

# **The Turn: The Bank of Canada and the Strategic Communications Revolution**

A Thesis Submitted to  
The College of Graduate and Postdoctoral Studies  
In Partial Fulfillment of the Requirements  
For the Degree of Master of Public Policy (MPP)  
In Johnson-Shoyama Graduate School of Public Policy (JSGS),  
University of Saskatchewan,  
Saskatoon, Saskatchewan, Canada

by  
Oleksii Vasylevskyi

© Oleksii Vasylevskyi, August 2023. Unless otherwise noted, copyright of the material in this  
thesis belongs to the author

## PERMISSION TO USE

In presenting this thesis in partial fulfillment of the requirements for a Graduate degree from the University of Saskatchewan, I agree that the Libraries of this University may make it freely available for inspection. I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly purposes may be granted by the professor or professors who supervised my thesis work, or in their absence, by the Director of the Johnson Shoyama Graduate School of Public Policy (JSGS) or the Dean of the College of Graduate and Postdoctoral Studies. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be permitted without my written permission. It is also understood that due recognition shall be given to me and to the University of Saskatchewan in any scholarly use which may be made of any material in my thesis.

Requests for permission to copy or to make other use of material in this thesis/dissertation in whole or part should be addressed to:

Director

Johnson Shoyama Graduate School of Public Policy (JSGS)

101 Diefenbaker Place

University of Saskatchewan

Saskatoon, Saskatchewan S7N 5B8

Canada

OR

Dean

College of Graduate and Postdoctoral Studies

University of Saskatchewan

107 Administration Place

Saskatoon, Saskatchewan S7N 5A2

Canada

## ABSTRACT

Beginning in the 1980s, governments began to embrace practices associated with the New Public Management (NPM) aimed at making government systems more service-oriented, a disposition that typically translated into more external communication. This trend spread to the central banks in developed countries, which began to embrace openness and transparency in the late 1980s and 1990s. A core tenet of NPM is the establishing of clear policy objectives that can anchor public communications. In monetary policy, the clear policy objective became, almost universally, the achievement of a targeted inflation rate. The Bank of Canada was early to embrace this trend. In targeting this objective, the Bank of Canada gradually, over time, established a communication infrastructure that shaped every aspect of the Bank's outward communication and became seen as integral to attaining its policy goals. Until the unfolding of the COVID-19 crisis, the Bank's success in achieving its policy target shielded it from critical, political-level scrutiny. In the aftermath, however, the Bank policies and its communications practices have come under tremendous scrutiny politically, in the media, and within academia. To better understand this current debate, I trace how communications, as a monetary policy instrument, evolved at the Bank of Canada along six lines: the formulation of communication policies, changes to the institutional infrastructure, the hiring, training, and deployment of communication personnel, the shifting structure of central bank texts, the use of outside communication consultants, and the application of communications training. I conclude that, from the beginning, the Bank of Canada viewed its strategic communications function as a key monetary policy tool, inseparable from its inflation target objective. From something that did not exist 30 years ago, strategic communication has become an irreplaceable tool and integral part of the Bank's operations, especially during crises such as the recent Covid-19 pandemic.

## **ACKNOWLEDGMENTS**

For the completion of this thesis, I am deeply thankful to my family who supported me and whose sacrifices helped me be where I am now.

I am indebted to my supervisor Dr. Marc-André Pigeon for his persistent guidance and encouragement during almost three years. Also, I would like to thank the central bank officials and everybody who participated in the interviews. Your contribution to this research is immeasurable. I want to thank Heather McWhinney for helping me to polish this paper. Without your support and collaboration, this thesis would not be written

Last but not least, I would like to thank my friends Forhad Hossain and Jawdat Alfarra for their support and insights.

