UvA-DARE (Digital Academic Repository)

Making Monetary Markets Transparent: The European Central Bank's communication policy and its interactions with the media

Velthuis, O.

DOI

[10.1080/03085147.2015.1013355](https://doi.org/10.1080/03085147.2015.1013355)

Publication date

2015

Document Version

Final published version

Published in

Economy and Society

License

Article 25fa Dutch Copyright Act

[Link to publication](#)

Citation for published version (APA):

Velthuis, O. (2015). Making Monetary Markets Transparent: The European Central Bank's communication policy and its interactions with the media. *Economy and Society*, 44(2), 316-340. <https://doi.org/10.1080/03085147.2015.1013355>

General rights

It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations

If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: <https://uba.uva.nl/en/contact>, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.

UvA-DARE is a service provided by the library of the University of Amsterdam (<https://dare.uva.nl>)

Making monetary markets transparent: the European Central Bank's communication policy and its interactions with the media

Olav Velthuis

Abstract

In the 1990s central banking in Europe and the United States witnessed a paradigm change. A central tenet of the new paradigm was that a central bank which acts in a transparent and predictable manner reduces uncertainty for economic actors and will be better able to control inflationary expectations. Thus, central bankers set out to enhance their institution's transparency. In this paper, I argue that transparency is not limited to the release of economic data or information about decision-making procedures. It entails producing a new type of market order and results in a new agencement. This paper focuses on the European Central Bank (ECB) and on one actor it relies on: the media. Based on ethnographic data, I analyse the role of the media in the production of a transparent market order. I find that prevailing new rules, new frames and reward systems preclude journalists from playing the role the ECB would like them to play: the instrumental role of a neutral transmitter of information. The struggle between the two actors is a struggle with words, in which both journalists and central bankers want to manipulate markets with their communicative utterances, albeit in different and frequently opposing ways.

Olav Velthuis, Department of Sociology and Anthropology, University of Amsterdam, OZ Achterburgwal 185, 1012 DK Amsterdam, The Netherlands. E-mail: O.J.M.Velthuis@uva.nl

Keywords: European Central Bank; social studies of finance; media sociology; performativity; journalism; transparency.

Since I've become a central banker, I've learned to mumble with great incoherence. If I seem unduly clear to you, you must have misunderstood what I said. (Alan Greenspan, quoted in Geraats, 2007, p. 37)

Introduction

In the last two decades, monetary policy-making has gone through a 'quiet revolution', as Alan Blinder, the American economist and former vice-chairman of the Fed's Board of Governors, has called it (Blinder, 2004). If monetary policy was, until the late 1980s, shrouded in mystery, and aimed at taking the markets by surprise, transparency and predictability, accountability and independence are the keywords of monetary policy in the twenty-first century. The new paradigm, which I will refer to as the transparency paradigm, holds that a central bank which acts in a transparent and predictable manner reduces uncertainty for economic actors and will be better able to control inflationary expectations of economic actors. Those expectations, in turn, are seen as a key determinant of actual rates of inflation. As a result, Blinder *et al.* argue: 'communication policy rose in stature from a nuisance to a key instrument in the central banker's toolkit' (Blinder *et al.*, 2008, p. 912). Frederic Mishkin likewise speaks of a 'revolution in the way central banks communicate', which turned central banks from 'secretive institutions' into institutions which 'recognize that transparency and improved communication with the public and the markets is key to having a successful monetary policy' (Mishkin, 2004, pp. 1–2); Crow and Meade claim that '[t]he pace of reform [of central banks] in recent years has been particularly brisk' (Crowe & Meade, 2008, p. 763), while economic sociologist Greta Krippner argues that monetary policy-making by the American Federal Reserve underwent a 'remarkable transformation' since the mid-1990s (Krippner, 2007, p. 477; for similar statements by economic sociologists see Carruthers *et al.*, 2001; Polillo & Guillen, 2005; and by economists, see e.g. Demertzis & Hughes Hallett, 2007; Eijffinger & Geraats, 2006).

This revolution means that central bankers have developed an interest, in John Langshaw Austin's terms, in how to do things with words (Austin, 1975). Their communicative utterances are intended and designed to manipulate the behaviour of economic actors with the purpose of achieving price stability. Indeed, the anthropologist Douglas Holmes has interpreted monetary policy in terms of an 'economy of words', in which the economy itself is constituted through and managed by means of communicative utterances (Holmes, 2009; see Kaplan, 2003, for a similar analysis of Greenspan's rhetorical power). Communication has become a new monetary policy instrument, both replacing and reinforcing traditional instruments such as interest rate decisions or open

market interventions. Several studies have demonstrated empirically that the more transparently a central bank communicates, the less it needs to rely on other policy instruments, most notably its interest rates (see e.g. Blinder *et al.*, 2008; Crowe & Meade, 2008; Geraats *et al.*, 2006). Thus the rationale of the transparency paradigm is that a well-designed communication policy should allow for lower interest rates and higher economic growth.

But while the effectiveness of transparent central bank communication has been demonstrated in monetary theory, both central bankers and monetary economists have noted that it is much less clear how its effectiveness can be achieved in practice. The central argument of this paper is that producing transparency is not limited to the release of information by an organization or the enhancement of the public's understanding of decision-making processes within an organization, which is how it is generally conceived by monetary economists.¹ It entails producing a new type of (monetary) market order and results in a re-arrangement of the panoply of human actors and material devices which participate in this market, or, in short, in a new agencement (Çalışkan & Callon, 2010). This paper zooms in on one actor which the European Central Bank (ECB) relies on in its attempts to produce transparency (cf. Muniesa & Callon, 2007, p. 178): the media.

I focus on the ECB because the eurozone economy which it governs is the world's second largest in terms of GDP.² Moreover, the ECB is the first major central bank that was established worldwide since the transparency paradigm in monetary economics emerged. The focus on the media is motivated first of all by the fact that they are crucial in reaching wider audiences, as the central bank itself acknowledges in its communication strategy. Secondly, the ECB has noted that communication with the public is, as former executive board member Lorenzo Bini Smaghi put it, 'one of the most challenging tasks' (Smaghi, 2007). It is therefore remarkable that virtually no studies exist of the interactions between central banks and their audiences other than financial markets. As Blinder *et al.* put it: 'virtually all the research to date has focused on central bank communication with the financial markets. It may be time to pay some attention to communication with the general public' (Blinder *et al.*, 2008, p. 941; see van der Cruysen and Eijffinger, 2010 for similar statements). Focusing on the media allows me to do that in this paper. Thirdly, the few studies that do exist, mostly by economists, indicate that the media have a significant impact on the way a central bank's audience understands monetary policy and acts upon it. For instance, Hayo argues in a quantitative study that when the chairman of the Fed is giving a speech, 'news agencies perform the role of a noticeable filter' (Hayo *et al.*, 2008, p. 24). This filtering function of the media explains why speeches given by central bankers do not have an immediate effect on financial markets as soon as they are published on the Fed's website, but are effective with a time-lag, after the media have reported on them (see also see Berger *et al.*, 2006).

A final reason for focusing on the media is the conflictual relationship which they frequently have with central banks. In order to understand this

relationship I distinguish two ways in which transparency gets produced: (i) the release of information (for instance macro-economic data or information regarding the central bank's decision-making procedures) controlled by the central bank itself; and (ii) the publication of information by actors such as the media which are beyond the central banker's control (cf. Lindstedt & Naurin, 2010). To achieve the first type of transparency, the ECB sees the media in instrumental terms, as one of the various channels they have at their disposal to disseminate information. However, journalists are hardly interested in playing this role. Vice versa, central banks resist the second type of transparency which the media seek to produce. I will interpret transparency as the outcome of a power struggle between actors who have diverging interests and status concerns.

