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Dissent in Monetary Policy Decisions

Alessandro Riboni and Francisco Ruge-Murcia*[†]

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Abstract

Voting records indicate that dissents in monetary policy committees are frequent and predictability regressions show that they help forecast future policy decisions. This paper develops a model of consensual collective decision-making and dissent, and estimates it using individual voting data from the Bank of England and the Riksbank. Regressions based on artificial data simulated from the model show that decision-making frictions help account for the predictive power of current dissents.

JEL Classification: D7, E5

Key Words: Committees, voting models, supermajority, political economy of central banking.

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