

THE BIRTH OF INTER-WAR CENTRAL BANKS

BUILDING A NEW MONETARY ORDER

2 + 3
NOV
2018
ATHENS

ECONOMIC HISTORY
CONFERENCE CELEBRATING
THE 90TH ANNIVERSARY
OF THE BANK OF GREECE
(1928-2018)



CENTRE FOR CULTURE
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BANK OF GREECE
Centre for Culture, Research and Documentation

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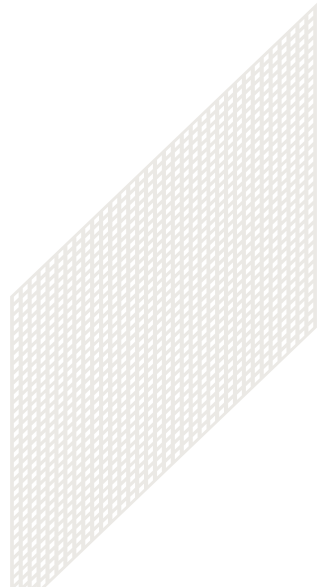
GOVERNOR'S WELCOME

It is my great pleasure to be holding this international conference, devoted to the birth of inter-war central banks, organised by one of the offspring of this institutionally fertile period. Established at the behest of the League of Nations, the Bank of Greece began its operations in the spring of 1928. On this, the 90th anniversary of its operation, the Bank is revisiting its past, albeit through a comparative and international lens.

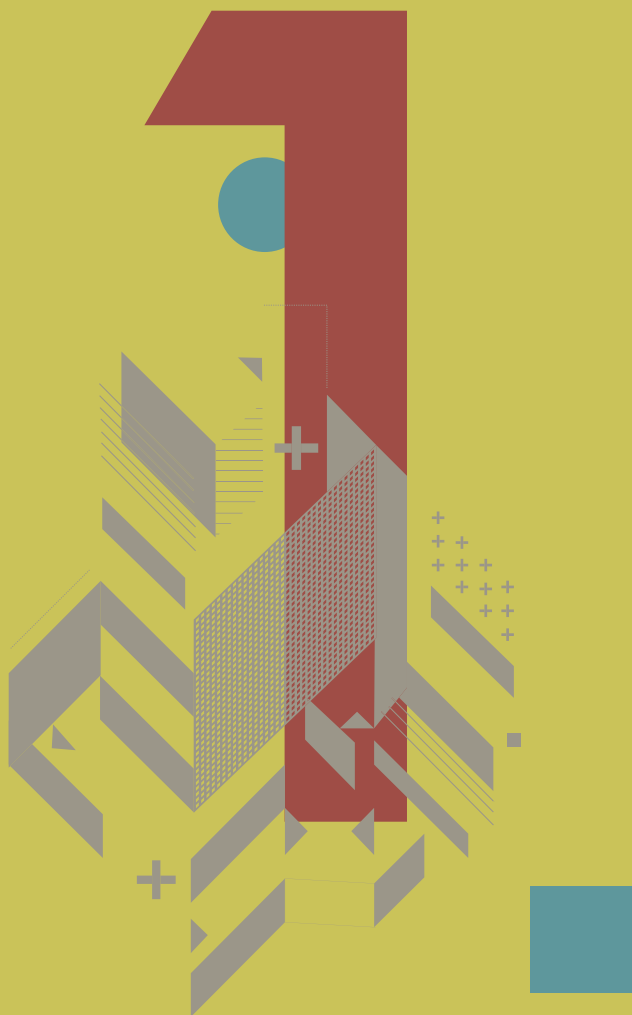
Fifteen prominent scholars from eleven countries are presenting their work on various international and national dimensions of inter-war central banking. For the Greek experience was hardly unique: the 1920s and 1930s witnessed the creation of a string of new central banks, across several countries. Some were established to exorcise wartime inflation and restore access to foreign credit; others were born out of the dissolution of empires, or the weakening of ties to imperial colonies; all of them reflected an attempt to 'return to normalcy', by rebuilding an international monetary order and restoring cooperation in the aftermath of a devastating world war. Yet the Great Depression soon challenged the viability of this order and forced many of the new-born institutions to re-evaluate their priorities and their relationship to the state and with each other.

The Bank of Greece is committed to promoting historical research, particularly research in economic history. Yet the past is most interesting when it informs our understanding of the present and future. Policy reactions to the recent financial crisis were shaped by perceptions – and often misperceptions – of the past, particularly the inter-war years. In this context, I am also pleased to welcome several of my esteemed colleagues from other European central banks, who are joining us for this conference. Their presence honours us and underlines this connection between the past and present of central banking.

Yannis Stournaras
Governor, Bank of Greece



PROGRAMME



Friday, November 2

09:30-10:00 *Arrival & registration*

10:00-10:05 Opening by the Director of the Centre for Culture,
Research and Documentation, **Panagiotis Panagakis**

10:05-10:30 Welcome by the Governor of the Bank of Greece,
Yannis Stournaras

**10:30-12:30 SESSION I: INTERNATIONAL AND INSTITUTIONAL
DIMENSIONS**

Chair: Prof. Eleni Louri-Dendrinou, *Athens University
of Economics and Business, ex Deputy Governor
of the Bank of Greece*

'A matter of habit not heredity': central banking
and internationalism after the First World War

Patricia Clavin

*Professor of International History
Jesus College, Oxford University (UK)*

International central banking at the Genoa Conference
of 1922: a missed Bretton Woods for the Inter-war?

Olivier Feiertag

*Professor of Economic History
Rouen-Normandy University (France)*

The ideology of central bank independence
in the inter-war years

Harold James

*Professor in European Studies
Princeton University (USA)*



Institutionalising central bank cooperation:
the Norman-Schacht vision and the early experience
of the Bank for International Settlements, 1929-33

Piet Clement

Head of Information & Collaboration

Bank of International Settlements (Switzerland)

12:30-13:00 *Coffee break*

13:00-14:00 KEYNOTE LECTURE

The crucible of modern central banking

Barry Eichengreen

Professor of Economics and Political Science

University of California, Berkeley (USA)

14:00-15:30 *Light lunch*

15:30-17:30 SESSION II: CENTRAL AND EASTERN EUROPE

Chair: Heather Gibson, *Director-Advisor, Economic
Analysis and Research Department, Bank of Greece*

Central bank policy under foreign control: the Bank
of England and the Austrian National Bank in the 1920s

Johann Kernbauer

Lecturer of Economic History

Vienna University of Economics and Business (Austria)

Sneaking nationalisation: Hungary and the liberal
monetary order, 1924-31

György Péteri

Professor of Contemporary European History

*Norwegian University of Science and Technology
(Norway)*

The Bank of Poland and Polish monetary policy
under the gold exchange standard, 1924-36

Cecylia Leszczyńska

Assistant Professor of Economic History

University of Warsaw (Poland)

PROGRAMME

From banking office to national bank: establishment of the National Bank of Czechoslovakia, 1919-26

Jakub Kunert

Chief Archivist

Czech National Bank Archive (Czech Republic)

17:30-18:00 *Coffee break*

18:00-19:30 GOVERNORS' PANEL DISCUSSION

Monetary policy and bank supervision in Europe after the last financial and sovereign debt crisis and challenges for the future

Carlos Costa, Banco de Portugal

György Matolcsy, Magyar Nemzeti Bank

Ewald Nowotny, Oesterreichische Nationalbank

Olli Rehn, Suomen Pankki - Finlands Bank

Jan Smets, Nationale Bank van België - Banque Nationale de Belgique

Yannis Stournaras, Bank of Greece

Mario Vella, Bank Ċentrali ta' Malta - Central Bank of Malta

Saturday, November 3

09:30-10:00 *Arrival & registration*

10:00-11:30 SESSION III: THE BALKANS

Chair: Prof. Dimitris Malliaropoulos, *Director of Economic Research, Bank of Greece*