In the first section of this paper the existing literature on central banking and financial journalism, as well as this paper's contributions to that literature, is discussed. In the second section, the communication policy of the ECB will be introduced, focusing on its communication with general audiences (which I define as non-expert audiences outside of financial markets). The last three sections discuss how financial journalists cover monetary policy and what the implications are for the ECB's goal of producing transparency. I show how prevailing news and framing rules prompt journalists of general daily newspapers to report relatively infrequently on monetary policy, and, if they do so, too frequently they focus on aspects of central banking which the ECB itself prefers to downplay or disregard. I argue that while according to the transparency paradigm central bankers should avoid 'taking the markets by surprise', reward systems within (financial) media incentivize journalists to try to achieve the opposite. Producing news which unexpectedly 'moves the markets' is a key source of status for journalists. In order to accomplish that, journalists seek to disrupt the central bank's control of official information flows. In the conclusion, I speculate to what extent my findings are applicable to the financial crisis, which occurred after the data for this paper were collected. This paper is based on ethnographic material which was collected between the winter of 2004 and the summer of 2008. In those years I took a temporary leave from academia and was working full time as a financial journalist at the Dutch daily newspaper *de Volkskrant* (see also Velthuis, 2006). Before starting, I decided to collect ethnographic data while working as a journalist for a study on the production of economic news. Soon after starting I obtained permission from the editor of the business section and the newspaper's editor-in-chief to do so.

With a daily circulation of – at the time the field-work was conducted – 280,000 copies and with 225 journalists (of whom 15 were working for the business section), *de Volkskrant* is the second largest newspaper of the Netherlands and the country's largest 'quality newspaper', as it calls itself. The newspaper was founded in 1919 and was at the time part of a bigger media conglomerate called PCM. During the four years I went native in the field of journalism, I was able to observe among other things the practices, software

programmes and interactions among journalists as well as between journalists and the media which are implicated in the daily production of news. I was myself socialized into the rules governing this production. The field-work covered the newspaper's newsroom, but also over 200 press conferences of private and public business organizations and interviews with their executives. As a staff journalist I had to attend the daily formal meetings between *de Volkskrant's* editors and reporters where the news agenda of the day was established and where negotiations took place about the content of the next day's paper. I observed informal interactions between journalists of *de Volkskrant* in the newsroom and, at informal meetings or formal press conferences of companies, NGOs or government bodies, interactions between journalists on competing newspapers and between journalists and press officers. Because of the portfolio of subjects which I was supposed to cover (macro-economics and economic globalization), news events at which observation and participation took place were related to large international organizations such as the World Bank, the International Monetary Fund or the European Central Bank.

Of all observations and interactions, including the ones I was myself involved in, detailed notes were taken in the form of a daily diary. Moreover, documents were collected, preserved and analysed such as over 1,000 internal emails to and from fellow reporters and editors, minutes of editorial meetings at the newspaper or daily reports of the business section's final editors, totalling around 400 pages. The analysis first of all focused on the news rules which manifest themselves in these documents and which exemplify how news is constructed (see e.g. Schudson, 2002; Tuchman, 1980). Secondly, the documents were scrutinized for the newspaper's reward systems: which journalists receive praise or criticism and for which reasons? Thirdly, the document analysis looked at the frequency with which and the reasons why central banking and monetary policy were mentioned. For further support of the argument, the analysis draws on documents related to the ECB's communication policy such as reports produced by analysts of commercial banks, the ECB's annual reports as well as speeches and interviews by ECB executives in the media.

The sociology of central banking and financial journalism

This paper builds on and contributes to a relatively new body of literature in sociology and political economy on central banking, which offers a wide variety of alternative, non-economic understandings of monetary policy. For instance, Abolafia has shown how the Federal Reserve's Open Market Committee makes sense of monetary markets by engaging in 'interpretive politics', in which committee members try to impose a different understanding of reality by changing interpretive frames (Abolafia, 2004, 2010). From an institutionalist perspective, Polillo and Guillen have argued how central bank independence has spread globally due to cross-national economic, political and cultural

competition between nation states (Polillo & Guillen, 2005).³ Using Bourdieu's field theory, Frédéric Lebaron has attempted to interpret central banking as a field of power, constituted by members of a global financial elite, although no stable socially structured oppositions could be identified within the field (Lebaron, 2008).

Other studies have focused on the role of academic economists in shaping and reconfiguring central banks and their policies. The general finding of these studies is that economists have contributed to making central banks more independent, communicative and transparency-oriented (see e.g. Holmes, 2009, on the Bank of New Zealand; King & Potter, 2005, on the Bank of England; Quaglia, 2005, on the Banca d'Italia or Heipertz & Verdun, 2004; McNamara, 1998; Verdun, 1999, on the ECB). According to Muniesa and Callon the role of academic economists in the establishment of the ECB should be seen as an instance of performativity, in which economic theories do not describe but perform economic reality: 'We can say that the creation of a European central bank, directly inspired by the monetarist theses of Milton Friedman, helps to make real monetary markets correspond to the descriptions and analyses proposed by theories or models qualified as abstract' (Callon, 2007, p. 324).

Other studies have argued, however, that the adoption of academic economic tenets such as central bank independence, inflation targeting or transparency were not so much 'pushed' by academics but were actively adopted or mobilized by central bankers in order to pursue their interests in local political-economic arenas. By doing so, these central bankers managed to strengthen their position in an ongoing power struggle vis-à-vis politicians. For instance, Maman and Rosenhek argue that academic economists were able to enter the policy-making field in Israel in the 1980s because of the deep political-economic crisis the country was experiencing. Moreover, the role of neutral, independent economic science 'helped to create the impression that the US government was not dictating policy to Israel' (Maman & Rosenhek, 2007, p. 262, 2009).

Krippner has shown a different way in which academic ideas served the interests of policy-makers at the Federal Reserve. The transparency paradigm enabled them to depoliticize their own activities. In particular, for members of the Federal Reserve's Open Market Committee, which sets interest rates, the paradigm was 'a convenient way both to burnish the Federal Reserve's credibility as being "serious" about inflation and to avoid the potentially damaging association between policy moves and incoming data on the economy' (Krippner, 2007, p. 499). Moreover, by adopting the paradigm the Fed could accommodate requests from Congress for more disclosure and transparency.

The upshot of these studies is that the rationality and effectiveness of the transparency paradigm is not limited to technical aspects of monetary policy and can only be understood by taking its social and political conditions into account (Krippner, 2007, p. 487). Building on this proposition, the first

contribution of this paper is to go beyond the (interactions between) central bankers, market agents and politicians which previous studies in economic sociology and political economy have focused on, and to study a fourth actor which is involved in the making of monetary policy: the media. To put it in the words of Callon and Çalışkan, 'marketization's key characteristic is that a multiplicity and diversity of actors compete to participate in defining goods and valuing them' (Çalışkan & Callon, 2010, p. 8). The establishment of monetary markets obviously involves a wide range of actors as diverse as central bankers, monetary economists, financial analysts and politicians as well as material devices such as trading rooms where money market traders are located and the computer software and hardware they use. Focusing on one of these actors, I will show that the media and central banks operate far from concertedly in setting 'transparent' markets in motion. In particular I argue that journalists, like central bankers, seek to manage markets through their communications, albeit in opposite ways: enacting a different notion of transparency, journalists aim to 'move the markets' by publishing information which central banks at that moment want to withhold from the public.