## TABLE OF CONTENTS

<b>PERMISSION TO USE.....</b>	<b>1</b>
<b>ABSTRACT.....</b>	<b>2</b>
<b>ACKNOWLEDGMENTS.....</b>	<b>3</b>
<b>TABLE OF CONTENTS.....</b>	<b>4</b>
<b>LIST OF TABLES AND FIGURES.....</b>	<b>7</b>
<b>CHAPTER 1. INTRODUCTION.....</b>	<b>9</b>
<b>CHAPTER 2. LITERATURE REVIEW.....</b>	<b>17</b>
2.1 Overview.....	17
2.2 Theory of Strategic Communication.....	17
2.2.1 The Critical Perspective – Technologization of Discourse.....	17
2.2.2 The Pragmatic Perspective.....	20
2.3 Central Bank Communication in Canada and Worldwide.....	21
2.4 Chapter Summary.....	25
<b>CHAPTER 3. RESEARCH DESIGN AND DATA.....</b>	<b>27</b>
3.1 Overview.....	27
3.2 Research Design.....	27
3.3 Methods.....	28
3.3.1 Interviews.....	28
3.3.2 Document Analysis.....	29
3.4 Data Limitations.....	30
3.5 Observable Factors.....	31
3.6 Chapter Summary.....	32
<b>CHAPTER 4. FINDINGS: COMMUNICATION INSTITUTIONAL INNOVATIONS.....</b>	<b>34</b>
4.1 Overview.....	34
4.2 Institutionalization of the Bank’s Communications – The Communications Department	34
4.3 Digital Resources.....	36

4.3.1 An Official Website.....	36
4.3.2 A Social Media Platform.....	38
4.3.3 Informational Analysis.....	39
4.4 The Bank’s Regional Expansion.....	40
4.5 Fixed Announcement Dates – The First Central Bank Communication Initiative.....	40
4.6 Minor Communication Innovations in the early 2000s.....	42
4.7 Conditional Commitment: Forward Guidance.....	43
4.8 Canadian Fixed-Income Forum.....	46
4.9 Chapter Summary.....	46
<b>CHAPTER 5. FINDINGS: POLICIES FORMULATING COMMUNICATION STRATEGIES.....</b>	<b>47</b>
5.1 Overview.....	47
5.2 The Bank of Canada’s Communication Policies.....	47
5.2.1 Agreement on the Inflation-Control Target.....	48
5.2.2 Blackout Guidelines.....	49
5.2.3 Codes of Business Conduct and Ethics.....	49
5.2.4 Policy on External Communications.....	50
5.2.5 Overarching Communication Policy.....	51
5.3 Communication Strategies.....	51
5.4 Chapter Summary.....	56
<b>CHAPTER 6. FINDINGS: HUMAN RESOURCES—COMMUNICATIONS PERSONNEL, OUTSIDE CONSULTANTS, AND TRAINING COURSES.....</b>	<b>57</b>
6.1 Overview.....	57
6.2 Communication Personnel and Outside Communication Consultants.....	57
6.3 Training Practices.....	61
6.4 Chapter Summary.....	63
<b>CHAPTER 7. FINDINGS: OBSERVABLE EXTERNAL OUTPUT—CENTRAL BANK PUBLICATIONS, SPEECHES, AND SURVEYS.....</b>	<b>64</b>

7.1 Overview.....	64
7.2 Commonly Viewed Bank Publications.....	64
7.3. Bank of Canada Speeches.....	65
7.3.1. Expansion of Information Instruments to Support Speeches.....	68
7.4 Readability Scores of Speeches and Press Releases.....	69
7.5 Annual Report and Communications Before 1990.....	72
7.5.1 The Readability Scores of and Improvements to the Annual Report.....	73
7.6 Monetary Policy Report and Financial System Review.....	76
7.6.1 Readability of the Monetary Policy Report and Financial System Review.....	77
7.7 Surveys.....	79
7.8. Other Central Bank Publications.....	80
7.9. Chapter Summary.....	82
<b>CHAPTER 8 DISCUSSION AND CONCLUSION.....</b>	<b>83</b>
8.1 Overview.....	83
8.2 Purpose of the Study and Methodology.....	83
8.3 Summary of Findings and Relationship to Theory.....	83
8.3.1 Communication Institutional Initiatives (i).....	84
8.3.2 Policies Formulating Communication Strategies (ii).....	85
8.3.3 Bank of Canada Human Resources (iii).....	87
8.3.4 Observable External Output—Central Bank Publications, Speeches, and Surveys (iv).....	88
8.3.5 Communication in the Bank of Canada Decision-Making.....	89
8.4 Policy Implications.....	91
8.5 Research Limitations.....	92
8.6 Future Research.....	93
8.7 Conclusion.....	94
<b>REFERENCES.....</b>	<b>95</b>

<b>APPENDIX A.....</b>	<b>111</b>
List of Questions to Bank of Canada Official №1 and 2.....	111
List of Questions to Bank of Canada Official №3.....	114
List of Questions to Senior Economists.....	117
List of Questions to Journalists.....	119
List of Questions to Professors.....	121
Table 1. Principles for external communication by members of Governing Council.....	123