'Nobody's child'? The establishment and early years of the Bank of Greece

Kostas Kostis

Professor of Economic History

University of Athens / Alpha Bank (Greece)

The Bulgarian National Bank, 1926-35: from institutional transformation to the handling of the Great Depression

Roumen Avramov

*Associate Professor and Permanent Fellow
Centre for Advanced Studies, Sofia (Bulgaria)*

Turkey's macroeconomic policies during
the Great Depression, 1929-39

Şevket Pamuk

*Professor of Economics and Economic History
Bogaziçi University, Istanbul (Turkey)*

11:30-12:00

Coffee break

12:00-13:30

SESSION IV: LATIN AMERICA & THE BRITISH DOMINIONS

Chair: Andreas Kakridis, *Scientific Advisor,
Historical Archive of the Bank of Greece*

Making money flow: Latin American central banks
at the onset of the Great Depression

Calcagno Adriana

*PhD Candidate, University of Geneva and University
of Paris 1*

Juan Flores Zendejas

Associate Professor, University of Geneva (Switzerland)

Central banks in the British Empire in the inter-war
period: their rationale, design and operations

John Singleton

*Professor of Economic and Business History
Sheffield Hallam University (UK)*

Central banking and colonial control: India, c. 1914-39

Gopalan Balachandran

*Professor of International History and Politics
The Graduate Institute of International and Development
Studies, Geneva (Switzerland)*

**SPEAKERS'
SHORT BIOS
& ABSTRACTS**





BARRY EICHENGREEN

UNIVERSITY
OF CALIFORNIA, BERKELEY
USA

THE CRUCIBLE OF MODERN CENTRAL BANKING

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Barry Eichengreen is the George C. Pardee and Helen N. Pardee Professor of Economics and Political Science at the University of California, Berkeley, where he has taught since 1987. He is a Research Associate of the National Bureau of Economic Research (Cambridge, USA) and Research Fellow of the CEPR (London, UK). In 1997-98 he was Senior Policy Advisor at the IMF. He is a fellow of the American Academy of Arts and Sciences, convener of the Bellagio Group and chair of the Academic Advisory Committee of the Peterson Institute of International Economics. He has held Guggenheim and Fulbright fellowships and has been a fellow of the Center for Advanced Study in the Behavioral Sciences (Palo Alto) and the Institute for Advanced Study (Berlin). His most recent books are *How Global Currencies Work: Past, Present, and Future* (with L. Chitu and A. Mehl), 2017; *The Korean Economy: From a Miraculous Past to a Sustainable Future* (with W. Lim, Yung Chul Park and D. Perkins), 2015; *Renminbi Internationalization: Achievements, Prospects, and Challenges* (with M. Kawai), 2015; *Hall of Mirrors: The Great Depression, The Great Recession, and the Uses – and Misuses – of History*, 2015. Professor Eichengreen was awarded the Economic History Association's Jonathan R.T. Hughes Prize for Excellence in Teaching in 2002 and the University of California at Berkeley Social Science Division's Distinguished Teaching Award in 2004. He is the recipient of a doctor *honoris causa* from the American University in Paris, and the 2010 recipient of the Schumpeter Prize from the International Schumpeter Society. He was named one of Foreign Policy Magazine's 100 Leading Global Thinkers in 2011. He is a past president of the Economic History Association (2010-11).



KEYNOTE LECTURE

The inter-war period was the crucible in which modern central banking was forged. The 1920s and 1930s were the first time when central banks made monetary policy in the presence of mass democracy and the associated political pressures.

Central banks were required to balance multiple objectives, notably the pursuit of price and exchange stability on the one hand with financial stability on the other. They attempted to reconcile, not always successfully, their domestic mandates and legal obligations with an awareness of the cross-border repercussions of their policies. They were required to identify and implement new targets and operating procedures when their traditional exchange-rate and gold-convertibility targets were abandoned.

This keynote lecture will discuss how their inter-war struggles influenced the subsequent evolution of central banking. It will reflect on how histories of inter-war monetary policy might be revised in light of the recent trials and tribulations of central banks.





PATRICIA CLAVIN

JESUS COLLEGE,
OXFORD UNIVERSITY
UNITED KINGDOM

‘A MATTER OF HABIT NOT HEREDITY’

CENTRAL BANKING
AND INTERNATIONALISM
AFTER THE FIRST WORLD WAR

Patricia Clavin is Professor of International History in the History Faculty at Oxford University, and Zeitlyn Fellow and Tutor of History at Jesus College. Her research interests cover the history of international organisations since 1870, the global history of the Great Depression, 1929-39, the origins of the Second World War and Cold War, and comparative European history. She is an editor of the Oxford Historical Monographs series, and serves on the editorial board of *Past and Present*. She is a Fellow of the British Academy and the Royal Historical Society and a Foreign Member of the Norwegian Academy of Science and Letters. Her book *Securing the World Economy: The Reinvention of the League of Nations* (Oxford, 2013) won the British Academy medal in 2015, and she recently co-edited *Internationalisms. A Twentieth-Century History* (Cambridge, 2016) with Glenda Sluga. She is currently working on the ideas and practices of human security in the twentieth century.

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The paper takes Thorstein Veblen's 1917 text *An Inquiry into the Nature of Peace and the Terms* as the starting point to consider the place of central banking in ideas and practices for the new world order. The war fundamentally altered the constitutive elements of global order, defined as the relationship between states, markets and civil society. These changes were only partially understood at the time, and since. The paper shows how central banks, and central bankers, were a core plank of the post-1918 world order. This history is typically related through three principal narratives: international histories that focus on the rise of the USA; national accounts recounting governments' decision to withdraw and allow markets to 'self-right' after a period of greater state intervention during the war; and financial histories focused on the reconstruction of the Gold Standard.

It has long been assumed that from the outset central bankers stood apart from internationalist movements, which historians have largely linked to debates about rights, and the creation of a League of Nations. After all, Wilson's "Fourteen Points" famously said relatively little about economics and finance, aside from a vaguely-articulated

commitment to free trade. The paper challenges this assumption.

The League of Nations enshrined the principle of state sovereignty in international relations, but this stood in tension with another impulse of liberal internationalism: the desire to limit and challenge state power. This latter sentiment was shared by bankers and businessmen who sought to stabilise the European economy, and the international economy to which it was integral. Far from being hostile to the League of Nations, at the start central bankers were intrigued by, and sought to make use of, the new institution. Disenchantment with the League soon set in however. Public scrutiny, international oversight, and the primacy of state sovereignty evident in rising trade protectionism all took their toll. The experience lay the foundations for new visions of institutionalisation beyond the League.





**OLIVIER
FEIERTAG**

ROUEN-NORMANDY
UNIVERSITY
FRANCE

**INTERNATIONAL
CENTRAL
BANKING
AT THE GENOA
CONFERENCE
OF 1922:**

A MISSED BRETTON WOODS
FOR THE INTER-WAR?

Olivier Feiertag, born 1964, is professor of economic history at Rouen-Normandy University and also heads the Historical Mission of the Banque de France. A major portion of his research has been dedicated to the history of 20th century monetary and financial relations, including the history of central banking and financial regulation, not only in Europe but also in the French colonial and post-colonial world. He has published extensively on these issues and is editor of numerous volumes on the history of central banking, the most recent one being *Les banques centrales et l'État-nation* (co-edited with M. Margairaz), Paris: Presses de Sciences Po, 2016. His most recent book is *Bank al-Maghrîb: the Emergence of a Central Bank from 1959 to the Present*, Rabat/Paris: Le Cherche Midi, 2016.

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The Brussels conference of October 1920 is generally regarded as having marked the birth of the very notion of central banks. By contrast, few underline the fact that the Genoa Conference, which took place two years later, gave birth to the idea of “international central banking”.

