Central Banking Phases, Caesura, and Pathways

LEGAL NATURE AND OWNERSHIP

MODULE 1
Legal Establishment, Nature, and Ownership of Central Banks

CENTRAL BANKING PHASES, CAESURA, AND PATHWAYS

Throughout this section you have been gaining insight into the five historical phases of central banking development. These phases were always tied to other historical events and the government policies that were created because of those events.

As we move through the other sections of this module, the underlying thinking behind our presentation of the content diverges after the Caesura. Ever since the two world wars, the ways in which central banks were legally established, their legal natures, and their legal ownership structures have been fundamentally different than they were in the past.

Legally speaking, there truly was a “before” and “after.” You may see this in the diagram below, which is the map of this module. As we explore central banks’ legal frameworks, we must note whether a central bank was established before or after the Caesura; the timing explains why a central bank does or does not have certain legal features.

In the end, we bring these pathways back together so that, as Module 1 concludes, you will not only understand how central banks have evolved over time, but also what that evolution means for central banks today, and what factors we may continuously consider as we look into the future.