



House of Commons
Treasury Committee

Appointment of Professor Jonathan Haskel to the Monetary Policy Committee

Seventeenth Report of Session 2017–19



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*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons
to be printed 27 June 2018*

The Treasury Committee

The Treasury Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of HM Treasury, HM Revenue and Customs and associated public bodies

Current membership

[Nicky Morgan MP](#) (*Conservative, Loughborough*) (Chair)

[Rushanara Ali MP](#) (*Labour, Bethnal Green and Bow*)

[Mr Simon Clarke MP](#) (*Conservative, Middlesbrough South and East Cleveland*)

[Charlie Elphicke MP](#) (*Independent, Dover*)

[Stephen Hammond MP](#) (*Conservative, Wimbledon*)

[Stewart Hosie MP](#) (*Scottish National Party, Dundee East*)

[Mr Alister Jack MP](#) (*Conservative, Dumfries and Galloway*)

[Alison McGovern MP](#) (*Labour, Wirral South*)

[Catherine McKinnell MP](#) (*Labour, Newcastle upon Tyne North*)

[John Mann MP](#) (*Labour, Bassetlaw*)

[Wes Streeting MP](#) (*Labour, Ilford North*)

Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/treascom and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

Committee staff

The current staff of the Committee are Sarah Rees (Clerk), Peter Stam (Second Clerk), Gavin Thompson, Marcus Wilton and Dan Lee (Senior Economists), Adam Wales (Chief Policy Adviser), Sarah Crandell (Senior Committee Assistant), Nick Berry (Committee Support Assistant), Matt Panteli (Senior Media and Policy Officer), Anne Stark (on secondment from HM Revenue & Customs), Tom Ludlow (on secondment from the Bank of England), Carolyn Draper (on secondment from the Financial Conduct Authority), and Mei Jie Wang (on secondment from the Prudential Regulation Authority).

Contacts

All correspondence should be addressed to the Clerk of the Treasury Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5769; the Committee's email address is treascom@parliament.uk.

Contents

| | |
|---|----------|
| Introduction | 3 |
| The appointment of Professor Jonathan Haskel | 4 |
| Background on Professor Jonathan Haskel | 4 |
| Oral evidence | 4 |
| Conclusion | 5 |
| Formal minutes | 6 |
| Witnesses | 7 |
| Published written evidence | 7 |
| List of Reports from the Committee during the current Parliament | 8 |

Introduction

1. The vacancy for an external member of the Bank of England's Monetary Policy Committee (MPC) arose as a result of Ian McCafferty coming to the end of his second term on the MPC.¹
2. The Treasury announced that Professor Haskel has been appointed as an external member of the Bank of England's MPC on 31 May 2018. His appointment takes effect from 1 September 2018 for a period of three years.²
3. In this Report, the Committee has considered the suitability of Professor Haskel for this role against the criteria of personal independence and professional competence.
4. The Committee took oral evidence from Professor Haskel on 26 June 2018. He provided a full CV and answered a written questionnaire prior to giving oral evidence. The Committee would like to thank Professor Haskel for this evidence, which has been published on the Treasury Committee website.³

1 HM Treasury, [Professor Jonathan Haskel appointed to the Monetary Policy Committee](#), 31 May 2018

2 *Ibid*

3 Professor Haskel ([AJH0001](#) & [AJH0002](#))

The appointment of Professor Jonathan Haskel

Background on Professor Jonathan Haskel

5. Jonathan Haskel is a Professor of Economics and Director of the Doctoral Programme at Imperial College Business School, Imperial College London. He was previously Professor and Head of Department at the Department of Economics, Queen Mary, University of London. He has taught at the University of Bristol, and London Business School, and has been a visiting professor at the Tuck School of Business, Dartmouth College, USA; and Stern School of Business, New York University, USA; and visiting researcher at the Australian National University.

6. Outside of academia, Professor Haskel is a non-Executive Director of the UK Statistics Authority. In addition, since September 2015, he has been a member of the Financial Conduct Authority Competition Decisions Committee, and the Payment Systems Regulator Enforcement and Competition Decisions Committee. Professor Haskel will finish his three-year period of office for both roles in September 2018.