The second contribution of this paper is to the sociology of the media. The paper builds on recent literature which shows how news rules and routines shape the selection of events which are fit for news production and which determine how these events are reported on (for an excellent overview, see Ryfe, 2006). In these ethnographic studies economic journalism has, however, hardly been studied. Analogous to Michael Schudson's complaint that political scientists have ignored the media as a political institution, in spite of the fact that they are constitutive of political life (Schudson, 2002), my contribution to media sociology and economic sociology is to show that the media are not merely making representations of economic life or contributing to its social construction, but are an economic institution which in itself is crucial in the production of market order. They have an impact on and in some cases even set in motion the very economic events which they subsequently report on (think of bank runs which can be triggered by speculation in the media on a bank's financial health; cf. Swedberg, 2010). While mostly ignored in economic and media sociology, some economists have implicitly recognized the role of journalists in producing economic outcomes or affecting economic indicators. For instance, excessive media reporting on recessions may have a negative impact on the public's confidence in the economy (Doms & Morin, 2004). Likewise, as former ECB executive board member Bini Smaghi has noted, the intensity of media reporting on inflation co-determines the perception of inflation by the public (Smaghi 2007).⁴

The external communication policy of the ECB

The ECB communicates with its audiences through a wide variety of channels, including weekly consolidated financial statements for the eurozone, a

bi-weekly press conference, the dissemination of monthly bulletins containing the economic outlook for the eurozone, quarterly appearances of the president before the European Parliament's Committee on Economic and Monetary Affairs, an annual report and, on an irregular basis, interviews in the media with and speeches in public venues by the ECB president and other members of the governing board.

Although the bank's communication policy is focused on actors within financial markets (e.g. commercial banks that borrow money from the ECB and therefore have a straightforward interest in monetary policy adjustments), for a number of reasons it also addresses the public at large, i.e. citizens of the 17 countries which are currently part of the eurozone. First of all, while the ECB is independent, it is accountable to these wider publics and should therefore keep them informed (Moutot *et al.*, 2008, p. 13). Secondly, one of the central tenets of the transparency paradigm is that central bankers should make sure that the inflationary expectations of the public at large remain 'anchored', to put it in their own jargon (Berger *et al.*, 2006, p. 28). In everyday language: the ECB needs to convince consumers and producers alike that it will be successful in fighting inflation, so that there is no reason to expect prices to rise in the future. Indeed, research shows that an individual's perception of a central bank's transparency is correlated with his perception of inflation and expectations regarding inflation in the future (van der Cruysen & Eijffinger, 2010). The less transparent a central bank is perceived to be, the higher this individual perceives inflation to be.

Thirdly, and relatedly, by communicating with wider publics the ECB seeks to build up trust among these publics in the wider stability of the financial system. Routine communication is supposed to foster and maintain, to put it in Richard Swedberg's terms, the 'structure of confidence' in financial markets: the bank should send out official proxy signs which communicate to wider audiences that the value of money is guaranteed, and should make sure that the public trusts these signs (Swedberg, 2010, pp. 74–75). Communication is supposed to create goodwill among publics, reassure them that monetary affairs are well taken care of, make sure these audiences understand how monetary affairs are taken care of and convince them that no unexpected interventions in monetary markets will be necessary (cf. van der Cruysen and Eijffinger, 2010).

In theory, the ECB can reach these wider audiences directly, since their interest rate decisions, publications, data or speeches are published on the bank's website (e.g. the weekly statement, the bank's annual report, speeches and interviews by members of the Governing Council or its so-called monthly bulletin⁵) or live-streamed on the website (in the case of the bi-monthly press conference⁶). In practice, however, as the ECB itself acknowledges, it reaches these wider audiences predominantly in a mediated way, that is through the reporting of journalists. 'Media coverage of monetary policy actions is a central channel of a central bank's communication with the wider public, and thus an important factor for its credibility and policy effectiveness', as ECB researchers

Berger and Ehrmann put it (Berger *et al.*, 2006, p. 4). The reason is that general audiences are obviously unlikely to visit the bank's website in order to obtain (new) information regarding policy.

Moreover, even if general audiences would visit the bank's website, the information released by central banks is from a layman's perspective highly technical and is therefore in need of explanation and interpretation. Journalists are expected to fulfil these needs (Hayo *et al.*, 2008). Indeed, several studies have found a significant correlation between media use, and knowledge and understanding of the ECB's monetary policy (Hayat & Farvaque, 2012; van der Crujssen *et al.*, 2013).

Three interrelated ways in which the ECB seeks to utilize the media can be distinguished. First of all, the ECB sees the media as a neutral *transmission tool* for information released by the bank itself (a view which has obviously long been abandoned in academic studies of how the media actually operate, in favour of some sort of constructionist view of the media). This approach becomes for instance manifest in the courses which the bank organizes twice per year for journalists, and to which journalists of national newspapers and international business papers are actively invited. They are intended to 'improve the quality of reporting', as a press officer of the bank explained. These courses usually last two days, take place at the bank's headquarters in Frankfurt and are planned around a meeting of the Governing Council and the subsequent press conference. They typically include an explanation of the ECB's mandate, the services which the press and communication department provides to the journalists, a background briefing on the bank's monetary policy strategy, a dinner and a lunch hosted by one of the bank's executive members and 'free time for reporting'.⁷

Secondly, and more specifically, the ECB sees the media as an *amplification tool*, which allows the bank to reach wider audiences. As former ECB president Jean-Claude Trichet put in a speech: 'Media coverage of monetary policy actions is an important channel of the ECB's communication strategy, and thus an important factor for our policy's success'. In the speech he continues to speak about the media as 'our partners' who are 'key in the process of transmission of our messages to the audiences' and 'making the central bank's actions and its objectives understood by national audiences'.⁸ Likewise, in a description of its external communication policy, granting interviews to the general media is motivated instrumentally in the ECB's communication policy because it 'is one of the ways in which the ECB's decision-makers can ensure the dissemination of policy messages to a wide audience located in many different countries' (European Central Bank, 2001).

Thirdly, the ECB sees the media as a *propaganda tool* which enables it to influence the way the public perceives its actions. This approach is made explicit in a study conducted by ECB researchers on the way its policy decisions are written about by journalists. Analysing 57 national newspapers within the eurozone (including both general newspapers as well as newspapers directed at financial and business audiences such as *The Financial Times* or *The*

Wall Street Journal), Berger, Ehrmann and Fratzscher find for instance that reporting is unfavourable if markets are taken by surprise and if inflation rises above 2 per cent. This knowledge is important from a policy perspective, the authors argue, since favourable reporting in turn enhances the credibility of the central bank and thereby the effectiveness of its monetary policy. Therefore, 'an important question is whether monetary authorities can influence the extent and the favourability of the coverage of its policy decisions, and if so, how they can do so' (Berger *et al.*, 2006, p. 3).

In short, the emergence of the new transparency paradigm in monetary policy in the 1990s, in which communication is considered a key policy tool, has resulted in a strong interest in the media among central bankers. In particular, the ECB perceives the media as a tool to get information across to wider audiences and to be perceived more favourably by those audiences. But this perception, as I show in the remainder of this paper, conflicts with dominant news rules and news frames which structure the way journalists cover monetary policy. Moreover, they conflict with the media's self-proclaimed independence and watch-dog role, which in turn shape its own notion of transparency. These rules, frames and roles co-determine how much information released by the ECB is reported on, how that information is selected, how it is interpreted and which attempts are made to report on information which is *not* released by the bank.

News rules

In order to understand how journalists report on information released by and decisions made by central banks, first of all one needs to acknowledge that the field of journalism is a highly competitive field, in which journalists not only face competition with other media outlets over, among others, readers and access to sources, but also compete over scarce resources with their own colleagues in the media outlet they work for. In the case of newspapers, these scarce resources are in particular the limited number of words which can be printed on a page, the time which a journalist can devote to writing an article or the budget which is available for reporting trips and other daily expenses. Journalists therefore need to 'sell' their stories to an editor in order to make sure they will be printed and that a substantial number of words as well as a prominent position in the newspaper is allocated to them.

