



EUROPEAN CENTRAL BANK

EUROSYSTEM



# The ECB's communications and the role of the media

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# The European Central Bank (I)

We provide  
stable money

For 340 million  
Europeans

We are an independent  
EU institution

With a clearly defined  
mandate

We supervise banks in  
the euro area

119 directly and over  
3000 with national  
authorities



We have around  
3500 staff in  
3 buildings in  
Frankfurt

We come from all 28  
EU countries and  
beyond and speak 24  
languages

20 years of success

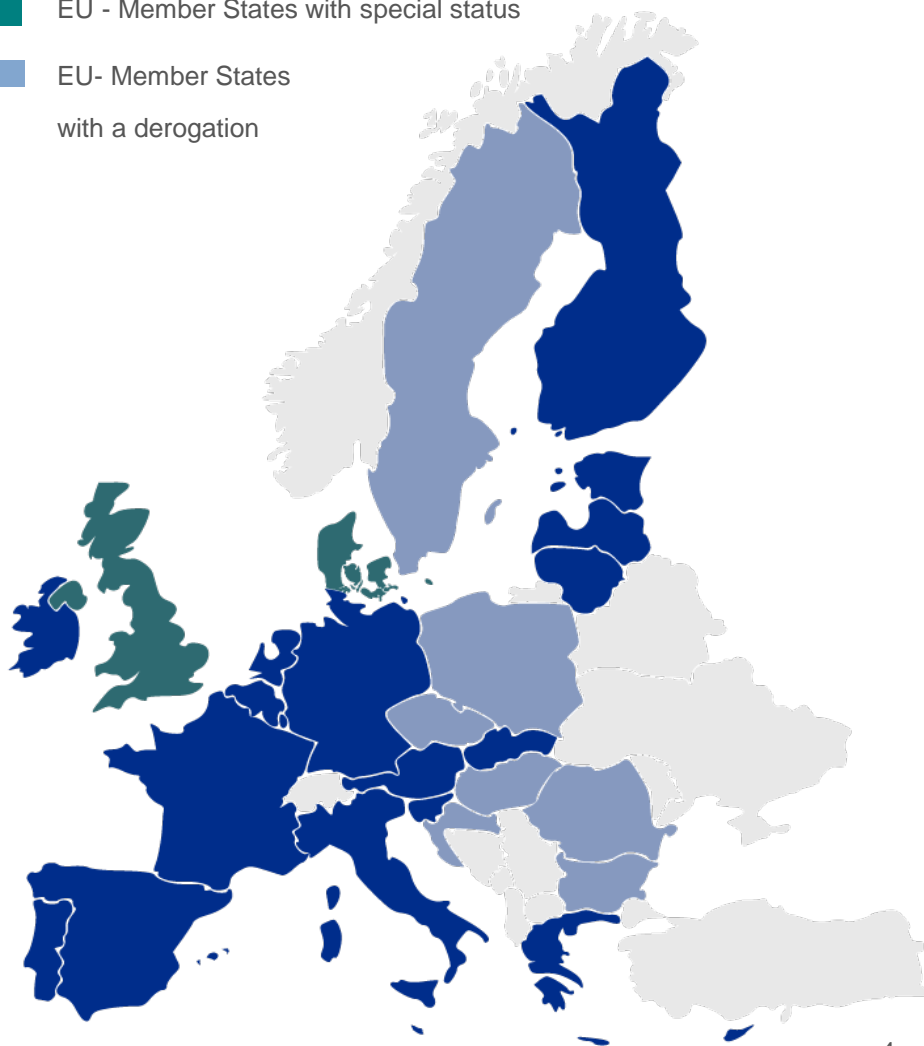


20 Years of the EURO



# The ECB (II): One central bank for 19 countries – many different narratives

- Euro area member states
- EU - Member States with special status
- EU- Member States with a derogation

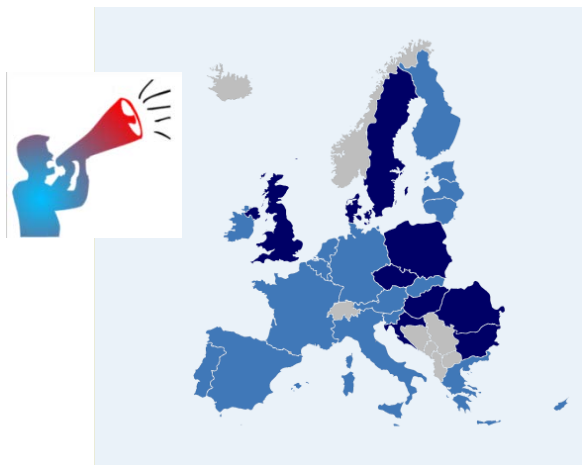


Different stages of the business cycle

Different preferences and economic models

Different cultures and languages

# Our audiences



## We communicate externally

- 340 million euro area citizens in 24 languages
  - Central banks across the world
  - Governments and institutions
  - Financial markets
- 
- Media is often the transmission mechanism

## We communicate internally

- Over 2,600 ECB employees
- 25 different business areas
- 19 Eurosystem NCBs
- 28 ESCB NCBs
- 25 NCAs