The Genoa Conference’s ultimate failure, however, should not detract from the innovative and promising character of the project set up by Montagu Norman, the Governor of the Bank of England. For the first time, central banks were clearly located at the intersection between each national economy and the globalising market which emerged in the aftermath of the First World War. What is more, central banks were henceforth charged with a new task, that of ensuring the fit between each national currency and the so-called international monetary system.

Economic nationalism, at its peak after the Great War, and the intractable problems emanating from German reparations caused the Genoa project to fail. But lessons were drawn and its vision endured during the Second World War, ultimately leading to the post-war Bretton Woods system.





HAROLD JAMES

PRINCETON UNIVERSITY
USA

THE IDEOLOGY OF CENTRAL BANK INDEPENDENCE IN THE INTER- WAR YEARS

Harold James, the Claude and Lore Kelly Professor in European Studies at Princeton University, is Professor of History and International Affairs at the Woodrow Wilson School, and Director of the Program in Contemporary European Politics and Society. He studies economic and financial history, business history, and modern European history. After graduating from Cambridge, he spent eight years as a Fellow of Peterhouse before joining Princeton in 1986; he has also taught in Florence, Geneva, Oslo, and St. Gallen. His books include a study of the inter-war depression in Germany, *The German Slump* (1986); an analysis of the changing character of national identity in Germany, *A German Identity 1770-1990* (1989); *International Monetary Cooperation Since Bretton Woods* (1996), and *The End of Globalization* (2001). He was also co-author of a history of *Deutsche Bank* (1995), which won the Financial Times Global Business Book Award in 1996, and wrote *The Deutsche Bank and the Nazi Economic War Against the Jews* (2001). His most recent books include *Family Capitalism*, Harvard University Press, 2006; *The Creation and Destruction of Value: The Globalization Cycle*, Harvard University Press, 2009; *Making the European Monetary Union*, Harvard University Press, 2012; *The Euro and the Battle of Economic Ideas* (with Markus K. Brunnermeier and Jean-Pierre Landau), Princeton University Press, 2016.

He is currently working on a history of the Bank of England, and is also the official historian of the International Monetary Fund. In 2004 he was awarded the Helmut Schmidt Prize for Economic History, and in 2005 the Ludwig Erhard Prize for writing about economics.

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This paper examines the background to the push – above all for Great Britain – for the establishment of independent central banks. The 1920 Brussels conference recommended that banks and banks of issue “should be free from political pressure and should be conducted only on lines of prudent finance”.

The doctrine was elaborated and exemplified by the Governor of the Bank of England, Montagu Norman. It represented a calculation that in many countries central banking had been subservient to political interests (“fiscal dominance”); but also that many central banks were captured by powerful local business interests. Inflation and hyperinflation in central Europe were not only the consequence of unbalanced budgets, but also of excessive discounting of commercial paper and of the granting of credit on over-easy terms. Adherents of this view also criticised cases, such as Greece and Argentina (but not Hong Kong), where the bank of issue was also a large commercial bank.

The reorganisation of banking on lines that would limit credit expansion (as well as limiting the financing of government deficits) was a precondition for international economic support. What

was the motivation of the international community? How far did the approach reflect a theory of financial stability, and how far was it aimed at opening up markets for British financial and commercial interests? The paper also examines how the doctrine developed in the inter-war period. The Great Depression produced a political reaction in many countries (including Britain and France) against over-powerful central banks, and against the interests that they represented. How did this change in the economic centre affect the debate about institutional reform in the “periphery”, in Europe and globally?





PIET CLEMENT

BANK OF INTERNATIONAL
SETTLEMENTS
SWITZERLAND

INSTITUTIONALISING CENTRAL BANK COOPERATION:

THE NORMAN-SCHACHT VISION
AND THE EARLY EXPERIENCE OF
THE BANK FOR INTERNATIONAL
SETTLEMENTS, 1929-33

Piet Clement (b. 1966) obtained a PhD in Modern History at the Catholic University Leuven, Belgium in 1995, with a dissertation on Belgian public finance (1830-1940). He currently works as historian and Head of the Information & Collaboration unit at the Bank for International Settlements in Basel, Switzerland.

The publications he has authored, edited or contributed to, include: “Maybe the Fund needs something else. Per Jacobsson, from the Bank for International Settlements to the International Monetary Fund, 1931-1963”, in Yago, Kazuhiko; Asai, Yoshio and Ito Masanao (eds.), *History of the IMF, Organization, Policy and Market*, Tokyo: Springer Japan, pp. 67-94, 2015. Clement, Piet, James, Harold & Herman Van der Wee (eds.), *Financial Innovation, Regulation and Crises in History*, London: Pickering & Chatto, 2014. Clement, Piet & Ivo Maes, *The BIS and the Latin American debt crisis of the 1980s*, National Bank of Belgium, Working Paper Research, no. 247, 2013. “The term ‘macroprudential’: origins and evolution” in *BIS Quarterly Review* (March 2010), Basel: Bank for International Settlements, pp. 59-67. Borio, Claudio; Toniolo, Gianni & Piet Clement (eds.), *Past and Future of Central Bank Cooperation*, Cambridge: Cambridge University Press, 2008. Toniolo, Gianni, with the assistance of Piet Clement, *Central Bank Cooperation at the Bank for International Settlements, 1930-1973*, Cambridge: Cambridge University Press, 2005. “Nazi Germany and the service of the Dawes and Young Loans”, in *Financial History Review*, 11,1, pp. 33-50, 2004.

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During the Classical Gold Standard era, central banks cooperated sporadically in support of the international monetary system. The First World War brought the Gold Standard to an end and led to rampant inflation and a huge debt overhang, thereby causing massive disruptions to the international monetary order. During the 1920s, financial and monetary restoration became a pre-occupation in all industrialised countries, with national governments and the newly founded League of Nations taking the lead. In the late 1920s, the (partial) restoration of the Gold Standard, an economic boom and international political détente, meant that central banks regained a lot of their prestige and effective control. Prominent figures, such as Governor Montagu Norman of the Bank of England and President Hjalmar Schacht of the Reichsbank, believed that the time was right for central banks to create their own independent, cooperative forum. The creation of the Bank for International Settlements (BIS) in 1929, to deal with the settlement of World War I reparation payments, was seized by the central banks as a golden opportunity to institutionalise their international cooperation.

Initially, the vision of what the BIS might achieve in support of the Gold Exchange Standard was ambitious. In Norman and Schacht's view the BIS ought to become, not just a forum for information exchange between central banks or for perfecting the techniques of managing the Gold Exchange Standard, but also a truly cooperative organisation that would be capable of providing effective support to central banks in case of need (crisis management) and in stimulating innovative financial arrangements, for instance in the field of international medium-term lending. In that sense, the BIS they had in mind already incorporated some important characteristics of the later IMF.

This contribution investigates the scope of the Norman-Schacht vision for the newly established BIS and the attempts made to put this vision into practice. Drawing on the historical archives of the BIS, the paper tries to assess whether the Norman-Schacht vision for the BIS ultimately failed because of differences in policies and goals among the central banks, or rather because of the disruptive effects of the Great Depression.





JOHANN KERNBAUER

VIENNA UNIVERSITY
OF ECONOMICS AND BUSINESS
AUSTRIA

CENTRAL BANK POLICY UNDER FOREIGN CONTROL:

THE BANK OF ENGLAND
AND THE AUSTRIAN
NATIONAL BANK
IN THE 1920S

Johann (Hans) Kernbauer holds a master degree of the Vienna University of Economics and Business in business management and a doctoral degree in economics of the University of Vienna. After having served as assistant professor at the Institute for Advanced Studies, Vienna, he worked for the central bank of Austria, the Austrian National Bank, on the history of Austrian monetary policy in the inter-war period and as an economist. From 1988 to 1992 he served as an advisor on economic policy to the Austrian minister of finance. Subsequently he held various jobs in banking and financial institutions before he became research associate at the Institute for Economic and Social History at the Vienna University of Economics and Business (2011). Since 2014 he is attached to this institute as lecturer on economic history.

