



## Donald Trump's Normal Fed

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For now, Fed appointees have been treated almost as well as generals in the US president's universe. In a crunch, however, the Fed's much-vaunted independence could prove more fragile than most people realize.

CAMBRIDGE – In a presidency that has shown little regard for conventional institutional norms, how can one explain Donald Trump's completely reasonable appointments to the Federal Reserve Board? The most recent nominations, Columbia professor Richard Clarida and Michelle Bowman, the bank commissioner for the state of Kansas, continue a pattern of choosing seasoned technocrats, beginning, most importantly, with Jerome Powell, the new Fed chair.

If Trump were a normal president, appointing highly regarded individuals who can ensure effective policymaking would be business as usual. But here is a president who has often chosen officials with little government experience, and then seems to task them with creating the most disruption possible in the departments they are selected to run. Yet for the Fed, the author of *The Art of the Deal* has nominated as vice-chair an academic (Clarida) whose most famous paper is entitled "The Science of Monetary Policy."

All right, you might say, giving Trump credit for maintaining stability at the Fed is like giving high marks for not starting a nuclear war. The idea of central-bank independence has gained enormous traction over the past 30 years among politicians worldwide. Not only is it the norm in democracies such as the United States, the eurozone and Japan, but even strongman leaders like Russian President Vladimir Putin and Hungarian Prime Minister Viktor Orbán pause long and hard before challenging their central banks.

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