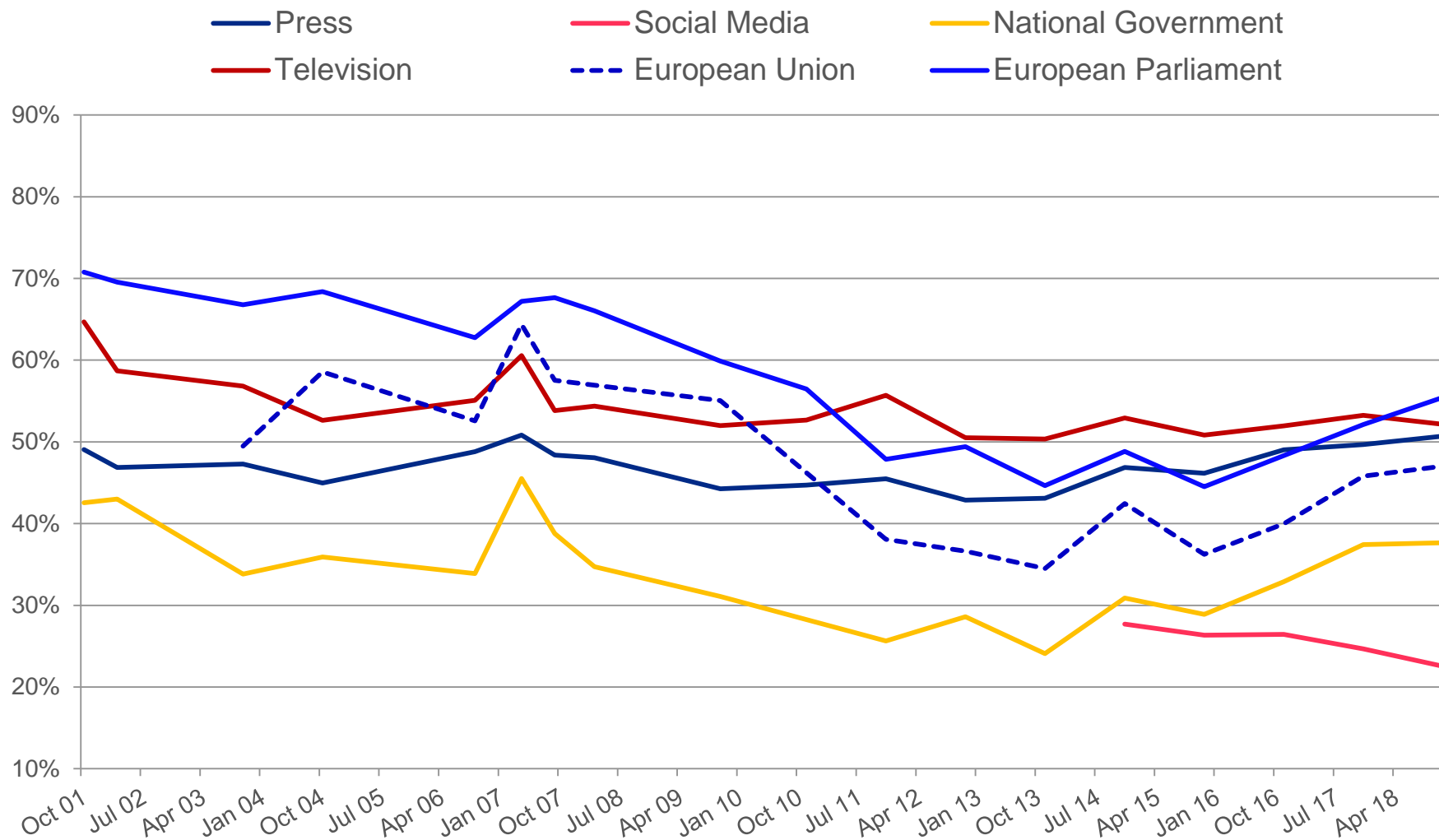




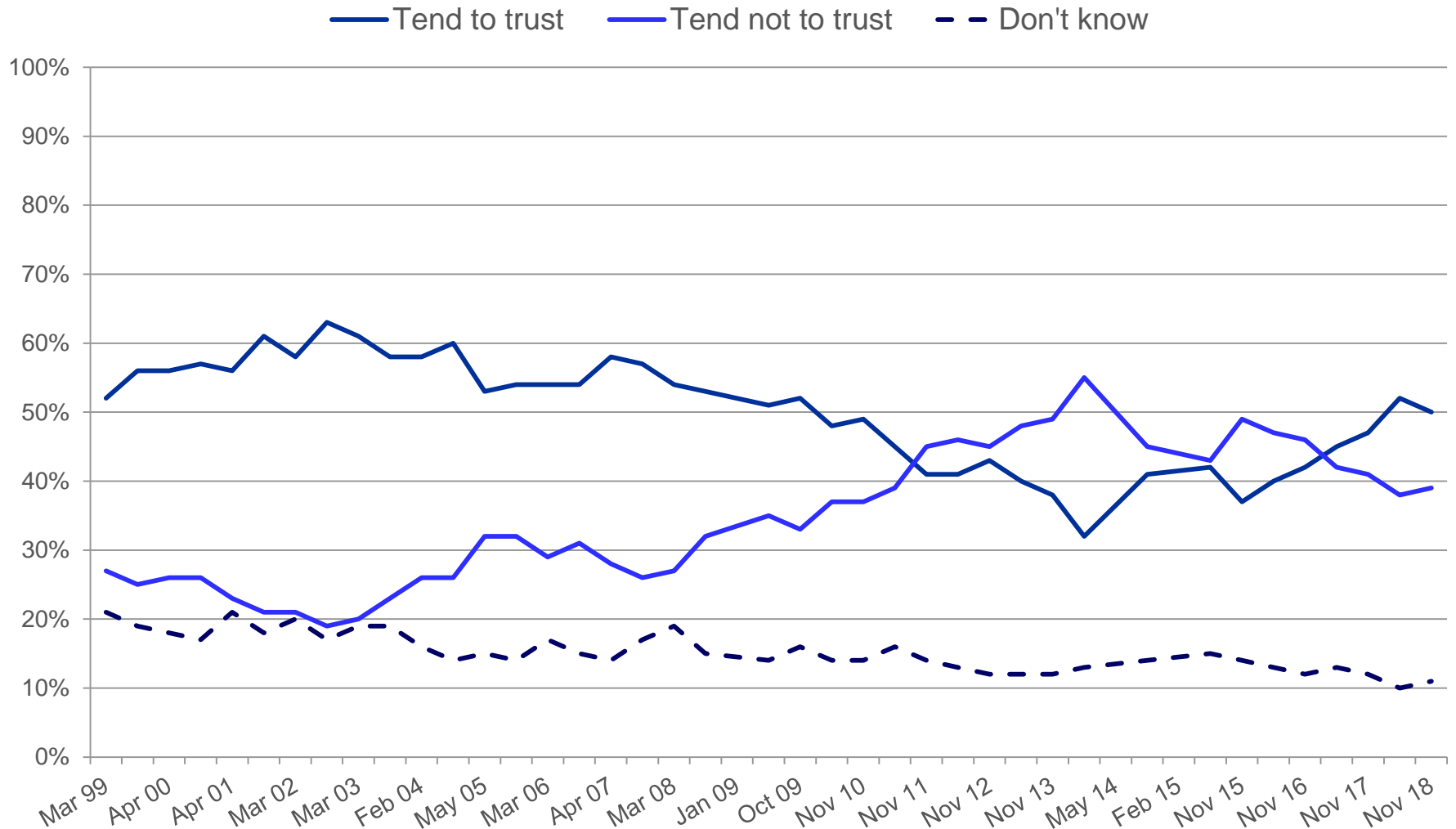
Flickr/Laura Bittner

- No single outlet speaks to whole euro area
- Important audience outside euro area too