One preliminary observation during my field-work was that, in this competitive process, coverage of central banking easily lost out, at least until the financial crisis of 2008. Indeed, the most frequently recurring observation of reporting on the ECB within *de Volkskrant*, and on monetary policy more generally, was its lack of priority. To assess the importance of the ECB in the everyday production of news, three periods of four months each were randomly sampled (1 April 2004 to 1 August 2004, 1 August 2007 to 1 December 2007 and 1 January 2008 to 1 May 2008). In the 12 months

sampled, 121 articles (23, 57 and 31 in the consecutive periods) were written which mention the ECB least once. The term ‘European Central Bank’ appeared only four times in an article on the front page (which is a widely recognized measure in the field of journalism of how important a story is considered to be; see e.g. Gans, 1979). None of the articles on the front page considered the bank’s monetary policy. Instead these articles covered for instance the speech of a Dutch princess at a conference at which the ECB president was also present, or the light, supposedly amusing, story on the refusal of new EU member state Bulgaria to write ‘euro’ rather than ‘vero’ (which is how local spelling rules would have it).

In the notes of the so-called ‘10:30 meeting’ during these 12 months, no single mention of ‘European Central Bank’, ‘ECB’, ‘Trichet’, ‘monetary policy’ or even ‘interest rate’ appeared. The 10:30 meeting is the main daily editorial meeting of *de Volkskrant*, where the content of that day’s newspaper is reviewed, praise is awarded to reporters for remarkable articles, follow-up articles are proposed and new plans by editors of the various sections of the newspapers (business, politics, foreign affairs, national affairs, art and sports) are announced for publication in next day’s issue. Neither did the ECB, nor terms related to it, appear in the daily report of the so-called ‘chief night’, the editor who is in charge of the final production of the newspaper which takes place in the evening. He finishes his shift by writing up a report in which he critiques, comments on or awards praise to articles in next day’s newspaper. No ECB-related articles were considered worthy of praise, critique or comment in the 12 months analysed. Likewise, in the so-called ‘evening report’ of the business section, where the final editors leave detailed comments on articles in next day’s business section, the ECB is only mentioned on the day an interview with Trichet is published.⁹

The lack of importance given ECB monetary decisions also became clear in daily interactions in the newsroom between reporters as well as in the selection of news events and the production of news. At brain-storm sessions with all the journalists of the business section, where the core, focal themes of the section were determined, monetary policy or related themes like inflation or interest rates were never mentioned, and, being socialized into the business section after a while, I noticed being hesitant to propose them myself. In the daily news production of the business section, coverage of the ECB’s monetary policy was easily superseded by other economic themes, as the following dialogue exemplifies:

Field-notes 04.10.07, 10:00

ED2¹⁰: RA, what do you have today?

RA: There will be an interest rate decision at the ECB today.

ED2: What do you expect?

RA: Oh, it’s 99 per cent sure that they will not move.

ED2: So why would you want to write a piece?

RA: I did not say we have to. But Trichet might say something about the future course of interest rates.

ED2: Yeah right ... do you really think our readers will be interested? Let's see how it goes. There is a lot of pressure on the pages. OR2 has its megaproduction about executive incomes. That will fill most of the 7 [the first, and therefore most important page of the business section].

OR1 (overhearing the conversation): My interview with [the chief executive of a large Dutch multinational] should really be published – I know it's not great but it would be an embarrassment with [the company] if we wait any longer.

ED2: So even on the 9 not much space is left. RA?

There was no mention of the ECB in the next day's newspaper. Also, when in the course of a day many unanticipated events happened which were deemed newsworthy, coverage of monetary policy was one of the first to be, as jargon has it, 'pushed off the pages' or 'killed'. The interest rate decisions were an exemplary form of 'diary journalism': coverage of events which have been planned in advance, take place on a regular basis and which are part of the so-called economic diary, a list of daily or weekly events which journalists receive in advance through the national and international wire services. The economic diary includes for instance earnings reports of large companies listed on the Dutch stock exchange, the release of weekly or monthly data by national or international statistics bureaus or the publication of annual reports by various economic organizations. These diary events have a buffer function: they constitute a reliable source of news production, which can be drawn on when no other – unanticipated – newsworthy events take place. Moreover, the news pieces produced about these diary events can usually be written quickly, which turns them into an efficient, low-cost filling of the business section. At the same time, they can be 'killed' or refrained from reporting on, in case other more important stories emerge:

Field-notes 08.06.06, 16:30

RA: I have my story ready on the ECB.

ED1: OK, thanks, if you close the file I will read it. But I just had a call from OR6 that there is news coming in from The Hague [where the national government and parliament are based] on the budget deficit.

Half an hour later

ED1: So the news from The Hague is good. ECB goes to the column [a single column on the side of the page where short pieces of up to 150 words, usually from the wires, are printed]. Can you cut the story and fit it in there?

RA: Well, it really is a change of interest rates. That does not happen every day.

ED1: You said yourself this morning that the decision was expected. And I just looked at Bloomberg, the AEX [the main index of the Amsterdam stock exchange] does not respond. I'm sorry.

Thus diary journalism, of which monetary interest rate decisions as well as information released by the ECB are an example, fit a production process which has an inherent need for flexibility because the potential number of

news events which should be covered is unpredictable and varies significantly on a day-to-day basis. Moreover, because of their low production costs, diary events such as interest rate decisions fit a media environment where budgets have come under increasing pressure, and time constraints for writing up articles are increasingly tight (see e.g. Deuze & Marjoribanks, 2009). Another indicator of the lack of importance was the limited time and money spent on reporting on the ECB's monetary policy. Articles on monetary policy were usually supposed to be written in-between other tasks, not as the main activity of the day. As a result of time pressure, the introductory statements released after the meeting of the bank's Governing Council (usually between 1,500 and 2,000 words) which provide details about the ECB's monetary policy, were usually not read entirely, while the live-stream of the press conference following the meeting was not viewed at all or only in part (cf. Doyle, 2006). Only on rare occasions would the editor-in-chief consider sending a reporter to the press conference at the ECB's headquarters in Frankfurt.

When reporters specialized in macro-economics or monetary policy were absent, and the editor-in-chief 'needed' a piece in order to fill the pages, an article on the ECB would be written by a colleague without any professional training in economics. In such cases, rather than watching the press conference or reading the press release and calling analysts at financial institutions or academic economists for their interpretation of the news event, the prevailing news routine was to consult secondary news sources such as the wire services or websites of other media. Indeed, a terminal by the financial wire service Bloomberg is positioned prominently in the newsroom of the business section of *de Volkskrant*, while various national and international wire services are almost continuously displayed on each reporter's monitor.

What explains this relative lack of time and attention devoted to reporting on monetary policy? First of all, in my field-work I noticed that journalists perceived the direct relevance of monetary policy to their audience – the newspaper's imagined reader – to be low. This perceived relevance is one of the main criteria used in determining the newsworthiness of an event. Although monetary policy may affect this imagined reader's daily life, for instance through interest rates she receives on savings accounts or pays on her mortgage, or through price inflation of consumer goods, those linkages were deemed too abstract and indirect to render monetary policy important from the newspaper editors' perspective. Also, the subject was associated with being technical and therefore too hard to understand for the paper's audience. 'My mother should be able to understand it', as one of the text editors of the business section frequently commented on articles which she considered too difficult. These findings confirm Doyle's claim that 'judgments amongst financial reporters about newsworthiness are very strongly governed by perceptions about utility and levels of financial literacy amongst target audiences' (Doyle, 2006, p. 436).

Secondly, one criterion which financial journalists use to gauge the newsworthiness of an event is the extent to which it has impact on stock markets. For instance, news released on a listed company is likely to be

reported on if it results in a change of the company's stock price of at least several per cent or, in the case of new macro-economic data (such as the American labour market data), if it results in a significant change of the overall stock market's index. For that reason, almost all business reporters of *de Volkskrant* had learned how to retrieve stock prices in Bloomberg for Dutch publicly traded companies. Also, the main stock indices of the Netherlands (AEX) and the United States (Dow Jones Industrial Average) had pre-programmed short-cut keys on the Bloomberg terminal. Stock prices, however, usually do not respond directly to monetary policy decisions. As a result, the impact of these decisions remained invisible for most reporters at *de Volkskrant*. Only a few of them managed to retrieve interest rates on money or capital markets in Bloomberg, and they hardly seemed interested in finding out. Bloomberg, in other words, is not just a market device used by market actors to visualize economic events (cf. Knorr Cetina & Bruegger, 2002; Stark & Beunza, 2004), but also a media device used by journalists to assess the newsworthiness of those events.