His publications include *The Quest for Stable Money: Central Banking in Austria 1816-2016* (with Clemens Jobst), Frankfurt/Main, 2016; *Österreichische Geld- und Währungspolitik 1969-1998*, in print. *Währungspolitik in der Zwischenkriegszeit: Geschichte der Oesterreichischen Nationalbank von 1923 bis 1938*, Wien, 1991. 'Die Wiener Großbanken in der Zeit der Kriegs- und Nachkriegsinflation', in: Feldman Gerald D. et al. (ed.), *Die Erfahrungen der Inflation im internationalen Zusammenhang und Vergleich*, Berlin, 1984 (with Fritz Weber); and "Österreichische Währungs-, Bank- und Budgetpolitik in der Zwischenkriegszeit", in: Talos, Emmerich (ed.), *Handbuch des politischen Systems Österreichs. Erste Republik 1918-1933*, Wien, 1995.

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The Austrian National Bank (ANB), the central bank of Austria, was founded in 1816, at the end of the Napoleonic war. Ten years after the Compromise of 1867 the ANB was reorganized: the Austro-Hungarian Bank (AUB) acted like its predecessor, the ANB, as the central bank of the monetary union between the Austrian and the Hungarian part of the Habsburg monarchy. The war expenditures of the First World War were financed to a large extent by loans of the AUB increasing the note circulation tenfold between 1914 and 1918. In this period the price level increased in consequence on average by 100 % per year. The growing budget deficits of the Republic of Austria were “covered” again by credits of the “Austrian entity of the AUB” as foreign loans were not available and limiting public spending to tax receipts would, according to the last governor of the AUB, provoke “riots, anarchy and social chaos in Austria and, in consequence, in Central Europe.”

The inflationary process continued for three years after the war at about the same pace as during the war and ended up in a period of hyperinflation (price increases of about 44% p.m.) starting in August 1921. Hyperinflation came to an end one year later when the League

of Nations (LoN) held out the prospect of guaranteeing an international bond of the Republic of Austria if and when defined conditions concerning the public finances would be fulfilled.

The support of the LoN for Austria had its costs in terms of a loss of sovereignty and decision-making power of the government as a commissioner appointed by the League supervised the agreed-upon use of the international loan and an advisor acted as co-president of the ANB. The policy of the Financial Committee of the LoN was decisively influenced by the Bank of England, i.e. by Montagu Norman. The Governor of the Bank of England had in mind to restore the key role of London as the financial center of the world economy as in the last decades before the war. As it turned, the intended return to a bygone era ended catastrophically in 1931.





GYÖRGY PÉTERI

NORWEGIAN UNIVERSITY
OF SCIENCE AND TECHNOLOGY
NORWAY

SNEAKING NATIONAL- ISATION:

HUNGARY AND
THE LIBERAL MONETARY
ORDER, 1924-31

Former research associate of the Institute of History of the Hungarian Academy of Sciences and of the Department of Economic History of Uppsala University, Sweden, György Péteri has been Professor of Contemporary European History at the Norwegian University of Science and Technology (Trondheim, Norway) since 1994. Péteri has a doctoral degree from the Karl Marx University of Economics of Budapest and a “Habilitation” from Uppsala University. His scholarly work took on fields such as the history of Hungary’s War Communism (1919), the history of central banking in the 1920s, the history of Soviet type academic regimes, and the history of social science research in the Cold War era. Péteri’s most recent work addresses issues of modern everyday life under state-socialism. His most important publications relevant for the discussions of the present conference are: *Revolutionary Twenties: Essays on International Monetary and Financial Relations After World War I* (Department of History, University of Trondheim: Trondheim, 1995 [“Trondheim Studies in History”, No. 9]) as well as *Global Monetary Regime and National Central Banking: The Case of Hungary, 1921-1929* (Wayne, NJ: Center for Hungarian Studies and Publications, distributed by the Columbia University Press, 2002).

In economic systemic terms, we tend to see the inter-war years as a period clearly divided between two phases: the “conservative 1920s” and the “revolutionary 1930s”.

Of course, the 1930s is portrayed as the post-liberal era of “managed money”, national isolationism, beggar-thy-neighbour practices and block-building in foreign trade policies, growing popularity of ideas of macroeconomic planning, etc. The 1920s, on the other hand, is conceived as the era of the “return to normalcy”, the restoration of the liberal economic order that had been prevalent before the Great War and characterised by the (relatively or “more-and-more”) free movement of goods and capital (if not people).

On the monetary side of things, the Gold Standard or, at least, the gold exchange standard held sway – a monetary regime working “automatically”, tying the value of the national currency to gold and/or to currencies more or less freely convertible to gold. Central banks were merely asked (a) not to stand in, but rather pave the way for and promote the adjustment process triggered by imbalances in the current account of a country’s international payments, and (b) to weigh in so that other agen-

cies of their nation-state refrained from measures that tampered with the “automatic” processes restoring equilibrium.

In my paper, I will show that this contrast between the 1920s and 1930s has been, to some extent, exaggerated. I will discuss what I term the “sneaking nationalisation” of monetary management, providing empirical evidence as to how leaders of the central bank of a small peripheral economy (Hungary) perceived the adjustment pressure weighing on them and how they tried to show themselves obedient to “the rules of the game”, at the same time as they went against these rules when these appeared, in their view, to hurt national interests.





**CECYLIA
LESZCZYŃSKA**

UNIVERSITY OF WARSAW
POLAND

**THE BANK
OF POLAND
AND POLISH
MONETARY
POLICY UNDER
THE GOLD
EXCHANGE
STANDARD,
1924-36**

Cecylia Leszczyńska, Doctor habilitatus. PhD: economic sciences, Faculty of Economic Sciences, University of Warsaw. Teaching: economic history at the University of Warsaw. Research: the history of central banking and monetary policy. Outside University of Warsaw: co-operation with Central Statistical Office on editorial board of the publication *The History of Poland in numbers*. Advisor to the President of the Central Statistical Office (2008-11).

She has published articles and books on economic history of Poland, history of Polish central banking and Polish historical statistics. Major publications (author and co-author): *History of Poland in numbers. Poland in Europe* (2014); *Polska polityka pieniężna i walutowa w latach 1924-1936. W systemie Gold Exchange Standard* (2013); "The Determinants of Foreign Banking Activity in Poland during the Interwar Period" in M. Aspey et al. (eds.) *Foreign Financial Institutions and National Financial Systems. Studies in Banking and Financial History*, EABH, 2013; *An Outline History of Polish Central Banking*, 2011; *Historia Polski w liczbach*, vol. 1-2, 2003, 2006; *Historia gospodarcza Polski*, 2001.

The First World War created a new situation in Polish central banking. During the war, German authorities established the Polish National Credit Bank (PNCB). After Poland was re-established (1918), the PNCB became a temporary issuing institution. In 1918-23 the country underwent significant inflation, transitioning to hyperinflation in October 1923.

Establishing the Bank of Poland (in April 1924) was an element of a reform package (Grabski's reform) aimed at balancing the state budget and achieving monetary stability. The anti-inflationary emphasis on creating a strong currency through tight money policies and backing the zloty with gold was viewed as support for an important symbol of Polish statehood. Issuance of the zloty was based on the Gold Exchange Standard.

Grabski's reform was not entirely successful. The economic crisis and a disastrous disequilibrium in the balance of payments for 1925 weakened the zloty dramatically; the zloty exchange rate collapsed. The monetary system was modified in 1927. Polish government adopted a three-year stabilization plan (1927-30), with the zloty being stabilised at a level about 40% below its pre-

vious parity. Poland returned to completely free foreign exchange markets and international capital movement.