# Net trust in various institutions (EU)

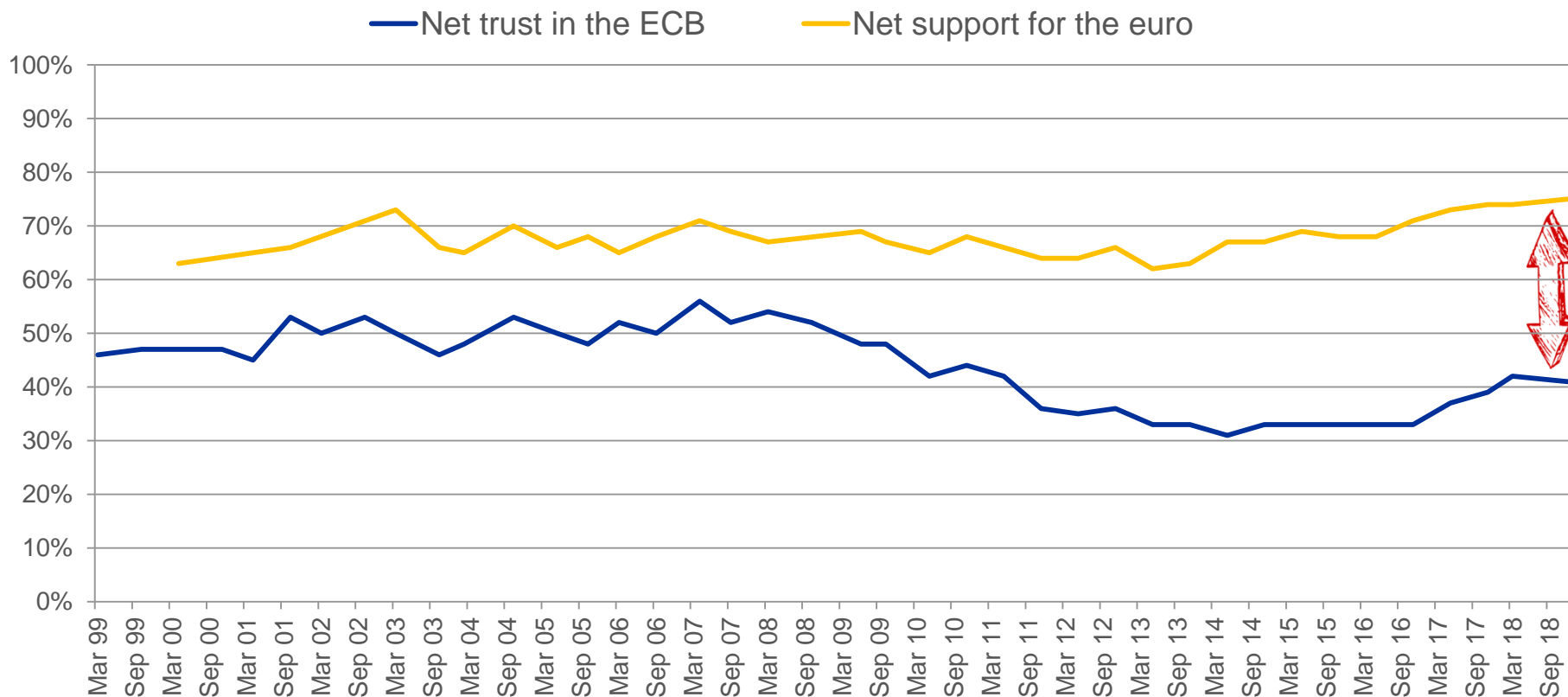


# Trust in the ECB in the euro area (1999-2018)





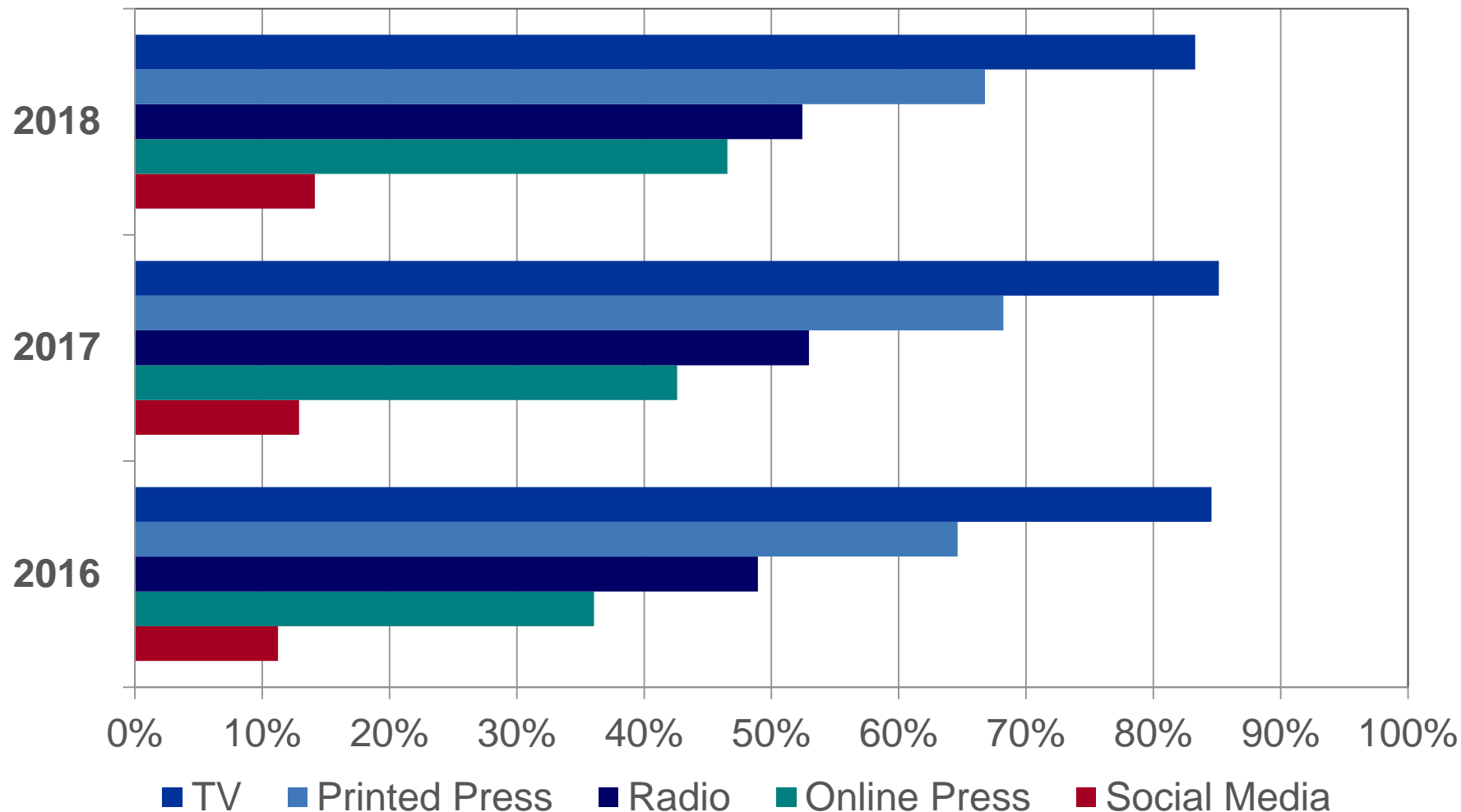
# The trust paradox: Support for the euro vs loss of trust in ECB



Eurobarometer data. Net trust/support is defined as the percentage of respondents who trust the ECB/support the euro over the percentage of those who express an opinion (i.e., "Don't know" responses are excluded).