This lack of attention to monetary policy at *de Volkskrant* got instituted through what Mark Deuze and Timothy Marjoribanks have called news isomorphism, in which journalists imitate their colleagues out of lack of time or when they are uncertain about the importance of specific news events (Deuze & Marjoribanks, 2009; see also Schudson, 2002). Deviating too much from the amount and type of coverage devoted to monetary policy in competing media outlets could provoke questions and critical feedback from colleagues or editors, as the following dialogue illustrates:

Field-notes

OR2: Did you see the opening this morning of *The Financial Times*? They expect the press conference at the ECB today to shed new light on the course of monetary policy. I think we should have a background story on it in tomorrow's paper.

RA: I was actually planning to write out that interview with Borren [the former director of the Dutch development NGO Oxfam Novib] for the Saturday's supplement. Do you really think we will do our readers a favour with a background story on monetary policy?

OR2: Well, it's your call, but at least watch closely what will be going on this afternoon.

ED2 (next day): The *NRC* [the main competitor of *de Volkskrant* in the Netherlands] had a great analysis on the rate decision on its front page. It's a real shame we did not have that ourselves.

News frames

While prevailing news rules suppressed the frequency with which the ECB was reported on, the news frames which journalists applied prevented them

from playing the instrumental, transparency-producing role envisaged by the ECB. The ECB's monetary policy was hard to fit into the dominant news frames, defined here as 'a central organizing idea or story line that provides meaning to an unfolding strip of events, weaving a connection between them. The frame suggests what the controversy is about, the essence of the issue' (Gamson & Modigliani, cited in De Vreese, 2005, p. 53). If an event cannot be fitted into one of journalism's dominant frames, it is likely to be neglected or to receive less attention. Here frames function in other words as filters.¹¹

If journalists *did* manage to apply these frames to a monetary policy event, this usually resulted in attention being turned away from monetary policy itself. In those cases, media reports hardly contributed to the production of the type of transparency envisaged by the ECB. Typical news frames include drama (e.g. the 'strength' of the euro – and the failure of the ECB to weaken it – which would 'demolish' export-oriented companies such as the French aeroplane producer Airbus), national identities and clashes between them (e.g. the booing by journalists when Trichet responded in French to a question by a French journalist at his first appearance at the ECB's press conference as ECB president), power struggles (e.g. the former French president Sarkozy exerting pressure on Trichet to lower interest rates and the latter being adamant in resisting those pressures), geographical strife (e.g. the strength of the American economy versus the eurozone, for which journalists take the euro-dollar exchange rate as a measuring rod) or internal conflict within the ECB's governing board.

To monetary policy decisions, or at least to the way these decisions were communicated by the ECB, these frames are hardly applicable. Since the ECB did not (and still does not) communicate the voting records of its Governing Council members, and the ECB president almost invariably emphasized during the press conference that the interest rate decisions were taken unanimously, the bank presented monetary policy decision-making as being devoid of drama, argument or internal strife. Instead in its communications, the decision-making process had a strongly technical, scientific and de-personalized character. Although this de-personalized character is what made monetary policy to some extent transparent and predictable for expert audiences within financial markets, this very predictability depleted them to a large extent of journalistic value and thus decreased the likelihood that they would be mediated by journalists to broader non-expert audiences.

Reward systems

Apart from prevailing news rules and news frames, a third reason why journalists are reluctant to assist the ECB in the production of – what the bank defines as – transparency concerns reward systems within the field of the media. These reward systems are multilayered (see also Velthuis, 2006) and include regular, almost daily, rewards such as praise from colleagues and

competitors, the publication of an article on the front page of the newspaper (which is perceived as an acknowledgement of the article's importance), other media referring to and following up on the story (with a follow-up by the wire services as the lowest and a follow-up on the main TV news programmes as the highest reward) or references to the article in debates in the national parliament (which is perceived as an acknowledgement of the societal relevance or impact of the article).

Rewards are awarded for a wide range of reasons, such as the exclusivity of the information which the article reports on, the efforts which a journalist had to make to get hold of this information, the aforementioned societal relevance of the article and, relatedly, the extent to which the media's self-perceived watch-dog role is enacted through publication of the article (cf. Clayman *et al.*, 2007; cf. Barry, 2010). Conversely, reporting on information which has been released publicly and to which all media have had access simultaneously (e.g. the press release on the ECB's monetary policy decision) is unlikely to be rewarded.

Financial journalists are rewarded in particular if they manage to 'move the markets' with their stories. At wire services like Bloomberg News, journalists are incentivized to produce 'market-moving' articles by means of a bonus system (Clifford, 2010; MacMillan, 2010). Such incentives are absent at general newspapers, but nevertheless praise abounds when the publication of an article has a noticeable impact on for instance stock market prices, exchange rates or interest rates. Obviously, this incentive clashes with the media's official values of distance and objectivity. However, at times when the public role of journalists is questioned and newspaper journalism is in crisis, the rationale of this reward system is that it makes the effects of financial journalism tangible and measurable.

Field-notes, the aftermath of press conference at Central Bureau of Statistics
Bloomberg reporter: hey, I had to write a story about your Wellink interview last week.

RA: Oh, did you like it?

Bloomberg reporter: Well, it seemed like it moved the markets a bit, so it must have been a good story. Quite stupid that they leaked those growth data like that.

During the interview the Dutch central bank president Wellink had mentioned new GDP growth estimates for the Dutch economy which were much higher than previous estimates. Although causal effect is hard to establish, when the story was published on *de Volkskrant*'s front page, the euro's exchange rate versus the dollar moved up slightly, and wire services mentioned the new growth estimates as one of the reasons.

Market-moving articles can be produced in different ways. First of all, a journalist might be lucky because of an interviewee's slip of the tongue, as happened in the case of Wellink. Secondly, journalists actively try to force

central bankers to make communicative mistakes. For instance, they attend workshops to develop interview strategies; they repeatedly ask the same question in different wording, hoping that the interviewee will release more information than he is actually willing to; or they conduct interviews with two journalists rather than one, in order to put more pressure on the interviewee. As the former Dutch central bank president complained about one of the strategies of financial press agencies:

We are really running into problems with the media these days. What the financial press agencies are doing is to send these young, cute female reporters to us, and ask the same question to several central bank presidents on the same day. If we don't answer in exactly the same way, the agencies would file a story saying there is a schism within the ECB-council or so. (Field-notes, the aftermath of an interview with the former Dutch central bank president, 7.6.2005)

These strategies to get inside information into the public sphere are not only related to the watch-dog role of business journalism (cf. Doyle, 2006, p. 439; Tambini, 2010). They also serve the purpose of achieving status within the field of journalism. In doing so, the interests of reporters conflict with those of central bankers, whose status is damaged when communicative mistakes are made, as happened for instance to the first ECB president Wim Duisenberg. He replied in an infamous interview with *The Financial Times* in October 2000, 'I don't think so', when asked about the possibility of currency intervention in case of conflict in the Middle East. The euro, whose exchange rate had already been weak, subsequently depreciated even further vis-à-vis the dollar (see Henderson, 2006). Likewise, when Ben Bernanke told a reporter for CNBC News informally at a Washington dinner party that his comments during a Congressional hearing had been misunderstood by the financial markets, the reporter subsequently aired this on TV, leading to a sharp decline of the Dow Jones index. Bernanke was reproached for his naivety.