## LIST OF TABLES AND FIGURES

<b>Figure 1-1. The Bank of Canada legislation.....</b>	<b>13</b>
<b>Table 2-1. Monetary policy transparency across and within monetary policy frameworks.....</b>	<b>23</b>
<b>Figure 2-1. Monetary policy strategy and communication.....</b>	<b>25</b>
<b>Table 3-1. Interviewees.....</b>	<b>30</b>
<b>Table 4-1. Bank of Canada expenses on communications.....</b>	<b>36-37</b>
<b>Figure 4-2. Number of website visitors from 2012 to 2020.....</b>	<b>38</b>
<b>Figure 4-3. Measures used in the framework.....</b>	<b>40</b>
<b>Figure 4-4. Bank of Canada communication instruments.....</b>	<b>45</b>
<b>Figure 5-1. Bank of Canada communication policies.....</b>	<b>49</b>
<b>Table 5-1. The Bank of Canada’s communication strategies.....</b>	<b>52-53</b>
<b>Figure 5-2. The Bank’s communication strategy: A three-year medium-term communication strategy.....</b>	<b>54</b>
<b>Figure 5-3. Logic of the communication strategy: A three-year medium-term communication strategy.....</b>	<b>55</b>
<b>Figure 5-4. Logic of the communication strategy: A three-year medium-term communication strategy.....</b>	<b>56</b>
<b>Table 6-1. The background of top central bank communicators.....</b>	<b>60-61</b>
<b>Table 6-2. Communication personnel from 1995 to 2020.....</b>	<b>61-62</b>
<b>Table 7-1. The Bank publications that interviewees read.....</b>	<b>65-66</b>
<b>Figure 7-1. Growth in Bank of Canada governors’ speeches from 1960 to 2005.....</b>	<b>67</b>
<b>Figure 7-2. Speeches of the Bank of Canada governors, Senior deputy governors and deputy governors.....</b>	<b>68</b>
<b>Figure 7-3. Central Bank communication activities.....</b>	<b>70</b>
<b>Figure 7-4. Gunning Fog Index for the Bank’s speeches.....</b>	<b>71</b>
<b>Figure 7-5. Gunning Fog Index for the Bank’s fixed announcement date press releases.....</b>	<b>71</b>
<b>Figure 7-6. Flesch-Kincaid scores for Central Bank speeches.....</b>	<b>72</b>
<b>Figure 7-7. Gunning Fog Index readability score for <i>Annual Reports</i>.....</b>	<b>75</b>

<b>Figure 7-8. <i>Annual Reports</i> 1980–2000.....</b>	<b>75</b>
<b>Figure 7-9. Word count of the <i>Annual Report</i> opening parts.....</b>	<b>76</b>
<b>Figure 7-10. Gunning Fog Index for <i>Monetary Policy Report</i>.....</b>	<b>79</b>
<b>Figure 7-11. Gunning Fog Index for <i>Financial System Review</i>.....</b>	<b>79</b>
<b>Table 7-2. Bank of Canada surveys.....</b>	<b>80-81</b>
<b>Figure 7-12. Other Central Bank communication instruments.....</b>	<b>82</b>
<b>Figure 8-1. Bank of Canada communication institutional initiatives.....</b>	<b>85</b>
<b>Figure 8-2. Bank policies formulating communications.....</b>	<b>87</b>
<b>Figure 8-3. Bank’s human resource.....</b>	<b>88</b>
<b>Figure 8-4. Bank of Canada information transformations.....</b>	<b>90</b>
<b>Figure 8-5. Modified Winkler’s model.....</b>	<b>91</b>

## CHAPTER 1. INTRODUCTION

The communication functions in the Government of Canada have grown and changed over the past 50 years. These changes are important for pro-democracy reasons—they reflect a demand for transparency—and pro-technocratic reasons—they reflect a belief that well managed information flows can affect perceptions and behaviour. This thesis traces and interprets these changes at one of Canada’s most important economic institutions, the Bank of Canada. But to understand the Bank’s policy evolution in communications, it is necessary to first understand the culture of shifting communications in the Government of Canada.