## ECB news sources (EA)

*Where have you heard of the ECB?*



# The ECB as part of the Eurosystem – of which national central banks are integral parts

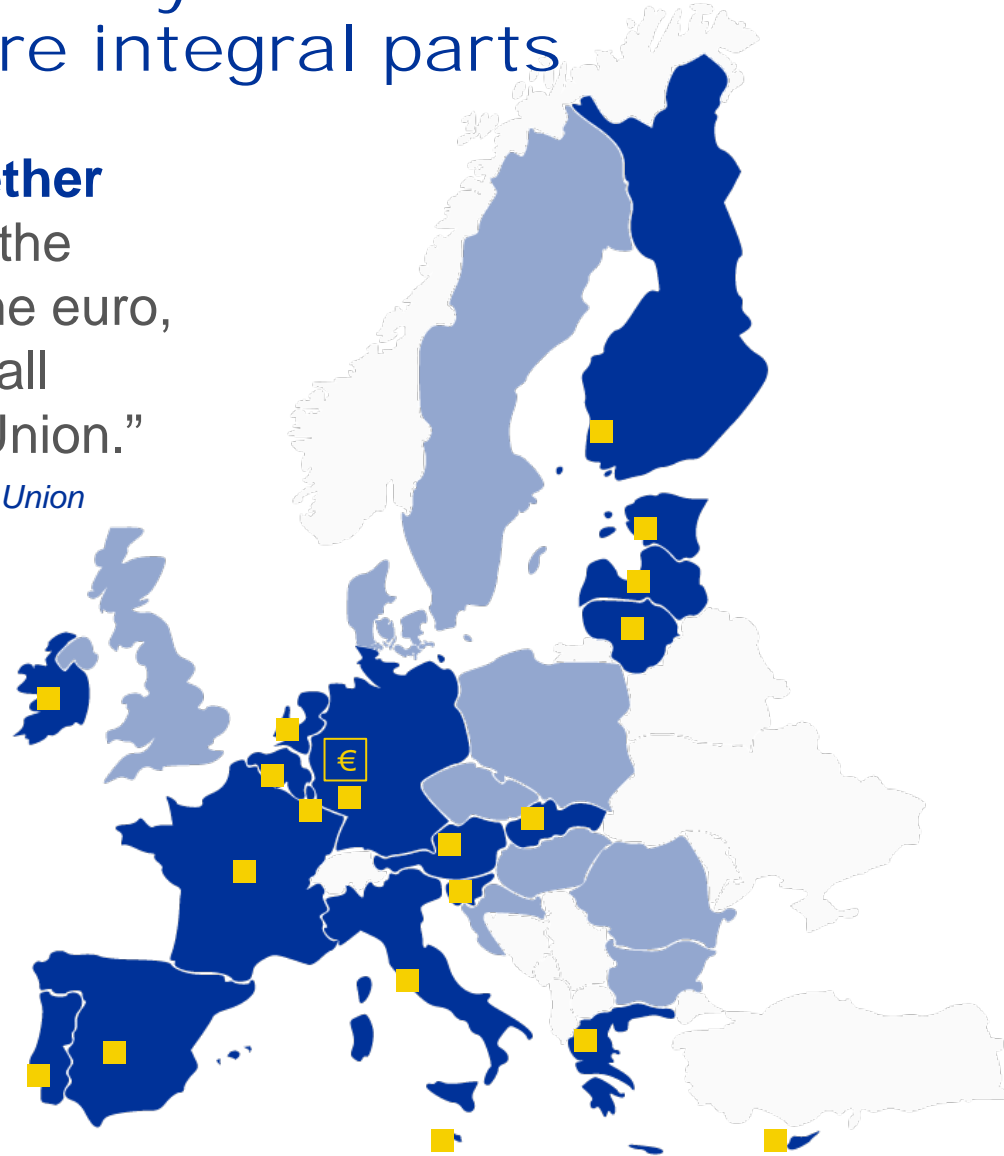
“The **European Central Bank, together with the national central banks** of the Member States whose currency is the euro, which constitute the Eurosystem, shall conduct the monetary policy of the Union.”

*Article 282 of the Treaty on the Functioning of the European Union*

## The Eurosystem

€ European Central Bank

■ National central banks



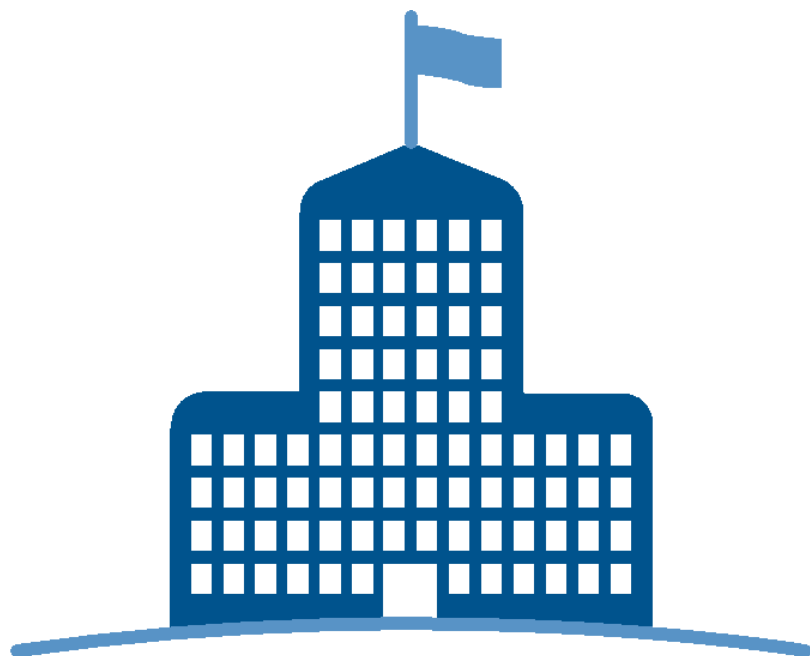
# Operational decentralisation in the Eurosystem (1)

## The ECB:

- sets monetary policy for the euro area
- consolidates economic information at the euro area level
- conducts euro area-wide economic analysis and research
- oversees cross-border large value payment and clearing systems



# Operational decentralisation in the Eurosystem (2)



national central banks

## NCBs

perform many operational tasks:

- execute conduct most operations
- collect national statistics
- conduct national economic analysis and research
- **communicate at the national level**
- provide payment and securities settlement facilities
- ensure the procurement and handling of euro banknotes

# Decision-making: ECB Governing Council

- **6 ECB Executive Board members + 19 Governors of national central banks of the euro area**
- **Takes decisions on interest rates, non-standard measures** and related to other ECB tasks
- Meetings every **2 weeks; monetary policy discussions every 6 weeks**, followed by **press conference**
- **National central bank governors as ‘spokespeople’ and ‘translators’** of ECB policy messages **in national contexts**



# Transparency framework

Press  
Conferences

Comprehensive  
Assessment  
Stress Test  
Manual published

Publication of  
ANFA  
agreement





# New challenges for ECB communications

## Global trends and new challenges



**Networked, empowered, polarised, activist, volatile public**



**24/7/365 news cycle**



**Loss of trust in experts**



**Wealth of information, poverty of attention**



**Greater controversy & politicisation of central banking**

## Implications for communication

Increased public scrutiny, coarsening of discourse; increased reputational risk

No fact checking; anyone can be an expert

ECB perceived as distant, not caring for the public good and treated with scepticism

Information that is not easily understood is ignored or misunderstood

Threat to independence  
Undermined legitimacy and public service orientation

## How communications needs to adjust

Tailor our communication to our audiences

Be present where people collect their information

Real-time and engaging answers


Make clear our messages to a broader audience

Genuine two-way engagement

**Change to substance, style and operational model of ECB communications**

# Extreme attention to all details of “communication”

## #DraghiTieGuesses



	Barclays	Citi	Credit Suisse	Goldman Sachs	HSBC	Morgan Stanley	RBS	UBS	M&G
Deposit rate cut?	10bp	10bp	10bp	10bp	10bp	10bp	20bp	10bp minimum	Not stated
QE expansion in size (PCM)?	No	+ €15bn	+ €20bn	+ €10bn	No	+ €20bn	+ €10-15bn	+ €10bn	Not stated
QE expansion in timing?	No	No	No	Yes. To Sept 2017	No	No	No	No	Not stated
More LTROs?	No	No	No	No	Yes	No	No	Yes	Not stated
Remove depo rate floor?	Yes	No	Yes	No	Yes	No	No	No	Not stated
Other additional levers?	Include buying to include semi-public entities, multi-tiered system to be discussed	Capital key possible, but not just yet.	Political issues around buying single names so buy a synthetic index or basket of corporate credit	Will signal a tiered structure	Change issuer limit for non CAC from 33-50%	No	No	Buying non-bank corporates	Not stated
Draghi Tie Guess?	Blue	Blue	Red	Purple	Red	Blue	Dark blue	Orange	Red