Faced with deepening recession (1929-33), several countries decided to abandon the Gold Standard as a means to fend off the crisis. Poland chose a different path – it entered the Gold Bloc in 1933. The monetary authority believed it was necessary to refrain from devaluation and stick to the Gold Standard system, maintaining monetary stability and restricting capital flows. Only in April 1936, when the Gold Bloc had collapsed, did Poland decide to curb external transactions by controlling the foreign currency market. The decision to introduce restrictions came too late and prolonged adherence to the Gold Standard system was one of the reasons behind the particular persistence and severity of the Great Depression (with deep deflation) in Poland relatively to other countries.





JAKUB KUNERT

CZECH NATIONAL
BANK ARCHIVE
CZECH REPUBLIC

FROM BANKING OFFICE TO NATIONAL BANK:

ESTABLISHMENT
OF THE NATIONAL BANK
OF CZECHOSLOVAKIA, 1919-26

Jakub Kunert (1977) graduated in history and archival science from the Faculty of Philosophy and Arts of Charles University in Prague in 2002. He trained at the State district archive in Prague and at the Archive of the Czech National Bank. In 2004 he joined the Archive of the Czech National Bank as senior archivist. Since 2009 he has been working as a chief archivist of the Czech National Bank.

He is a member of a committee of the specialised archives of the Czech archival society and since 2010 he is also a member of the Academic Advisory Committee of the European Association for Banking and Financial History. He is also the representative of the Czech National Bank in the ESCB Information Management Network. Since 2014 he is a member of an advisory committee of the Ministry of Interior for the electronic systems for archival description of records.

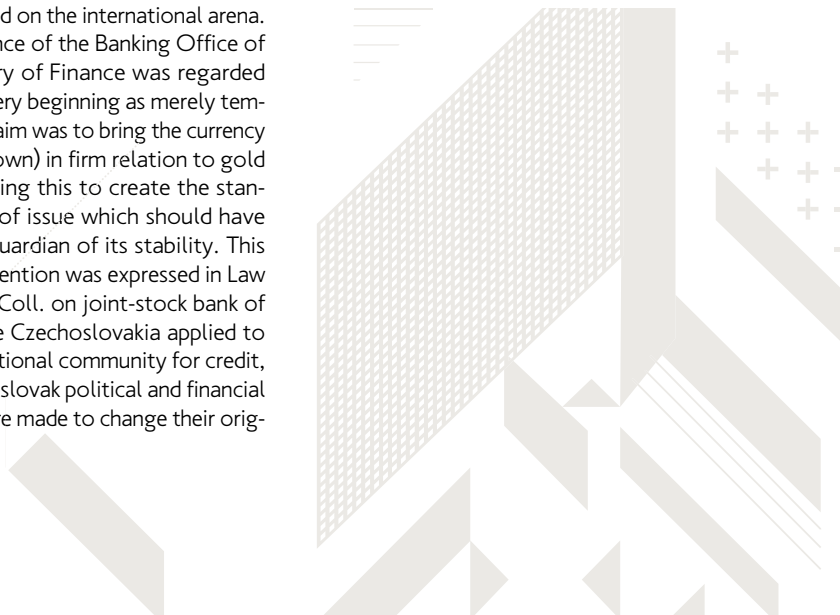
His work focuses mainly on the history of small and middle-size banks in Czech lands, on which he has published several papers. He has recently been working on the history of central banking in Czechoslovakia, mainly in the period 1918-50.

The decision of the founding general members meeting of the future National Bank of Czechoslovakia on March 21st, 1926 and the announcement of the Ministry of Finance dated April 1st, 1926 to establish the National Bank of Czechoslovakia terminated a long provisional period of seven years after the introduction of the Czechoslovak currency in 1919, when its administration was in the hands of the Banking Office of the Ministry of Finance.

The Banking Office of the Ministry of Finance was a Government office, which performed the duties of a state bank of issue. Its principal task was to stabilise the Czechoslovak currency, both on the national and on the international arena. The existence of the Banking Office of the Ministry of Finance was regarded from the very beginning as merely temporary. Its aim was to bring the currency (koruna/crown) in firm relation to gold and achieving this to create the standard bank of issue which should have been the guardian of its stability. This original intention was expressed in Law 347/1920 Coll. on joint-stock bank of issue. Since Czechoslovakia applied to the international community for credit, the Czechoslovak political and financial leaders were made to change their orig-

inal intention and the National Bank of Czechoslovakia was established prior to the adoption of the gold currency.

The study attempts to pursue the events surrounding the creation of the National Bank of Czechoslovakia and shows the development of ideas on the constitution of the bank of issue during the period 1919-26. The paper then offers the comparison of key differences between both Czechoslovak monetary authorities (Banking Office of the Ministry of Finance and National Bank of Czechoslovakia) and tries to explain whether the chosen solution helped to maintain the desired independence of the newly established central bank.





KOSTAS KOSTIS

UNIVERSITY OF ATHENS
GREECE

‘NOBODY’S CHILD’?

THE ESTABLISHMENT
AND EARLY YEARS OF
THE BANK OF GREECE

Kostas Kostis studied economics in the Department of Economics of the University of Athens and then economic history in the École des hautes études en sciences sociales in Paris, France, where in 1985 he defended his Ph. D. thesis. In 1990 he was awarded the Nicolas Svoronos Prize from the Institute of Technological Research. Since 2004 he is professor of economic and social history in the Department of Economics of the University of Athens, while since 1999 he works as advisor to the General Management of Alpha Bank (Athens). From 2006 to 2009 he occupied the chair of Modern and Contemporary Greek Studies of the École des hautes études en sciences sociales in Paris. He has published numerous books, among which *State and business in Greece. The History of Aluminium de Grèce*, Athens, 2013 and *History’s Spoilt Children. The History of the Greek state*, Athens, 2013 (English version published by Hurst, London – New York).

Within the span of five years – from 1925 to 1930 – the Greek banking system was overhauled: 1925 saw the foundation of the National Mortgage Bank, 1928 the establishment of the Bank of Greece and 1929 the creation of the Agricultural Bank and the Hellenic and General Trust Co., an industrial credit institution.

Far from coming out of some domestic policy initiative, these reforms took place at the behest of the country's foreign creditors, as a pre-condition for continued access to foreign lending. What is more, the establishment of an independent central bank, the Bank of Greece, was part of a broader inter-war trend to set up a series of new central banks capable of cooperating with each other to restore and bolster the operation of the Gold Standard.

In the Greek case, however, for all its state-of-the-art charter and modern standards, the new central bank was largely seen as a necessary pretext to allow Greece renewed access to international capital markets. Foreign creditors aside, no one favoured the establishment of the Bank of Greece. Its capital base was deliberately hamstrung, rendering the new institution a weak player

in the domestic banking system. What is more, for decades, many among the country's political and financial elites continued to seek the Bank's abolition – much to the frustration of foreign creditors, who ultimately ensured the Bank's survival during this difficult 'childhood'.





ROUMEN AVRAMOV

CENTRE FOR ADVANCED
STUDIES, SOFIA
BULGARIA

THE BULGARIAN NATIONAL BANK, 1926-35:

FROM INSTITUTIONAL
TRANSFORMATION
TO THE HANDLING
OF THE GREAT DEPRESSION

Roumen Avramov, Associate Professor and Permanent Fellow at the Centre for Advanced Studies Sofia (CAS), has been working in the fields of economic history, central banking, business cycles and the history of economic ideas. He has been a Senior research fellow at the Institute of Economics of the Bulgarian Academy of Sciences (1976-90); Vice-President of the Agency for Economic Coordination and Development of the Bulgarian Government (1991-94); Member of the Board of Governors of the Bulgarian National Bank (1997-2002); Programme Director at the Centre for Liberal Strategies, Sofia (1995-2012). He is the author of several books devoted to the economic and financial past of Bulgaria, including *The 20th Century Bulgarian Economy*, 2001; *Communal Capitalism: Reflections on the Bulgarian Economic Past*, vol. 1-3, 2007; *Money and De/Stabilization in Bulgaria, 1948-1989*, 2008. He has edited the annotated chronology *120 Years Bulgarian National Bank* (BNB, 1999), as well as the eight-volume series *Bulgarian National Bank. Selected Documents, 1879-1990*. He has also researched the economics of inter-ethnic conflicts in the country: those with the Greek community (*Anchialo 1906: The Political Economy of an Ethnic Clash*, 2009); the anti-Jewish policies during WWII (*“Salvation” and Abjection. Microeconomics of State Anti-Semitism in Bulgaria, 1940-1944*, 2012; *The Deportation of the Jews from Western Thrace, Vardar’s Macedonia and Pirot. March 1943. Documents from the Bulgarian Archives* (with Nadia Danova), vol. 1-2, 2013); and the forced assimilation of the Turkish minority in 1985-89 (*The Economy of the “Revival Process”*, 2016).