These slips of the tongue are success stories for the journalist who reported them. However, they are harmful from a central banker's point of view since they render monetary policy less instead of more predictable. As former ECB executive board member Bini Smaghi puts it: '[i]f markets are accidentally moved, it is likely that a communication mistake was made' (Smaghi, 2007).

At the heart of this conflict between central bankers and journalists is their shared desire to manage markets through communication. In doing so, they embrace radically different and mutually exclusive definitions of what transparency means: central bankers seek to enact their understanding of transparency by releasing economic data and controlling information flows in such a way that monetary policy is fully predictable and markets are never taken by surprise. Journalists, by contrast, are less interested in such official information flows. Instead, they seek to move the markets and produce transparency by retrieving and reporting on information which has not yet

been released or should not be released according to central bankers, but which is, according to journalists, relevant to the audiences they write for.

Conclusion

The upshot of this paper is that transparency is far from an objective given or a matter of an organization's policy decisions. Transparency needs to be actively produced, and in this production a wide range of actors and devices are implicated (cf. Çalışkan & Callon, 2010). Not all of these actors and devices operate in a concerted or co-ordinated manner. Instead, one of the actors set in motion by the new transparency paradigm in central banking, the media, frequently does not co-operate with the ECB in what it seeks to accomplish. The instrumental role of a neutral transmitter of information, which is the role the media is allocated in the ECB's communication policy, conflicts with prevailing news rules, news frames and reward systems within journalism. The struggle between the two actors is a struggle with words, in which both journalists and central bankers want to manipulate markets with their communicative utterances, albeit in different and frequently opposing ways.

The irony of the quiet revolution which took place in monetary policy at the end of the millennium is that while central bankers themselves became more dependent on intermediation through, for instance, journalists to establish a new market order, this very revolution made monetary policy less interesting for journalists because of its resultant predictability, scientization and depersonalization. The former chairman of the Federal Reserve, Alan Greenspan, who especially in his early days at the Fed communicated enigmatically with the markets, was an all the more attractive figure for journalism because his actions were not predictable and his utterances were invariably in need of interpretation rather than just intermediation by journalists.

The question is to what extent my findings can be generalized to reporting on monetary policy in general. I encountered similar practices by journalists from other European general newspapers, for instance through frequent meetings with Dutch journalists from competing media outlets as well as through informal interactions with foreign journalists at international meetings, or during press conferences at international economic organizations (see Velthuis, 2006). In particular, conducting a joint interview with ECB president Trichet, preparing the interview, writing it up and publishing it, together with journalists from general newspapers from Italy, Portugal and Finland, provided a deeper understanding of how monetary policy is covered by these journalists. While some differences surfaced (such as the more conformist attitude of Italian journalism towards official ECB communications and a more critical stance in Finland; cf. Hallin & Mancini, 2004), the news rules, frames and rewards that came up in our interactions and conversations were by and large similar. However, for a more systematic understanding of similarities and differences between the way media outlets within and outside of Europe cover

monetary policy, additional research is necessary. Specialized business media like *The Financial Times* and *The Wall Street Journal*, as well as the main wire services such as Bloomberg and Reuters, obviously pay more attention to monetary policy and do so in a much more rigorous and professional way, but they cater for the interests of by and large specialized audiences, often active in financial markets. In other words, these media hardly contribute to the ECB's goal of reaching wider non-specialized audiences and therefore fall outside of the scope of this study.

While the research for this paper was conducted before the financial crisis of 2008 and the debt crisis which started in 2011, its findings pertain to these crises as well. Obviously, also in the general media the financial crisis has catapulted the ECB temporarily to the front pages of the newspaper, among other reasons because of its actions directed at keeping the financial system afloat. But this underscores one of the arguments of this paper that high stakes, drama and a lack of predictability is what renders central banking interesting for the media.

Moreover, the extent to which a revolution in monetary policy has indeed taken place and communication is now a *sine qua non* of effective central banking has been amply demonstrated in the financial crisis of 2007 and 2008. For instance, when Mervyn King, the former governor of the Bank of England, remained quiet about the British bank Northern Rock after rumours on its deteriorating financial health started circulating, and subsequently a run on the bank ensued, King was blamed for not speaking up and reassuring the public. King himself countered that a covert support operation of the bank was impossible because of the threat of leaks to the media. As the Treasury Committee of the House of Commons summarized the ordeal in their investigation of *The run on the Rock*: 'In the febrile and fevered atmosphere of that period, media speculation would have followed. The leaking of news of a support operation that was intended to remain covert for a period of time would have been potentially as damaging as the premature disclosure of an overt operation' (House of Commons Treasury Committee, 2008, p. 63). The Committee moreover concluded that the Bank of England (as well as the Financial Services Authority and the Treasury) 'lacked a coordinated, effective communications strategy' which aggravated the crisis. The intended communicative effect (i.e. reassuring the bank's clients) of expressions like 'Northern Rock is solvent' failed to materialize because they were too technical for the public to understand. Other expressions which were used in communications with the public like 'emergency lending' had an unintended effect: they aggravated worries among the bank's clients. The committee recommended the authorities to develop a communication strategy which 'needs to take into account the public's likely reaction, and be in language people can readily understand' (House of Commons Treasury Committee, 2008, p. 112).

Likewise, Nout Wellink, at the time president of the Dutch Central Bank, was widely criticized in parliament for not speaking up and warning (potential) clients when DSB Bank, a local Dutch bank, was about to go bankrupt. The

committee appointed by the Secretary of Finance to investigate the bankruptcy concluded among others that the Dutch Central Bank ‘was insufficiently aware of its director’s role and communication function’ (Commissie van Onderzoek DSB Bank, 2010, p. 219).

Both cases underscore my argument that central bankers and journalists are engaged in a status competition which evolves around their mutual ability to manage markets with words. Journalists were aggressive in reporting about the deteriorating liquidity position of Northern Rock and DSB respectively. Moreover, the media managed to get their hands on information on support operations which the United Kingdom was conducting and legal procedures which the Dutch central bank was starting. After that information had been published by media outlets (BBC in the case of Northern Rock and *de Volkskrant* in the case of DSB), at both banks a run ensued, which has been causally linked to the media reports (Commissie van Onderzoek DSB Bank, 2010; House of Commons Treasury Committee, 2008). Subsequently, Northern Rock had to be nationalized, while DSB went bankrupt.

To put it in Swedberg’s terms, both situations are characterized by a – highly unstable – situation in which (official) proxy signs indicated that the banks were in good health, whereas in fact they were not. The moment informal negative proxy signs were sent by the media revealing the true state of affairs, a panic ensued which could no longer be controlled by the central banks (cf. Swedberg, 2010, pp. 76–77). This handling of the situation severely harmed the central bankers’ status and prompted calls for their resignation, but it enhanced the status of journalists, who through their reporting had a powerful impact on economic life (for a more detailed analysis, see Noordegraaf-Eelens, 2010; see e.g. Helm & Hope, 2008; Daneshkhu, 2007; van de Pol & van Gaal, 2009). BBC Business Editor Robert Peston, for instance, who was the first to report on the Bank of England’s emergency support for Northern Rock, and thereby contributed to the run on the bank, won several prestigious awards for his scoop.

Anecdotal evidence indicates that my findings do not pertain exclusively to monetary markets but to other markets as well. The impact of the media on status hierarchies can be retrieved, for instance, in wine markets or art markets. Also in those cases the status of journalists and critics partially depends on the extent to which their writings are able to affect the reputation of the producers and thereby the market itself (see e.g. Karpik, 2010). Moreover, business journalists are implicated in economic life in many ways, which have so far hardly received attention from either economic sociologists or journalism scholars. They have for instance contributed to the growth of retail stock investment by disseminating market information and analysis which is understandable to a non-expert audience (see Clark *et al.*, 2004). Liberalization policies have prompted the (new) media to counsel their audiences on how to behave as individual free consumers, and provide advice on choosing the cheapest or best-performing providers of, for instance, utilities. Markets for consumer goods co-depend on the media covering luxury products and new

gadgets in their lifestyle and fashion sections, where desire for these goods among status-conscious consumers is produced (see e.g. Hayward & Yar, 2006; Schor, 1998). In short, financial and business journalists operate not as outside observers or interpreters of markets but as active participants in them, as contributors to their design and maintenance.