Oral evidence

7. In oral evidence, the Committee questioned Professor Haskel about his prior experience as well as wider questions around the outlook for the economy. Topics covered during the session included:

- Productivity and the reasons behind the UK's regional productivity inequality;
- The extent to which the MPC can affect UK productivity;
- The role of intangible assets in a modern economy and how they can be better measured;
- Forecasts around the UK's exit from the European Union;
- Professor Haskel's ongoing commitments including his role as a Non-Executive Director at the UK Statistics Authority;
- How to improve diversity in the economics profession, including the future pipeline of female economists;
- Strategies to avoid groupthink on the MPC;
- The role of the Financial Policy Committee and the MPC in managing the risk of households accumulating unsustainable levels of debt;
- The readiness of UK households for an interest rate rise;
- Wage growth and under employment in the UK;
- The role of Bank of England Agents and their interactions with the MPC;

- Professor Haskel's commitment to outreach work across the UK;
- The increasing mobility of capital and its impact on wage pressure;
- Professor Haskel's expectations regarding the future path of interest rates;
- The effectiveness of the MPC's communications and ideas for broader communications such as the use of social media; and
- The impact of quantitative easing.

Conclusion

8. The Committee is satisfied that Professor Haskel has the professional competence and personal independence to be an external member of the Monetary Policy Committee of the Bank of England. We wish him every success in his new role.

Formal minutes

Wednesday 27 June 2018

Members present:

Nicky Morgan, in the Chair

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| Rushanara Ali | Mr Alister Jack |
| Charlie Elphicke | John Mann |
| Stephen Hammond | Catherine McKinnell |
| Stewart Hosie | Wes Streeting |

Draft Report (*Appointment of Professor Jonathan Haskel to the Monetary Policy Committee*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 8 read and agreed to.

Resolved, That the Report be the Seventeenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 3 July at 9.00 a.m.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 26 June 2018

Professor Jonathan Haskel, appointed external member of the Monetary Policy Committee

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

AJH numbers are generated by the evidence processing system and so may not be complete.

- 1 Professor Jonathan Haskell questionnaire ([AJH0001](#))
- 2 Professor Jonathan Haskell C.V. ([AJH0002](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2017–19

| | | |
|----------------------|---|---------------------|
| First Report | Appointment of Sir Dave Ramsden as Deputy Governor for Markets and Banking at the Bank of England | HC 472 |
| Second Report | Appointment of Professor Silvana Tenreyro to the Bank of England Monetary Policy Committee | HC 471 |
| Third Report | The Solvency II Directive and its impact on the UK Insurance Industry | HC 324 (HC 863) |
| Fourth Report | Transitional arrangements for exiting the European Union | HC 473 (HC 850) |
| Fifth Report | Autumn Budget 2017 | HC 600 (HC 757) |
| Sixth Report | Appointment of Elisabeth Stheeman to the Financial Policy Committee | HC 758 |
| Seventh Report | Student Loans | HC 478 (HC 995) |
| Eighth Report | Appointment of Charles Randell as Chair of the Financial Conduct Authority and the Payment Systems Regulator | HC 838 |
| Ninth Report | Childcare | HC 757 (HC 1196) |
| Tenth Report | Re-appointment of Alex Brazier to the Financial Policy Committee | HC 936 |
| Eleventh Report | Re-appointment of Donald Kohn to the Financial Policy Committee | HC 937 |
| Twelfth Report | Re-appointment of Martin Taylor to the Financial Policy Committee | HC 938 |
| Thirteenth Report | The Motability Scheme | HC 847 |
| Fourteenth Report | Re-appointment for Gertjan Vlieghe to the Monetary Policy Committee | HC 1056 |
| Fifteenth Report | Women in finance | HC 477 |
| Sixteenth Report | Appointment of Bradley Fried as Chair of Court, Bank of England | HC 1319 |
| Seventeenth Report | Appointment of Professor Jonathan Haskel to the Monetary Policy Committee | HC 1318 |
| First Special Report | Transitional arrangements for exiting the European Union: Government Response to the Treasury Committee's Fourth Report | HC 850 |

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| Second Special Report | The Solvency II Directive and its impact on the UK Insurance Industry: Bank of England Response to the Committee's Third Report of session 2017–19 | HC 863 |
| Third Special Report | Autumn Budget 2017: Government and Office for Budget Responsibility responses to the Treasury Committee's Fifth Report | HC 757 |
| Fourth Special Report | Student Loans: Government and Office for National Statistics responses to the Committee's Seventh Report | HC 995 |
| Fifth Special Report | Childcare: Government Response to the Committee's Ninth Report | HC 1196 |