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The Bulgarian National Bank (BNB) was established in 1879 as a state-owned merchant/deposit bank. In 1885 it obtained the monopoly of note issue and during the following decades evolved into a more complex entity with multifaceted influence on the economy. The paper surveys the period of the deepest pre-WWII transformations of the BNB. Emphasis is put on the successful opposition of the local elites to the privatisation of the bank: a measure promoted by the League of Nations as a prerequisite for its patronage for the 1928 Stabilization Loan. This clash over the ownership and the independence of the BNB is highly symptomatic for the economic culture shaped in the previous half-century. On the other hand, the reforms accompanying the loan institutionalised a new style of foreign economic conditionality.

The reorganisation of the BNB into a genuine central bank is essential for understanding the 1928-29 economic expansion but also the two strategic choices faced by the monetary/economic authorities during the ensuing Great Depression: whether to stay in or to go out of gold; to opt for a cooperative or a confrontational default on external debt in 1932. Bulgaria decided

to remain in, to refrain from an open devaluation and to seek a cooperative, albeit difficult, agreement with its creditors. Hence, it took the opposite decisions of those adopted by Greece and provided live tests of alternative policies. During the Depression the BNB devised and implemented a number of financial innovations. It was at the core of the trade, exchange and capital controls; managed the clearing agreements; operated the growing market of private compensation deals; guided the restructuring of the banking system and the settlement of the domestic non-performing loans' issue. BNB was a crucial player in the robust recovery initiated in 1935 and boosted by the close ties with Germany.

Overall, in 1924-35 BNB both enhanced the étatiste bias of the Bulgarian economy and traced longue durée trends that culminated with the currency board arrangement introduced in 1997, still in place today.





ŞEVKET PAMUK

BOGAZIÇI UNIVERSITY,
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TURKEY'S MACROECONOMIC POLICIES DURING THE GREAT DEPRESSION, 1929-39

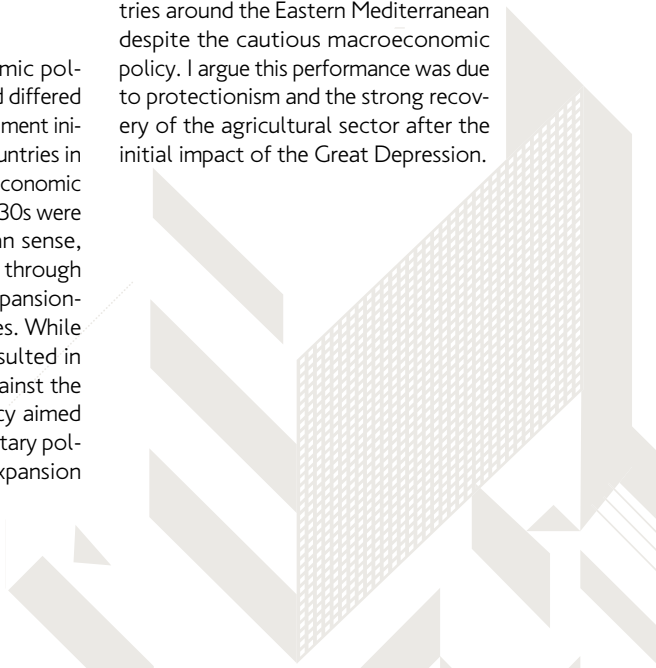
Şevket Pamuk is Professor of Economics and Economic History at Bogaziçi (Bosphorus) University, Istanbul. He graduated from Yale University and obtained his PhD in Economics at University of California, Berkeley. Pamuk is the author of many books and journal articles on Ottoman, Middle East and European economic history, including *A Monetary History of the Ottoman Empire* and most recently *Uneven Centuries: Economic History of Turkey since 1820*. He was Professor and Chair in Contemporary Turkish Studies at the London School of Economics from 2008 through 2013. Pamuk was President of European Historical Economics Society (2003-05), President of Asian Historical Economics Society (2012-14), Editor of *European Economic History Review* (2011-14), and is a member of Academia Europea and of Science Academy, Istanbul.

The Great Depression was transmitted to Turkey primarily through the sharp decline in the prices of agricultural commodities. In response, the policies of the urban-based government were strongly interventionist. Protectionist measures of the early years were followed in 1932 by the adoption of etatism, or import-substituting industrialisation led by the state. In the medium term, the government aimed at creating a more closed, more autarkic economy and increasing central control through the expansion of the public sector. These latter preferences were directly related to the bureaucratic nature of the regime.

In contrast, the macroeconomic policy mix was rather cautious and differed sharply from the activist government initiatives in other developing countries in Latin America and Asia. Macroeconomic policies in Turkey during the 1930s were not designed, in the Keynesian sense, to increase aggregate demand through the use of devaluations and expansionary fiscal and monetary policies. While the exchange rate policies resulted in the appreciation of the lira against the leading currencies, fiscal policy aimed at balanced budgets and monetary policy allowed for rather slow expansion

of the money supply during the second half of the decade. This macroeconomic policy stance requires an explanation. The relatively strong performance of the economy provides one answer. Another reason was the bitter legacy of the Ottoman experience with budget deficits and large external debt before World War I and the inflationary experiment with paper currency during the War. The absence of a strong political opposition also allowed the government to stay away from expansionary macroeconomic policy.

The recovery in the 1930s was stronger in Turkey than in most other countries around the Eastern Mediterranean despite the cautious macroeconomic policy. I argue this performance was due to protectionism and the strong recovery of the agricultural sector after the initial impact of the Great Depression.





**ADRIANA
CALCAGNO &**

**JUAN FLORES
ZENDEJAS**

UNIVERSITY OF GENEVA
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Adriana Calcagno is a PhD candidate in the University of Geneva and the University of Paris 1. Her main research interests are the evolution of Raúl Prebisch's thought, the development propositions of the Economic Commission for Latin America and the Caribbean, and the economic History of Latin America.

MAKING MONEY FLOW

LATIN AMERICAN CENTRAL BANKS
AT THE ONSET
OF THE GREAT DEPRESSION

Juan Flores Zendejas is Associate Professor at the Department of History, Economics and Society of the University of Geneva. He earned a PhD in economics from Sciences Po Paris. He has worked for the Mexican Government and as external consultant to the private sector, the Mexican Senate, and to international institutions. He was head of the Paul Bairoch Institute of Economic History between 2014 and 2018. Flores Zendejas's research focuses on the history of financial crises and sovereign defaults, the history of international financial organisations and problems of economic development in Latin America. He has extensively published in journals such as *International Organization*, *European Review of Economic History*, *Journal of Economic History* and the *Economic History Review*.

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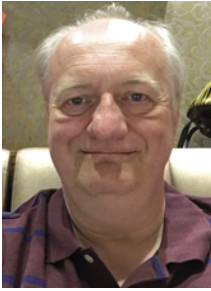
As in many other regions, Latin America witnessed the birth of most of today's central banks during the inter-war period. In the 1920s, these new institutions reflected governments' efforts to modernise their economies. Most central banks were conceived by foreign monetary advisors and aimed to provide stability to the new monetary regimes based on the Gold Standard.