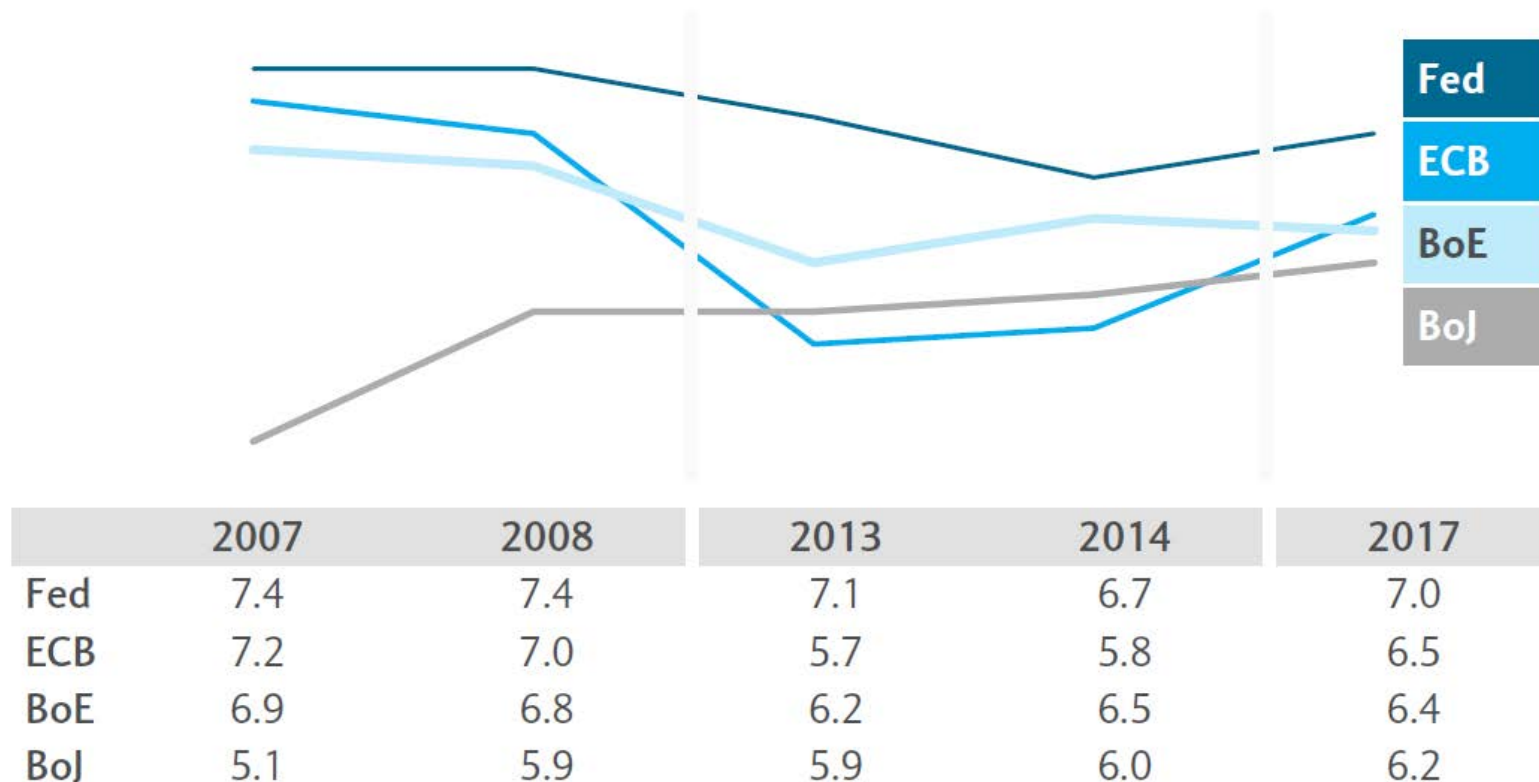
## Departmental 'Mission Statement'

### “We make the ECB understood”

- ✓ we make the ECB **accessible**, for all **internal** and **external** audiences through **timely, relevant & clear** communication.
- ✓ we are the ECB's **communications experts**; enabling the Bank to connect with **wide range of audiences** so that complex issues can be **properly understood** and that our communication achieves the **right results**.
- ✓ we help the Bank to **communicate successfully** to protect and enhance its **reputation** by providing advice, knowledge and expertise across all ECB business areas and ensuring the whole organisation **communicates consistently**.

# The ECB communicates well with markets...

## Overall assessment of ECB communication by financial markets



Source: 2017 BARCLAYS Survey of Central Bank Communication

Survey assessment by 599 Financial market participants (private and public sector) on a scale of 1 (lowest) to 10 (highest)

...but not with the wider public...

95%

*of all the words  
central banks utter  
are inaccessible to  
around*

95%

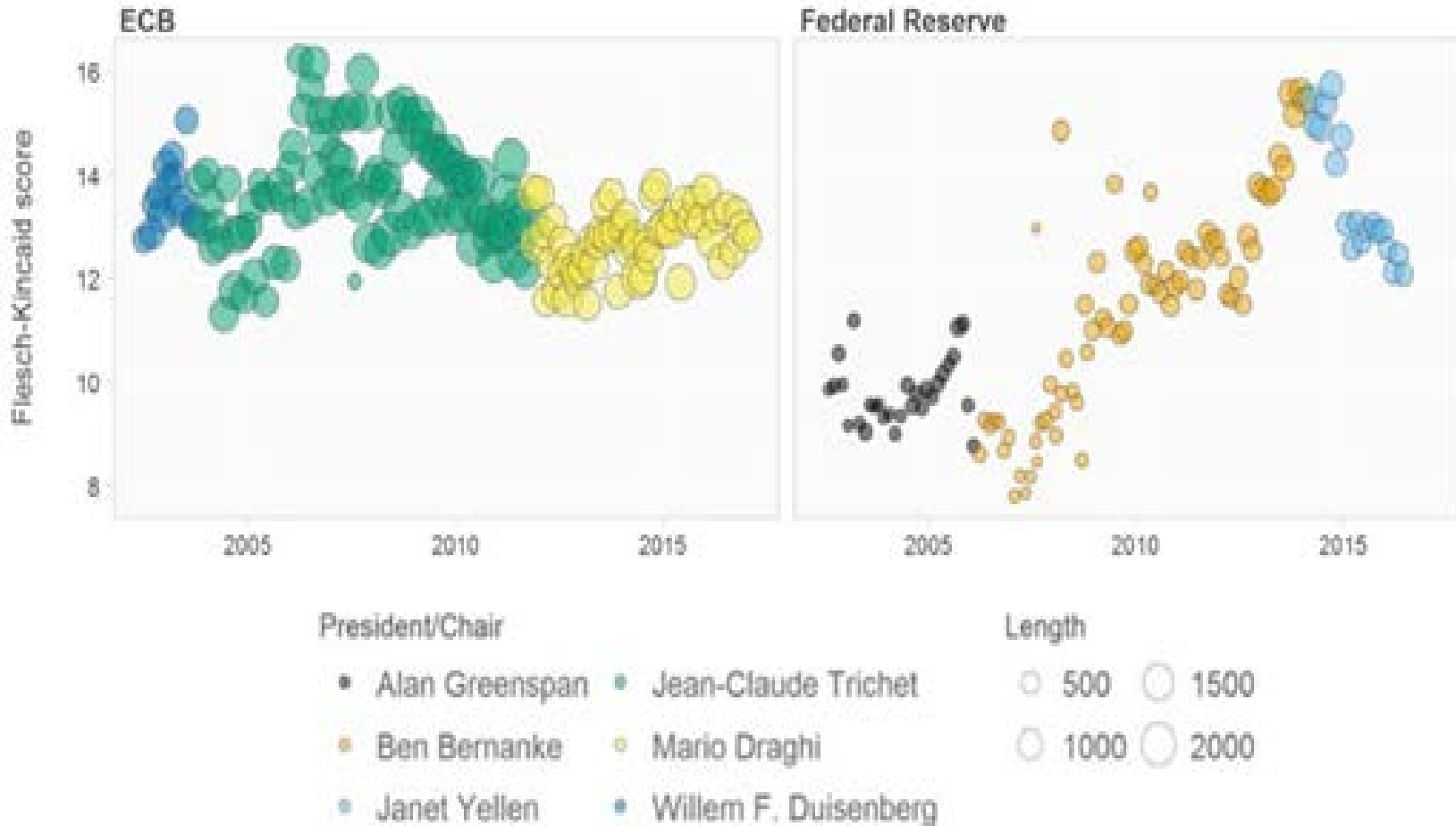
*of the population*



Andy Haldane, Chief Economist, Bank of England  
*ECB Central Bank Communications Conference,  
15 November 2017*