Acknowledgements

Thanks to PW Zuidhof, three anonymous reviewers and participants in the 'Reembedding Finance' workshop (Paris, 2010) for insightful comments and suggestions for improvement.

Disclosure statement

No potential conflict of interest was reported by the author.

Notes

1 Definitions of transparency provided in the monetary economics literature usually include one or more of the following: how well does a central bank explain its objectives, its monetary strategy, the way it comes to its policy decisions, the assumptions it makes in this decision-making process, the quality (e.g. precision) and quantity of the data it publishes? Eijffinger and Geraats, for instance, define transparency of monetary policy as 'the extent to which central banks disclose information that is related to the policymaking process' (Eijffinger & Geraats, 2006, p. 3), while Blinder *et al.* refer to a definition in terms of 'how easily the public can deduce central bank goals and intentions from observable data' (Blinder *et al.*, 2008, p. 419).

2 In 2013, the eurozone's share of the world economy was 12.1 per cent, as against that of the United States which was 16.5 per cent. See <http://www.ecb.int/mopo/eaec/html/index.en.html>, last accessed in March 2015.

3 For an economic approach to the same topic, see Dincer and Eichengreen (2009); from a political economy point of view, Quaglia (2005) has studied international pressures on national central banks to become more independent.

4 In explaining this performative effect, two aspects of media reporting should be distinguished: on the one hand, the more the media report on inflation, the closer the public's expectations are to the professional forecasts. On the other hand, the way inflation is framed in the media has influence in itself. A media bias in which the dangers of inflation are exaggerated may constitute a self-fulfilling prophecy (Lamla & Lein, 2008, p. 4).

5 In the monthly bulletin, the ECB 'provides the general public and the financial markets with a detailed and comprehensive economic analysis'. See the bank's communication strategy, available at <http://www.ecb.int/mopo/strategy/comm/html/index.en.html>, last accessed in July 2010.

6 At the press conference, the bank's president reads an introductory statement which is supposed to provide a summary of the Council meeting. This statement also explains

the Council's monetary policy. The statement is followed by a question-and-answer session with financial journalists. In January 2015, the ECB started publishing the minutes of the Council meetings as well.

7 Travel costs to and from these seminars are covered by the ECB.

8 'A few remarks on communication by central banks', Keynote address by Jean-Claude Trichet, President of the ECB at the 25th HORIZONT Award Ceremony Frankfurt am Main, 16 January 2008. Available at http://www.ecb.int/press/key/date/2008/html/sp080116_1.en.html, last accessed in November 2010.

9 This evening report is distributed to the entire economy section the next day.

10 The names of journalists have been anonymized. In the transcripts of the field-notes, ED1 refers to first editor-in-chief of the business section while the author was working there, ED2 refers to the second editor-in-chief who started in 2007 when ED1 got another position at the newspaper; RA refers to myself, OR refers other reporters in the business section.

11 This effect of news frames is in other words analogous to a lack of category fit, discussed in neo-institutional sociology (see e.g. Zuckerman, 1999).

References

- Abolafia, M. Y. (2004). Framing moves interpretive politics at the Federal Reserve. *Journal of Public Administration Research and Theory*, 14(3), 349–370.
- Abolafia, M. Y. (2010). Narrative construction as sensemaking: How a central bank thinks. *Organization Studies*, 31(3), 349–368.
- Austin, J. L. (1975). *How to do things with words*. Cambridge: Harvard University Press.
- Barry, A. (2010). Transparency as a political device. In A. Madeleine, B. Yannick, M. Fabian, & M. Philippe (Eds.), *Débordements: Mélanges offerts à Michel Callon* [Overflow: mixtures offered to Michel Callon] (pp. 21–40). Paris: Transvalor.
- Berger, H., Ehrmann, M. & Fratzscher, M. (2006). *Monetary policy in the media*. Frankfurt am Main: European Central Bank.
- Blinder, A. (2004). *The quiet revolution. Central banking goes modern*. Yale: Yale University Press.
- Blinder, A. S., Ehrmann, M., Fratzscher, M., De Haan, J. & Jansen, D.-J. (2008). Central bank communication and monetary policy: A survey of theory and evidence. *Journal of Economic Literature*, 46(4), 910–945.
- Çalışkan, K. & Callon, M. (2010). Economization, part 2: A research programme for the study of markets. *Economy and Society*, 39(1), 1–32.
- Callon, M. (2007). What does it mean to say that economics is performative? In D. MacKenzie, F. Muniesa & L. Siu (Eds.), *Do economists make markets? On the performativity of economics* (pp. 311–357). Princeton, NJ: Princeton University Press.
- Carruthers, B. G., Babb, S. & Halliday, T. C. (2001). Institutionalizing markets, or the market for institutions? Central banks, bankruptcy law, and the globalization of financial markets. In J. L. Campbell & O. K. Pedersen (Eds.), *The rise of neoliberalism and institutional analysis* (pp. 94–126). Princeton, NJ: Princeton University Press.
- Clark, G. L., Thrift, N. & Tickell, A. (2004). Performing finance: The industry, the media and its image. *Review of International Political Economy*, 11(2), 289–310.
- Clayman, S. E., Heritage, J., Elliott, M. N. & McDonald, L. L. (2007). When does the watchdog bark? Conditions of aggressive questioning in presidential news conferences. *American Sociological Review*, 72(1), 23–41.
- Clifford, S. (2010). An uneasy marriage of the cultish and the rumbled. *The New York Times*, 25 April.