This paper analyses the reactions of these central banks to the onset of the 1929 crisis. It compares the initial responses, which strongly corresponded to the needs of the system, and the subsequent policies implemented once the Gold Standard was abandoned.

To this end we show that central banks initially acted to prevent capital outflows and protect their gold reserves, a reaction which had strong contractionary implications in some countries. The incipient banking sector suffered accordingly, and only received support once governments decided to intervene more actively in the economy. The central banks established in the 1930s, however, were conceived pursuant to the new economic reality. Their targets prioritised the capacity to implement countercyclical economic policies, including

liquidity provision to the banking sector and the supply of domestic credit.





JOHN SINGLETON

SHEFFIELD HALLAM
UNIVERSITY
UNITED KINGDOM

CENTRAL BANKS IN THE BRITISH EMPIRE IN THE INTER-WAR PERIOD:

THEIR RATIONALE, DESIGN
AND OPERATIONS

John Singleton is Professor of Economic and Business History at Sheffield Hallam University, UK. After completing a PhD in economics at Lancaster University with a thesis on the history of the cotton industry, he was employed at the Universities of York and Manchester, the LSE, and Victoria University of Wellington. He has published widely in business, economic and financial history, especially of the UK and New Zealand. He is the principal author (with Arthur Grimes, Gary Hawke and Frank Holmes) of *Innovation and Independence: The Reserve Bank of New Zealand, 1973-2002*, Auckland University Press, 2006, and the author of *Central Banking in the Twentieth Century*, Cambridge University Press, 2011. Professor Singleton's most recent book *Economic and Natural Disasters since 1900: A Comparative History*, Edward Elgar, 2016, compares the ways in which economic, financial, natural, industrial, political, and health disasters unfold. At present he is working on the history of coal mining disasters, mine rescue technology, and mine management in the UK.

Central banks were created in South Africa, Canada, New Zealand, and India between the wars. The Commonwealth Bank of Australia was evolving from a state bank into a central bank. Central banking was also debated in the Irish Free State, but no action was taken until the 1940s.

From the Bank of England's perspective, the transmission of central banking ideas and structures to the Empire was part of a broader campaign to create a global network of central banks. By the 1930s, this objective was accompanied by a determination to maintain monetary discipline in the Sterling Area. From the perspective of the Dominions, central banks were increasingly regarded as institutions to promote greater national economic autonomy and recovery, possibly even by unorthodox means.

As well as reviewing the debate on the political economy of imperial central banking, the paper will examine the design of the empire central banks and their conduct. To what extent was the model of central banking sold by the Bank of England (and offered more passively by the Federal Reserve) appropriate to the level of economic and financial development of empire countries?

How effective were the standard tools of central banking, such as discount rate policy and open market operations, in the Dominions, given the primitive or intermediate development of their financial markets? If the evidence suggests that central banks in the British Empire were unable to exert much pressure as monetary authorities in the 1920s and 1930s, should they be regarded as essentially symbolic institutions, spouting the views either of London or the host government?

In exploring these issues, considerable use will be made of contemporary literature on central banking, including comparative work by practitioners such as Cecil Kisch (senior financial advisor at the India Office), M.H. de Kock (Deputy Governor of the South African Reserve Bank), and the Canadian economist A.F.W. Plumptre, author of *Central Banking in the British Dominions* (1940).





GOPALAN BALACHANDRAN

THE GRADUATE INSTITUTE
OF INTERNATIONAL &
DEVELOPMENT STUDIES, GENEVA
SWITZERLAND

CENTRAL BANKING AND COLONIAL CONTROL:

INDIA, c. 1914-39

G. Balachandran is Professor of International History and Politics at the Graduate Institute of International and Development Studies, Geneva. His research engages South Asia and the Indian Ocean in a global frame and spans labour, capital, entrepreneurship and development. He is also interested in histories of colonialism and decolonisation, and their continuing significance for the present. Professor Balachandran's current research focuses on cultures of commerce in the Indian Ocean and Atlantic worlds. His books include *John Bullion's Empire: British Gold Problems and India between the Wars* (1996, 2013, 2015); *Globalizing Labour? Indian Seafarers and World Shipping, c. 1870-1945* (2012); and the *Reserve Bank of India, 1951-1967* (1998). He has also edited *India and the World Economy, c. 1850-1950* (2002), and is a Managing Editor of the *Indian Economic and Social History Review*.

Plans for a central bank in British India are often traced back to the publication of John Maynard Keynes's memorandum proposing a state bank as an annex to the report of the 1914 Royal Commission on Indian Finance Currency (Chamberlain Commission).

In the 1920s the Bank of England promoted the establishment of central banks particularly in colonies where it apprehended a weakening of metropolitan control over colonial financial policies. How did such apprehensions and attempts to deal with them unfold in India during the 1920s and early 1930s? Did they have any bearing on financial policies, how did notions of 'orthodoxy', and associated histories, articulate to emerging ideas of what constituted 'state of the art' financial and institutional design?

When it came into existence in 1935 the Reserve Bank of India (RBI) not only differed from the 1914 proposals, but also in important respects from the plans that had been considered in the late 1920s. What explains these differences? To what extent were its founding expectations realised in the early years of the RBI's functioning? How did the colonial government deal with

this departure from expectations and what does its response tell us about the nature of inter-war central banking in India and more generally? These are some of the questions I propose to address in this paper which attempts a broadly situated history of the establishment and early functioning of the Reserve Bank of India.



GOVERNORS'
SHORT BIOS





**CARLOS
COSTA**

GOVERNOR
BANCO DE PORTUGAL

Carlos Costa is the Governor of Banco de Portugal since June 2010, and inherently a member of the Governing Council and of the General Council of the European Central Bank. He is also a member of the General Board of the European Systemic Risk Board and of the Financial Stability Board Regional Consultative Group for Europe, and the Chairman of the National Council of Financial Supervisors. Carlos Costa is honorary Vice-President of the European Investment Bank (EIB). He was Vice-President of the EIB (2006-10) and held senior positions in the context of the European Union. Carlos Costa graduated in Economics from the Faculty of Economics of Universidade do Porto. He is a Visiting Full Professor at Universidade de Aveiro, and a Visiting Full Professor and Chairman of the Advisory Board of Católica Porto Business School.





GYÖRGY MATOLCSY

GOVERNOR
MAGYAR NEMZETI BANK

Mr. György Matolcsy Dr. is the Governor of the Magyar Nemzeti Bank (The Central Bank of Hungary) since 4 March 2013.

He graduated from Karl Marx University of Economics in 1977, and obtained his Doctorate degree in 1984. His dissertation topic was “Conversion of Hungarian state-owned companies into holdings, possibilities offered by the new corporate organisation concept”.

From 1978 he worked at the Department of Industry at the Ministry of Finance, from 1987 in the Financial Research Institute and in the Financial Research Plc. (Pénzügykutató Rt.) as a theoretical researcher and advisor in the field of capital markets. In 1990 he worked for the Prime Minister’s Office as personal economic advisor to Prime Minister József Antall. After 3 years membership in the Board of Governors in the European Bank for Reconstruction and Development (EBRD), he was Director of the Privatisation Research Institute, and of its successor organisation, the Institute for Growth. Between 2000 and 2002 he was Minister of Economic Affairs, and between 2010 and 2013 Minister for National Economy. In 2013 he was appointed Governor of the Magyar Nemzeti Bank for a 6-year term.



EWALD NOWOTNY

GOVERNOR
OESTERREICHISCHE
NATIONALBANK

Ewald Nowotny is the Governor of the Oesterreichische Nationalbank (OeNB) and a Member of the Governing Council of the European Central Bank (ECB).