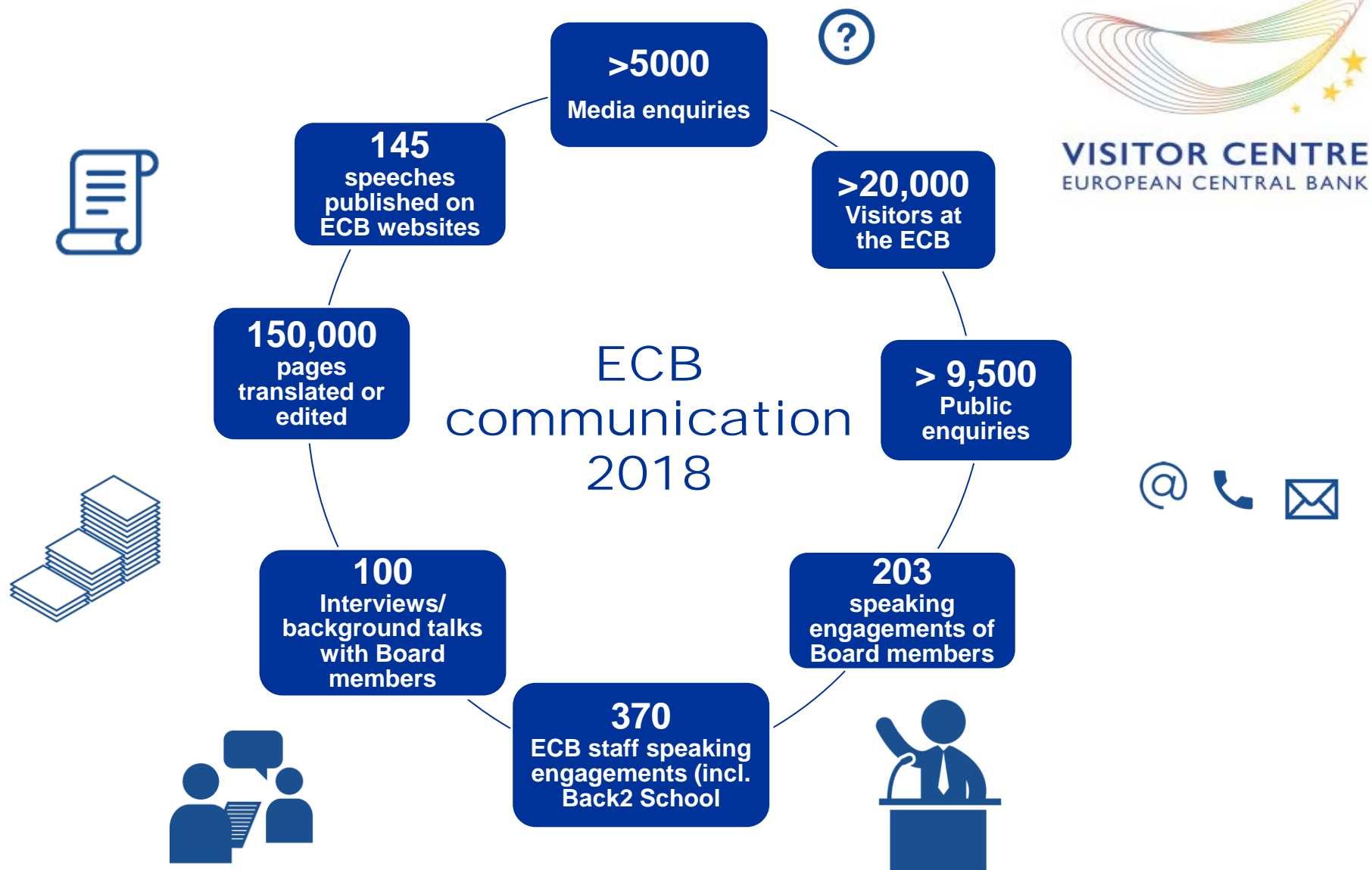
... also because of the complexity of our language

### Length of ECB/FOMC monetary policy statements and difficulty of language employed



\*Source: ECB Working Paper Series, June 2017, "Communication of monetary policy in unconventional times" by Günter Coenen, Michael Ehrmann, Gaetano Gaballo, Peter Hoffmann, Anton Nakov, Stefano Nardelli, Eric Persson, Georg Strasser

# The ECB communicates a lot



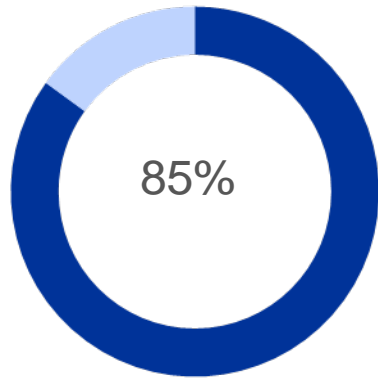




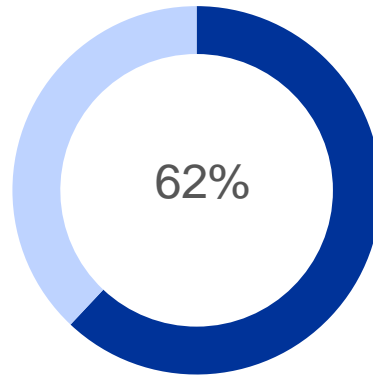
# 'Traditional' media remain very important

