposing trade barriers? What is the role of currency in that respect? What can digital currency bring to people and businesses in a digital economy? How could digital euro strengthen the international role of our currency and how could European citizens benefit from that?

Moderator: Mr Mārtiņš Kazāks, Governor, Latvijas Banka

Panellists:

Ms Christine Lagarde, President, European Central Bank

Mr Valdis Dombrovskis, Executive Vice President, European Commission

11.20–11.50 COFFEE BREAK

11.50–13.30 PANEL DISCUSSION I

Shadowed by Carbon

- **"Towards Truly Green Economy"**: why should central banks and the financial sector care about environmental risks? How can addressing of environmental risks ensure sustainable transformation of society? How can we integrate the values of nature in policy making and transformation of business? How does society benefit from understanding the value of natural capital and how does such understanding contribute to society's prosperity? What is the role of the financial sector in addressing efficient transition and in driving meaningful green human development? How could the financial sector make the most efficient use of scientific potential and research in this regard?
- **'Top-down' vs 'bottom-up' approaches**. How much should we look into micro level to explore impacts on the local ecosystems? How to integrate region specific risks in evaluating environment-related shocks. Environmental risk assessments mayor knowledge gaps, prospects of filling them. Is there a scope for cooperation between supervisors, the financial sector, as well as science and research? What are the first conclusions from dealing with environmental risks faced by the financial system and future steps and challenges in this regard? What role do environmental risks play in supervision of the financial sector and what can society expect from central banks and supervisory authorities in this regard? How can we motivate the financial sector to implement the green transition?

Moderator: Ms Inese Suija-Markova, Vice-mayor of Cēsis Municipality

Panellists:

Mr François Villeroy de Galhau, Governor, Banque de France

Mr Frank Elderson, Member of the ECB's Executive Board

Ms Gretchen C. Daily, Professor of Environmental Science, Stanford University, Member of SEB External Sustainability Advisory Board

13.30–14.30 LUNCH BREAK

14.30–16.10 PANEL DISCUSSION II

Future of Money

- **"Finance Disrupted"**: cryptocurrencies; the rapid rise of decentralized finance, the explosive growth of data and exploitation of data by firms; particularly big techs; the massive hacks that regularly compromise the personal data of millions of individuals – what do all these trends mean for us, customers and ordinary citizens? How will our lives be changed by these developments?
- **"Future is Now"**: how do private companies foster technological innovation and the creation of "private money"? What benefits can private sector provide vis-à-vis the traditional/public payment system? How should we treat private and public, centralized and decentralized finance – as complements or substitutes? What are the reasons behind the current rise of the cryptocurrencies?
- **"The Pros and Cons of Public vs Private, Central vs Decentralized money"**: how does the prospect of a decentralized money and finance compares with other cases in history (e.g. 1800's in the US)? How likely will private money drive out public money and how likely will public authorities lose the control over money creation? What benefits can public digital money provide over the current system? What is the role of central banks? Why they matter in this regard? How will citizens benefit from the introduction of central bank digital currencies?

Moderator: Mr Mārtiņš Bitāns, Deputy Head of Monetary Policy Department, Latvijas Banka

Panellists:

Mr Barry Eichengreen, George C. Pardee and Helen N. Pardee Professor of Economics, Professor of Political Science, University of California

Mr Stefan Ingves, Governor, Sveriges Riksbank

Ms Florence Diss, Head of EMEA Ready to Pay Partnerships, Google

CONCLUDING REMARKS

Mārtiņš Kazāks, Governor, Latvijas Banka