Before taking on his current position in September 2008, Ewald Nowotny held a number of high-level positions in financial institutions. He was CEO of the Austrian BAWAG P.S.K. banking group from 2006 to 2007, served as Vice-President and Member of the Management Committee of the European Investment Bank (EIB) in Luxembourg from 1999 to 2003, and, between 1971 and 1979, was first a Member and then President of the Governing Board of Österreichische Postsparkasse (PSK). Moreover, from 1992 to 2008, Ewald Nowotny served on the supervisory boards of several banks and corporations and was a member of the OeNB's General Council from 2007 to 2008.

Ewald Nowotny was born in Vienna, Austria, in 1944. He studied law and political science at the University of Vienna and economics at the Institute for Advanced Studies (IHS) in Vienna. In 1967, he received his doctorate in law from the University of Vienna. He served as a professor at the University of Linz and at the Vienna University of Economics and Business, where he was also Vice-Rector for Financial Affairs.

Ewald Nowotny was Vice President of the Austrian Economic Association and is a Member of the University Board of the Vienna University of Economics and Business.



OLLI REHN

GOVERNOR
SUOMEN PANKKI -
FINLANDS BANK

Dr. **Olli Rehn** is Governor of the Bank of Finland as of 12 July 2018.

Mr. Rehn is also member of the Governing Council of the European Central Bank.

Before joining the Bank in 2017 Mr. Rehn served as Minister of Economic Affairs in Prime Minister Sipilä's Government in 2015-16. Mr. Rehn was a Member and Vice President of the European Parliament in 2014-15 and a member of the first group of Finnish MEPs in 1995-96.

Mr. Rehn was Vice-President of the European Commission in 2011-14. As a Member of the European Commission, he was responsible for Enlargement in 2004-10 and for Economic and Monetary Affairs in 2010-14.

Mr. Rehn holds a degree of Doctor of Philosophy (DPhil) in international political economy from the University of Oxford (1996). Mr. Rehn had previously graduated as Master of Social Sciences (Political Science) from the University of Helsinki in 1989.



JAN SMETS

GOVERNOR
NATIONALE BANK
VAN BELGIË - BANQUE
NATIONALE DE BELGIQUE

An economist from Ghent University, Jan Smets joined the Research and Economics Department of the National Bank of Belgium in 1973. Between 1988 and 1994, he served as Economic Chief of Staff to Prime Ministers Martens and Dehaene.

In 1994, he returned to the National Bank as Head of the Research and Economics Department.

In 1999, he was appointed Director of the NBB and at the same time was chosen to fill the post of General Commissioner for the Euro, responsible for preparing the change over to the euro in Belgium. He was also Vice-President of the High Council for Employment for several years.

In March 2015, he took over as Governor of the National Bank of Belgium and became a member of the European Central Bank's Governing Council and General Council.

He also chairs the Public Sector Borrowing Requirements section of the Belgian High Council of Finance. In his capacity as Governor, he is a member of a number of international and national financial organisations and institutions.



YANNIS STOURNARAS

GOVERNOR
BANK OF GREECE

Born in Athens December 10th, 1956.

Yannis Stournaras is Professor of Economics at the Department of Economics, University of Athens, which he joined in 1989.

He graduated from the Department of Economics, University of Athens in 1978. He obtained his post-graduate degrees (MPhil 1980, DPhil 1982) from Oxford University, where he also worked from 1982 to 1986 as a Research Fellow and Lecturer at St. Catherine's College and as Research Fellow at the Oxford Institute for Energy Studies. Following his return to Greece he worked as Special Advisor to the Ministry of Economy and Finance (1986-89) on Public Enterprises and Incomes Policy issues, and to the Bank of Greece (1989-94) on Monetary Policy issues. From 1994 to July 2000 he was Chairman of the Council of Economic Advisors at the Ministry of Economy and Finance. In this capacity, he participated in the negotiations for the entry of Greece in the Economic and Monetary Union. He was Vice Chairman of the Public Gas Corporation (1994-97) and a member of the Board of Directors of the Public Debt Management Office (1998-July 2000). From 2000 to 2004 he was Chairman and Chief Executive Officer of Emporiki Bank and Vice Chairman of the Association of Greek Banks. From 2005 to August 2008 he was managing director of Kappa Securities. He served as Director General of the Foundation for Economic and Industrial Research (IOBE), a private sector think-tank (September 2009-June 2012). He was Minister of Development, Competitiveness and Shipping of the Interim Government (May-June 2012). He was Minister of Finance from July 2012 until June 2014. Since June 2014 he is Governor of the Bank of Greece.



MARIO VELLA

GOVERNOR
BANK ĊENTRALI TA' MALTA -
CENTRAL BANK OF MALTA

Mario Vella was appointed Governor of the Central Bank of Malta in July 2016. He is also a member of the Board of Governors of the Malta Financial Services Authority (MFSA) and a trustee of the University of Malta Research, Innovation and Development Trust.

Economic development and foreign direct investment (FDI) have been central to his professional and academic life. Dr. Vella was Executive Chairman of Malta Enterprise (ME), the national economic development and investment promotion agency, between 2013 and 2016. He served for eighteen years within the Malta Development Corporation (ME's predecessor organisation) culminating with his appointment as its Chief Executive Officer.

A specialist in the political economic dynamics of the Mediterranean region and in economic relations across different political systems and business cultures, Dr. Vella was Director of Foreign Direct Investment services at Grant Thornton for thirteen years, in which position he serviced private and public sector clients internationally in a broad range of sectors. He studied at the then Royal University of Malta, the London School of Economics and Political Science, and Humboldt University, Berlin. Between 2007 and 2012 he was Visiting Professor at Edinburgh Napier University. In 2005 he was Visiting Professor at the Alta Scuola di Economia e Relazioni Internazionali of the Università Cattolica del Sacro Cuore at Milano and at Università degli Studi di Urbino "Carlo Bo". For about twenty years he taught at the University of Malta from where he took leave to comply with the Central Bank of Malta Act's requirement that the Governor may not concurrently hold other professional offices. He was conferred the Ordine al Merito della Repubblica Italiana.

THE HISTORICAL ARCHIVE OF THE BANK OF GREECE

Entrusted with the preservation of the Bank's historically significant records, the Historical Archive of the Bank of Greece is home to one of the largest collections of archival material pertaining to Greece's financial and economic history in the twentieth century.

The main collection dates back to 1928, the first year of the Bank's operation, and comprises records covering all of its principal functions, including the conduct of monetary and exchange rate policy, the provision of credit, the supervision of financial institutions, the issuance of banknotes and the carrying out of the state's bank operations.

What is more, the Historical Archive includes the personal records of former Governors and prominent staff members, as well as third-party archives associated with the development of the financial system and the history of the Bank itself. Several of these archives offer unique insights into the conduct of economic and financial policy at critical historical junctions. Last but not least, the Archive's collections also entail an extensive range of photographs, architectural designs and audio-visual material.

Little more than a decade old, the Historical Archive of the Bank of Greece has been expanding its holdings rapidly, as it steadily assumes custody of the Bank's historical records and attracts an increasing number of private donors. Organised by international standards, routinely preserved and systematically digitised, the Archive's collections are gradually made available to researchers, subject to the terms and conditions laid down by the relevant management (or donor) decisions. Processed records which are over 30 years old are generally available for consultation, with most access restrictions being associated with the protection of personal privacy or legitimate third-party interests.

The Historical Archive belongs to the *Centre for Culture, Research and Documentation*, which also comprises the library, museum and collections, and the cultural publications of the Bank of Greece. It is thus organically intertwined with the Bank's rich numismatic and art collections, as well as one of the finest economic research libraries in Greece, home to more than 175,000 volumes, while also supporting a number of publications on modern Greek history.



Since its inception in 2013, the *Centre for Culture, Research and Documentation* has sought to promote the role of the Bank of Greece in the country's economic, social and cultural development. In this context, the Historical Archive aspires to protect the Bank's

institutional memory and promote research in Greek economic and financial history, not least through the development of research initiatives and the advancement of national and international partnerships.



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