

## Strategy for research at Norges Bank 2020 – 2022

### **I. Background**

Norges Bank's executive board has adopted a strategic plan for the bank during the period 2020-2022. The monetary policy department, the financial stability department and the markets department have documented their own strategic priorities. Notwithstanding general, long-term objectives aimed at developing the staff and work quality, the priorities set in this plan should guide departments and divisions in developing and prioritizing activities during the strategy period. The strategic plan below documents the strategic priorities of the research group ("NBR") at Norges Bank ("the Bank" or "NB").

### **II. Overarching objectives of research in Norges Bank**

The rationale for having research at NB is that NBR supports the central banking activities of the Bank towards achieving its main objectives of maintaining monetary stability, promoting the stability of the financial system and an efficient and secure payment system and contributing to high and stable output and employment in five ways.

First, by contributing to cutting-edge research-based economic analysis and working to ensure that the Bank's policy analyses are conducted using methods that are on the economic research frontier. Second, NBR acts as a link to the national and global academic economic communities, providing the staff and policymakers with access to and interaction with recognized global experts on monetary policy, macroeconomics, financial stability and financial intermediation. Third, by conducting high-quality research, (to be) published in high-quality peer-reviewed journals, in areas of importance to the Bank, such as monetary economics, macroeconomics, financial stability and financial intermediation. Fourth, the research section and other NB staff conducting research shall ensure the Bank has a stable and long-term access to a pool of economists with both substantial experience from central bank policymaking and are well versed in economic methods at the frontier of relevance to central banking. Fifth, NBR should make a substantial contribution to the strategic objectives of NB in the period 2020-2022.

The ambition of NBR is to be among the best central bank research groups in the world and to be Norway's leading institution for research on monetary policy and financial stability.

### **III. Tasks and intermediate goals of research economists and the research division**

The tasks of individual research economists have been formalized in job descriptions. Research economists in other divisions have separate job descriptions. In working towards the above-mentioned overarching objectives, each research economist is expected to:

- Conduct research for publication in high-quality peer-reviewed journals;
- Present and discuss research and analyses, both internally and externally, in Norway as well as abroad, in order to disseminate the work at Norges Bank and expose it to review by relevant academics, central bank staff and other relevant institutions;
- Engage in analysis and advisory activities in collaboration with the Bank's policy departments, with a focus on creating analytical tools and analyses that can be applied directly in the Bank's policy preparation, and the bank staff acquiring new knowledge and skills.

- Disseminate external research, organize conferences and seminars, and give courses to keep the Bank's staff and management up to date with relevant research and increase the level of expertise;
- Do a secondment at MI, PPO or FST in both the research economist and the senior research economist track.

#### **IV. Maintaining research expertise**

Economists conduct research throughout NB, both in the research division and elsewhere. To ensure that new staff brings in cutting-edge skills, research economists shall be recruited through an open process, typically coinciding with the academic job market of the EEA and/or AEA. To complement the expertise of the full-time staff, NBR will offer part-time and visiting research economist positions to selected professors as well as PhD students in a late phase of their graduate studies. Part-term positions will in principle have a limited duration, i.e., up to three years. The research unit should also act as catalyst for collaboration by NB staff with foreign research economists, where needed by offering guest research economist contracts or short-term positions for visiting economists.

#### **V. Research philosophy and challenges**

Norges Bank has a separate research section, which creates an internationally recognizable structure for top PhD economists who wish to combine high quality research with work on central bank policy. For such a separate research function to be successful, close contact and collaboration between research and policy economists is essential to ensure that research staff stay informed about current policy issues while policy staff remain up to date about new research, methods and analytical tools.

To monitor how well the research function is meeting its goals, the function's academic performance is evaluated by a committee consisting of internationally recognized economic experts, drawn from both policy and academic institutions and/or NB's scientific advisors, approximately every three years but at least every five years. The evaluation is discussed with the executive directors of financial stability, markets and monetary policy. Analytical and advisory work, including internal research dissemination, is to be evaluated each year by the executive directors FS, MK and MP with input from their section heads.

The main challenge for research going forward is to further increase the productivity of NB Research in terms of its contribution to important policy analyses, in particular on strategic issues, while also striving to improve the quality and quantity of its publications.

#### **VI. Strategic initiatives specific for the period 2020-2022**

Concrete objectives (individual and division-wide) during the current strategy period are:

1. Starting in 2020, newly hired research economists will be seconded to a policy department for three months during their first years at Norges Bank.
2. Establishing an efficient and safe bank-wide governance structure for its infrastructure for storing and analyzing microdata for research and policy analysis.
3. NBR will support PPO, FST and MI in exploiting the full potential of using microdata, other new data sources and related new analytical methods for macroeconomic and financial stability analysis.
4. NBR will prioritize making contributions through working papers, staff memos, and blogs to the strategic initiatives of PPO, FST and MI.

5. NBR will prioritize making contributions to the development of a richer macroeconomic modeling toolbox
6. Recruitment of new research staff shall be supportive of the above strategic objectives
7. The research group should be an attractive workplace and attractive to both “junior” research economists and “senior” research economists that has a balanced seniority distribution and is robust to staff turnover
8. NBR has as an ambition to publish research in top, very good and good journals. [[Norges Bank journal ranking](#)]