*Where do you hear about the ECB?*

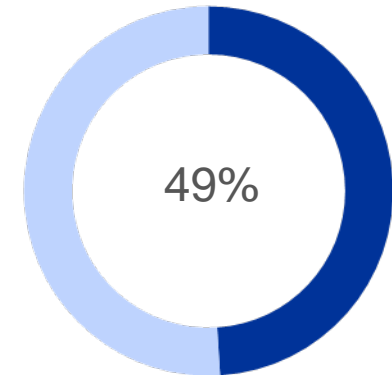
**TV**



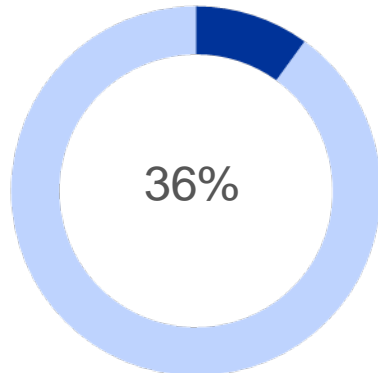
**Newspaper**



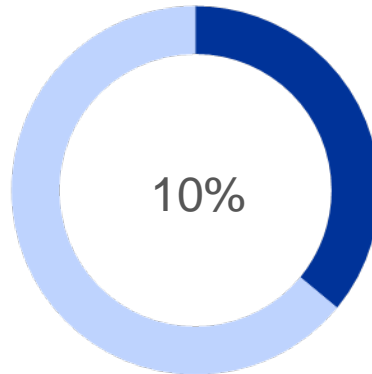
**Radio**



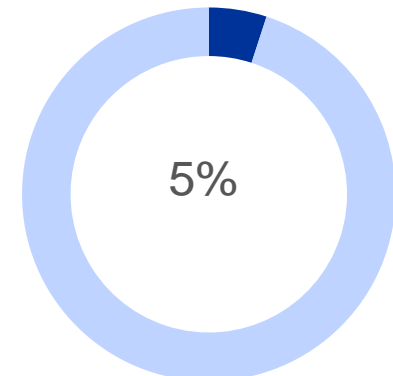
**Facebook**



**Internet**

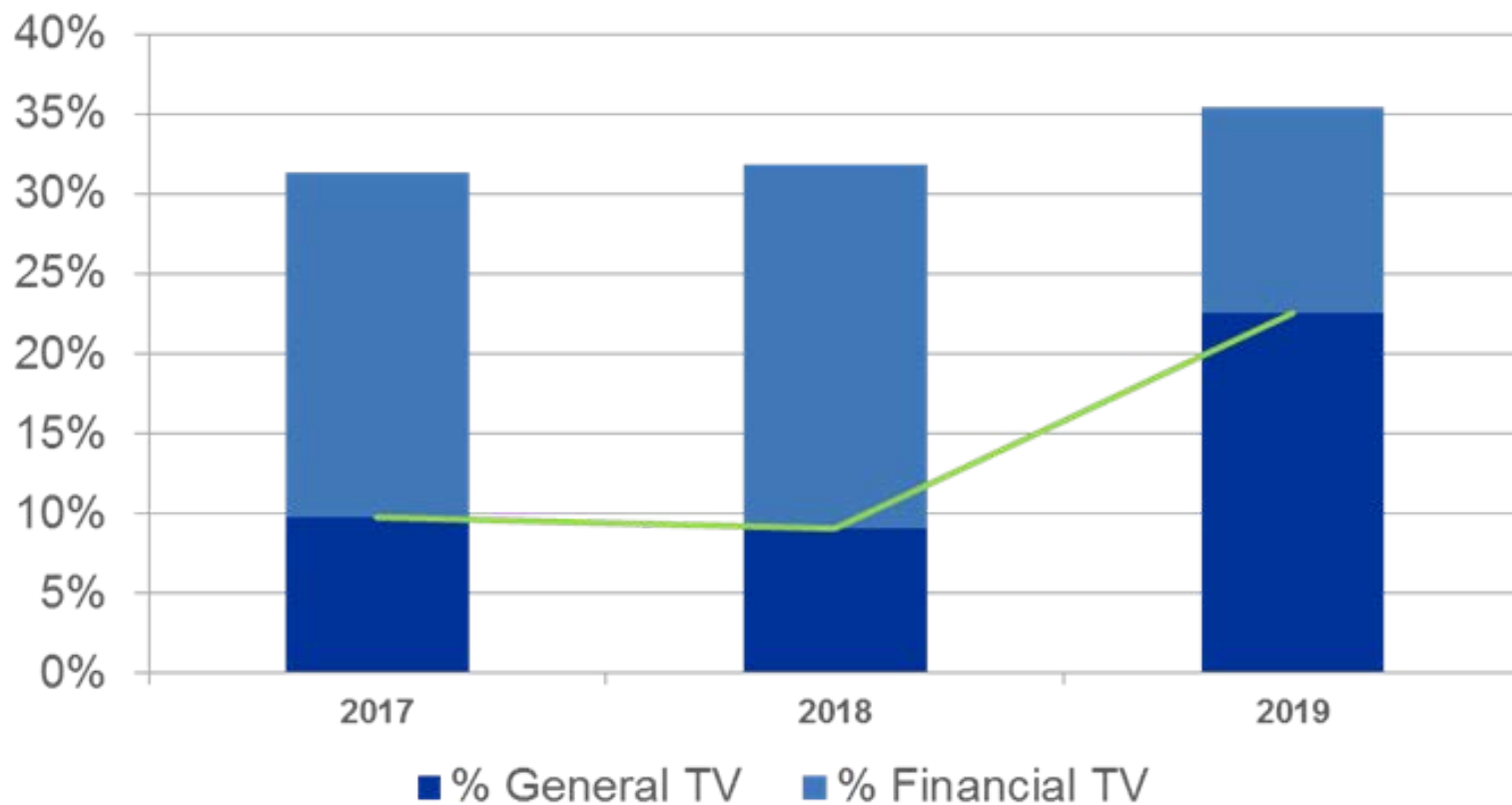


**ECB Website**



# Shift media effort to where the people are (TV!)

*% of TV Interviews Out of All Interviews*

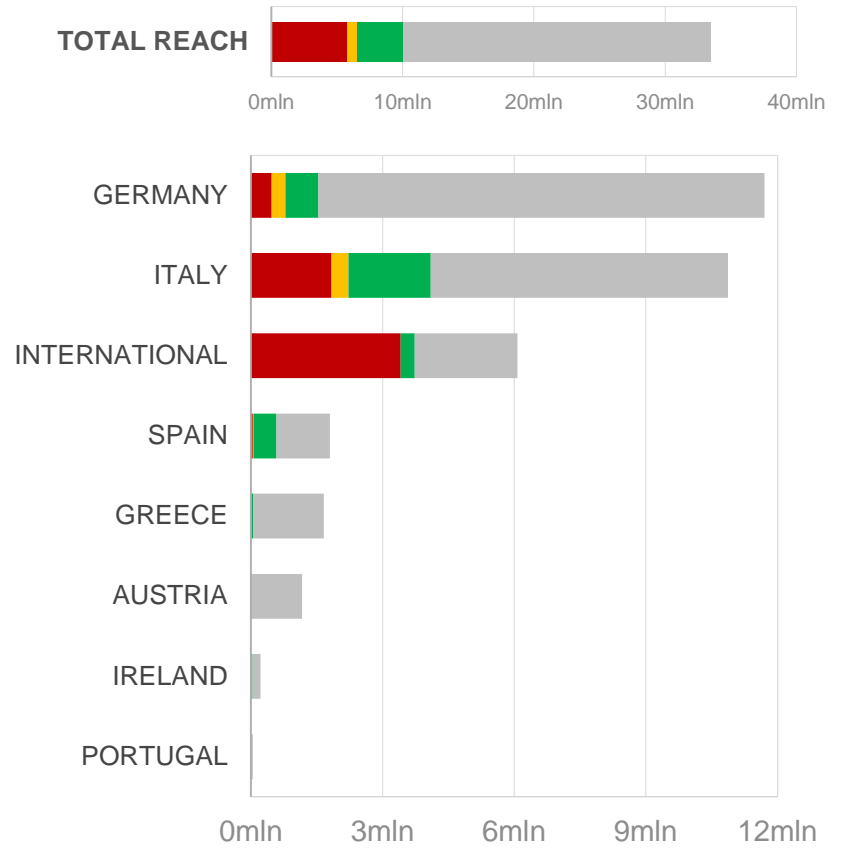
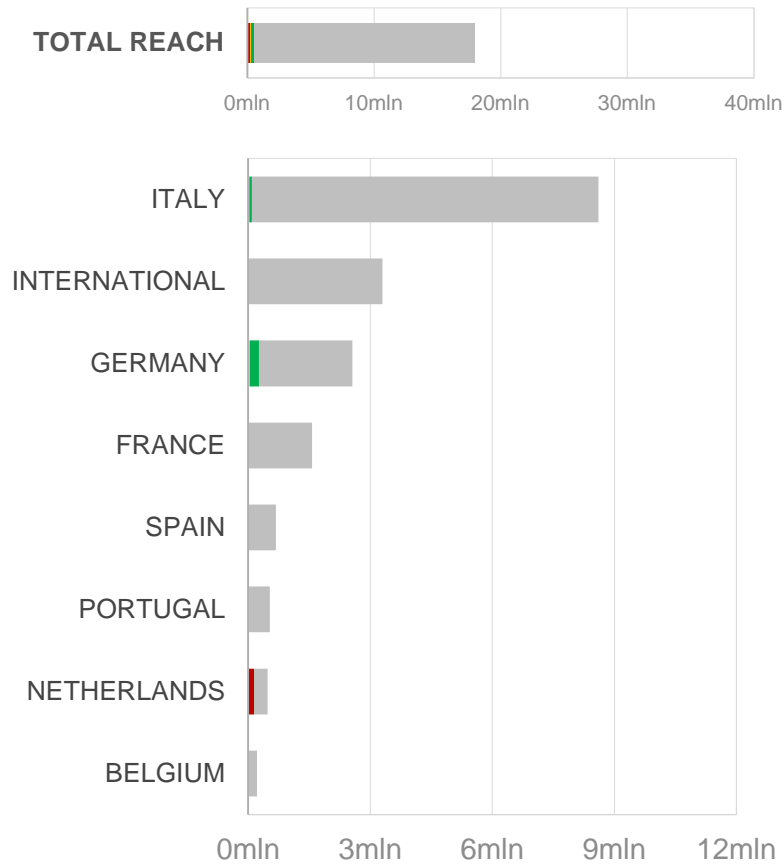