- Commissie van Onderzoek DSB Bank. (2010). *Rapport van de Commissie van Onderzoek DSB Bank*. The Hague. Retrieved from <http://www.rijksoverheid.nl/documenten-en-publicaties/rapporten/2010/06/29/rapport-van-de-commissie-van-onderzoek-dsb-bank.html>
- Crowe, C. & Meade, E. E. (2008). Central bank independence and transparency: Evolution and effectiveness. *European Journal of Political Economy*, 24(4), 763–777.
- Daneshkhu, S. (2007). King warns of 'painful adjustment' ahead. *The Financial Times*, 18 December.
- Demertzis, M. & Hughes Hallett, A. (2007). Central bank transparency in theory and practice. *Journal of Macroeconomics*, 29(4), 760–789.
- Deuze, M. & Marjoribanks, T. (2009). Newswork. *Journalism*, 10(5), 555–561.
- De Vreese, C. H. (2005). News framing: Theory and typology. *Information Design Journal+ Document Design*, 13(1), 51–62.
- Dincer, N. N. & Eichengreen, B. (2009). *Central bank transparency: Causes, consequences and updates* (NBER Working Paper Series No. 14791). Cambridge, MA: National Bureau of Economic Research.
- Doms, M. E. & Morin, N. J. (2004). *Consumer sentiment, the economy, and the news media* (FRB of San Francisco Working Paper No. 2004–2009). San Francisco: Federal Reserve Bank of San Francisco.
- Doyle, G. (2006). Financial news journalism: A post-Enron analysis of approaches towards economic and financial news production in the UK. *Journalism*, 7(4), 433–452.
- European Central Bank. (2001). The external communication of the European Central Bank. (February). *ECB Monthly Bulletin*, pp. 59–65.
- Gans, H. (1979). *Deciding what's news*. New York, NY: Vintage.
- Geraats, P. (2007). The mystique of central bank speak. *International Journal of Central Banking*, 3(1), 37–80.
- Geraats, S. C. W. & Geraats, P. M. (2006). How transparent are central banks? *European Journal of Political Economy*, 22(1), 1–21.
- Geraats, P. M., Eijffinger, S. C. W. & van der Cruysen, C. A. B. (2006). *Does central bank transparency reduce interest rates?* Tilburg University, Center for Economic Research, Discussion Paper: 11. Tilburg.
- Hallin, D. C. & Mancini, P. (2004). *Comparing media systems: Three models of media and politics*. Cambridge: Cambridge University Press.
- Hayat, M. & Farvaque, E. (2012). Public attitudes towards central bank independence: Lessons from the foundation of the ECB. *European Journal of Political Economy*, 28(4), 512–523.
- Hayo, B., Kutan, A. M. & Neuenkirch, M. (2008). *Communicating with many tongues: FOMC speeches and US financial market reaction* (Joint Discussion Paper Series in Economics, No. 2008/08). Marburg: University of Marburg.
- Hayward, K. & Yar, M. (2006). The 'chav' phenomenon: Consumption, media and the construction of a new underclass. *Crime, Media, Culture*, 2(1), 9–28.
- Heipertz, M. & Verdun, A. (2004). The dog that would never bite? What we can learn from the origins of the stability and growth pact. *Journal of European Public Policy*, 11(5), 765–780.
- Helm, T. & Hope, C. (2008). Northern Rock made Mervyn King panic. *The Telegraph*, 21 September.
- Henderson, N. (2006, May 24). Fed Chief calls his remarks a mistake. *The Washington Post*.
- Holmes, D. R. (2009). Economy of words. *Cultural Anthropology*, 24(3), 381–419.
- House of Commons Treasury Committee. (2008). *The run on the Rock. Fifth report of session 2007–2008*. London: The Stationery Office.
- Kaplan, M. (2003). Iconomics: The rhetoric of speculation. *Public Culture: Bulletin of the Society for Transnational Cultural Studies*, 15(3), 477–494.
- Karpik, L. (2010). *Valuing the unique: The economics of singularities*. Princeton, NJ: Princeton University Press.
- King, M. & Potter, S. (2005). Epistemic communities and the diffusion of ideas of central bank reform in the United

- Kingdom. *West European Politics*, 28(1), 94–123.
- Knorr Cetina, K. & Bruegger, U. (2002). Global microstructures: The virtual societies of financial markets. *American Journal of Sociology*, 107(4), 905–950.
- Krippner, G. R. (2007). The making of US monetary policy: Central bank transparency and the neoliberal dilemma. *Theory and Society*, 36(6), 477–513.
- Lamla, M. J. & Lein, S. M. (2008). *The role of media for consumers' inflation expectation formation* (KOF-Arbeitspapiere/Working Papers No. 201). Zurich: KOF Swiss Economic Institute.
- Lebaron, F. (2008). Central bankers in the contemporary global field of power: A 'social space' approach. *Sociological Review*, 56(S1), 121–144.
- Lindstedt, C. & Naurin, D. (2010). Transparency is not enough: Making transparency effective in reducing corruption. *International Political Science Review*, 31(3), 301–322.
- MacMillan, D. (2010). Text size: TTAOL moves to build tech 'Newsroom of the future'. *Business Week*, 21 February. Retrieved July 2011 from http://www.businessweek.com/technology/content/feb2010/tc20100221_085000.htm
- Maman, D. & Rosenhek, Z. (2007). The politics of institutional reform: The declaration of independence of the Israeli Central Bank. *Review of International Political Economy*, 14(2), 251–275.
- Maman, D. & Rosenhek, Z. (2009). The contested institutionalization of policy paradigm shifts: The adoption of inflation targeting in Israel. *Socio-Economic Review*, 7(2), 217–243.
- McNamara, K. R. (1998). *The currency of ideas: Monetary politics in the European Union*. Ithaca, NY: Cornell University Press.
- Mishkin, F. S. (2004). *Can central bank transparency go too far?* (NBER Working Paper Series, Working Paper 10829). Cambridge, MA: National Bureau of Economic Research.
- Moutot, P., Jung, A. & Mogelli, F. P. (2008). *The workings of the Eurosystem: Monetary policy preparations and decision making - selected issues*. Frankfurt: European Central Bank.
- Muniesa, F. & Callon, M. (2007). Economic experiments and the construction of markets. In D. MacKenzie, F. Muniesa & L. Siu (Eds.), *Do economists make markets? On the performativity of economics* (pp. 163–189). Princeton, NJ: Princeton University Press.
- Noordegraaf-Eelens, L. (2010). *Contested communication: A critical analysis of central bank speech* (PhD dissertation). Rotterdam: Erasmus University Rotterdam.
- Polillo, S. & Guillen, M. F. (2005). Globalization pressures and the state: The worldwide spread of central bank independence. *American Journal of Sociology*, 110(6), 1764–1802.
- Quaglia, L. (2005). An integrative approach to the politics of central bank independence: Lessons from Britain, Germany and Italy. *West European Politics*, 28(3), 549–568.
- Ryfe, D. M. (2006). The nature of news rules. *Political Communication: An International Journal*, 23(2), 203–214.
- Schor, J. (1998). *The overspent American: Upscaling, downshifting, and the new consumer*. New York, NY: Basic Books.
- Schudson, M. (2002). The news media as a political institution. *Annual Review of Political Science*, 5(1), 249.
- Smaghi, L. B. (2007, November). *The value of central bank communication*. Financial market speech series Landesbank Hessen-Thüringen, Brussels. Retrieved from http://www.ecb.int/press/key/date/2007/html/sp071120_2.en.html, last accessed in June 2011
- Stark, D. & Beunza, D. (2004). Tools of the trade: The socio-technology of arbitrage in a Wall Street trading room. *Industrial and Corporate Change*, 13(2), 369–400.
- Swedberg, R. (2010). The structure of confidence and the collapse of Lehman Brothers. *Research in the Sociology of Organizations*, 30(A), 71–114.
- Tambini, D. (2010). What are financial journalists for? *Journalism Studies*, 11(2), 158–174.

- Tuchman, G.** (1980). *Making news: A study in the construction of reality*. New York, NY: Free Press.
- van de Pol, J. & van Gaal, M.** (2009, October 23). 'Wellink, Zalm Tarnished by collapse of Netherlands' DSB Bank. *Bloomberg News*. Retrieved June, 2014, from <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=arOjxbSxN37Y>
- van der Cruijssen, C. A. & Eijffinger, S. C.** (2010). From actual to perceived transparency: The case of the European Central Bank. *Journal of Economic Psychology*, 31(3), 388–399.
- van der Cruijssen, C., De Haan, J., Jansen, D-J. & Moscha, R.** (2013). Knowledge and opinions about banking supervision: Evidence from a survey of Dutch households. *Journal of Financial Stability*, 9(2), 219–229.
- Velthuis, O.** (2006). Inside a world of spin: Four days at the World Trade Organization. *Ethnography*, 7(1), 125–150.
- Verdun, A.** (1999). The role of the delors committee in the creation of EMU: An epistemic community? *Journal of European Public Policy*, 6(2), 308–328.
- Zuckerman, E. W.** (1999). The categorical imperative: Securities analysts and the illegitimacy discount. *American Journal of Sociology*, 104(5), 1398–1438.

Olav Velthuis is Associate Professor in the Department of Sociology and Anthropology at the University of Amsterdam. He is the author of *Imaginary economics* (NAi Publishers, 2005) and *Talking prices: Symbolic meanings of prices on the market for contemporary art* (Princeton University Press, 2005), which received an award from the American Sociological Association for the best book in economic sociology (2006). Velthuis studied Economics and Art History at the University of Amsterdam and has a PhD in Sociology from Erasmus University, Rotterdam. For four years, he worked as a staff reporter for the Dutch daily newspaper *de Volkskrant*. He is currently studying the emergence of markets for contemporary art in Brazil, Russia, India and China.