

## CURRENT SCHOLARSHIP

# Technocratic Pragmatism, Bureaucratic Expertise, and the Federal Reserve

**Authors: Peter Conti-Brown & David A. Wishnick**

The Federal Reserve (Fed) regularly faces novel challenges to its broad statutory mandates. Often, these challenges—from financial crises to pandemics to climate change—raise a critical question. When should the Fed act beyond the boundaries of its core institutional identity and expertise? On the one hand, some voices demand the Fed “stay in its own lane,” avoiding experimentation so that it may preserve its perceived legitimacy to carry out core historical functions. On the other, hewing too closely to precedent and existing expertise risks institutional failure of a different sort.

To navigate that tension, this Feature sketches an ethos of technocratic pragmatism—one that permits the Fed to develop the expertise necessary to address emergent problems as long as it remains constrained by norms designed to preserve its long-run legitimacy. We illustrate the ethos by examining three cases where the Fed has confronted, or is confronting, challenges that test the boundaries of its expertise: engagement with cyber risk, emergency lending before and during the COVID-19 pandemic, and nascent efforts to understand the intersection of central banking and global climate change. We also engage with cases where the Fed has transgressed legitimacy-preserving limits by intervening in policy disputes beyond the range of its statutory concerns. Taken together, these cases illustrate how the Fed must walk a fine line between valuable experimentation and the usurpation of politics.

Peter Conti-Brown & David A. Wishnick, *Technocratic Pragmatism, Bureaucratic Expertise, and the Federal Reserve*, Yale Law Journal 636, (2021):

<https://www.yalelawjournal.org/feature/technocratic-pragmatism-bureaucratic-expertise-and-the-federal-reserve>