# Measure what you do (i)

Favourability and potential reach by country – Sintra conference

## 2018

## 2019





# Digital media

470,000  
followers



ECB-Websites (2018):  
>160,000 pages  
>38m visitors

26,459  
Subscribers



111,573  
followers



Folgen

That moment when your Twitter account is offline

3,289  
followers



European Central Bank @ecb · Mar 12  
Good afternoon, this is Peter Praet, Chief Economist at the ECB. I'm here for the next 45 minutes to answer your questions. Let's get started, using #AskECB

61 109

# 1,114,606

Impressions

Increase 212% compared to the year before



11:36 - 5. Juni 2018

@ecb

@TARGET\_ECB

#AskDraghi

#AskECB



# Successful 'layering'



The financial stability environment in the euro area has remained favourable

[View video explanation](#)

Looking ahead to the next two years, risks remain:

 <p>sharp falls in global asset prices</p>	 <p>weak bank profitability jeopardising the supply of credit</p>	 <p>concerns over public and private indebtedness</p>	 <p>liquidity risks in the investment fund sector</p>
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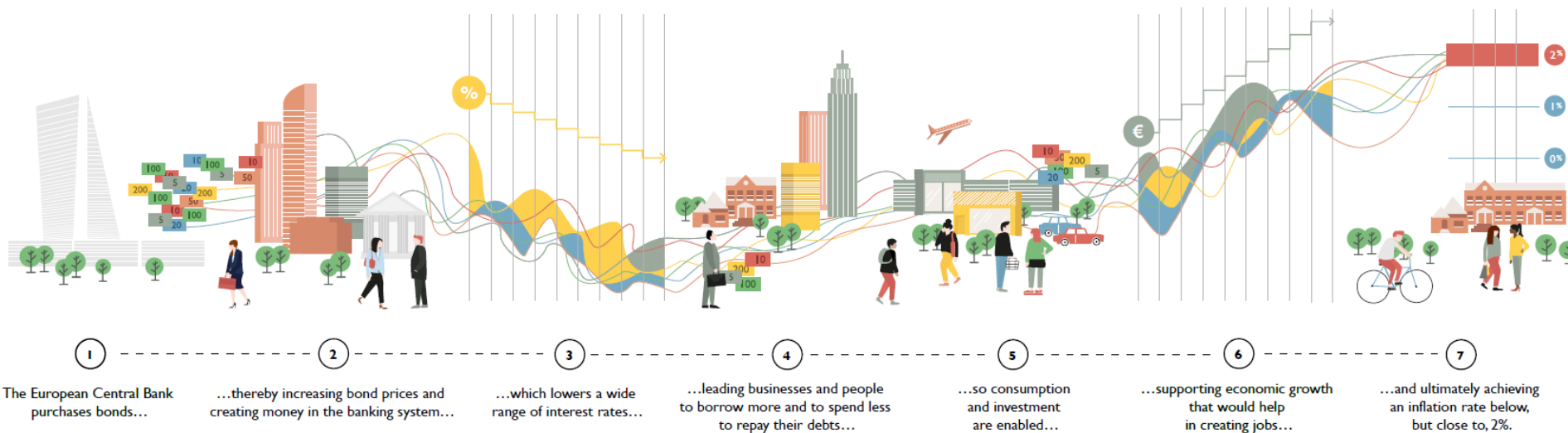
✓ Offering additional "first layer" yielded **280% increase in interest/readership**





# Accessible context/Explainers

## How quantitative easing works



## What is a central bank?

10 July 2015



A central bank is a public institution that manages the currency of a country or group of countries and controls the money supply – literally, the amount of money in circulation. The main objective of many central banks is price stability. In some countries, central banks are also required by law to act in support of full employment.

# Story-telling & tackling people's concrete concerns

How does European Banking Supervision work?

45,000 views



## Why are interest rates low?

4 October 2017

Find out why low interest rates are needed to keep prices stable.

10,000 views

 watch

# The ECB's communications research agenda

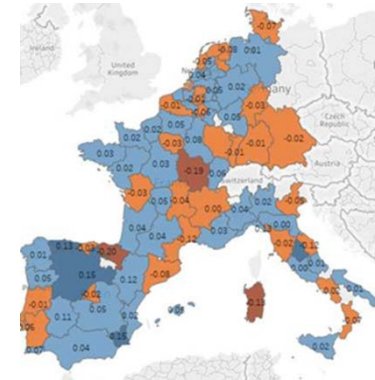
## 1 Learning about our audiences

- **Surveys of visitor groups** to identify perceptions & knowledge
- **Analysis of web data** to categorise expert and non-expert audiences



## 2 Analysing the communications transmission mechanism

- **Research on impact of ECB communications** and trust in the ECB
- **Analysis of ECB's share of voice** across media channels
- **Research on regional and country differences** on the creation and sustenance of trust.



## 3 Assessing the performance of ECB communication

- **Content analysis** of the ECB's digital communication
- Measurement of **effect of layering**
- Examination of impact and spread of ECB messages in the media;
- **Comparative assessment** of central bank's engagement



# Challenges ahead for the ECB & its communications



**Banking sector**



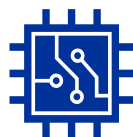
**Brexit**



**Political risks**



**Innovation in central banking**



**Technology and communication**



**Investor relations  
Public affairs  
NGOs**



**Questions about role and independence**



**Communication on (new) themes beyond core policy**



**Internal resistance to modern communication**



**Leadership changes**