Communication in the Canadian government started acquiring a strategic character under the Pierre Trudeau government, when communications became more centralized (Savoie, 2022) and communication personnel were integrated into formal management positions (heads of communication) in the early 1970s (Glenn, 2014). During the next 25 years, heads of communications advised the personnel on communication events. The management review of 1987 altered government communication from a service orientation to a management orientation (Ferguson, 1993). Communication therefore became a managerial function rather than a task that any official can do, and the complexity of planning and managing communication functions increased. Different groups now conducted general communication; managed publications; and planned the direction of communications, public relations, marketing and advertising, and other communication. The communications were formalized into several important communication policies, most notably the government’s communication policy (Government of Canada, 2002), which aimed to keep the public aware of government programs and services, obtain feedback about communications and policy for future development, and build a reputation for transparent government.

These early efforts to formalize communication functions were entrenched when, in the early 2000s, the government formed Communications Canada and the Communications and Consultation Secretariat. Their role was to gather information about the public (e.g. surveys), coordinate communication on behalf of the government, and conduct corporate communications through advertising and other information activities (Communication Canada, n.d.). At the same time, these departments amended and modernized the government’s Communication Policy

(2002), expanding the weight and power of communication personnel (Kozolanka, 2006; Likely, 2013). In 2016, the federal government revised its communication policies for a third time to account for the rise of social media platforms. The 2016 policy encapsulated what is now called the Policy on Communications and Federal Identity (2016). In addition to refining existing directives, the Policy on Communications and Federal Identity (2016) addresses prescriptive language around functions such as advertising, marketing, sponsorship, risk communication, and inward and outward communication. Furthermore, the 2016 policy centralized communications by assigning enforcement responsibility to the Privy Council Office (PCO), the Public Services and Procurement Canada (PSPC), Library and Archives Canada, Service Canada (Treasury Board of Canada Secretariat, 2016). The effects of communication policies and entities can be seen in the growth of communication personnel, from 1160 in 1998 to 2799 in 2012 (Glenn, 2014; Kozolanka, 2006) and their growing weight in policy-level decision-making processes (Likely, 2013).

The shift towards strategic communication gained further momentum when, in 2018, the federal government formed the Communications Community Office, its sole duty being to educate civil servants about modern strategic communication practices. Housed in the Privy Council, the Communications Community Office provides services and workshops on advertising, strategic communication, plain language, speechwriting, storytelling, and other skills to improve the communication abilities of government officials (Government of Canada, 2018). So far, the Office has trained almost 4000 officials, organized 13 major meetings, and hosted 20 heads of communications' meetings. From 2018 to 2020, it put on 17 monthly learning events, and in 2020-2021 during the pandemic, it ran 15 virtual learning series sessions. Thirty-nine departments and agencies in the Government of Canada have financed the Communications Community Office since its founding (Privy Council Office, 2018).

Similar communication developments took place in the 1990s at the Bank of Canada, a Crown corporation that, although accountable to the Minister of Finance, is largely independent of the political direction that shapes the activities of the rest of the federal government. After being established in 1934 and becoming fully operational as a publicly-owned institution in 1938, the Bank of Canada had played a key role in securing the financial well-being of Canadians according to the broad-based policy objectives set out in the preamble to the *Bank of*

*Canada Act* (Vardy, 2005). The Act (Legislative Services Branch, 2020, p. 1) requires the Bank to

*“regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit and to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action, and generally to promote the economic and financial welfare of Canada.”*

The *Bank of Canada Act* (Legislative Services Branch, 2020) also sets out reporting requirements that constitute part of the Bank’s communication activities. It prescribes, for example, that the Bank must publish financial documents on its website (e.g., monthly balance sheets), provide audited financial statements to the Minister of Finance every year, publish these statements—along with any summary report by the Governor—in the *Canada Gazette*, and make these documents available to Parliament. Alongside these requirements, the Bank is also subject to the same federal legislation as other government entities, including, notably, the *Privacy Act* (1985) and the *Access to Information Act* (1985). Unlike the broader government, however, the Bank is not subject to the government's communication policies, nor the associated institutional apparatus (see Figure 1-1).

Until well into the 1980s, the Bank of Canada was, like other central banks, regarded as a secretive organization. Describing the Bank in the 1970s and 1980s, one former central bank official interviewed for this research said that the central bank had only a few vehicles for outward communications. These included the *Bank of Canada Review*, which provided the public with information on banking and finance but largely avoided monetary policy, *the Annual Report*, which provided financial data and a statement by the governor, and rare speeches by the Governor, with a brief press statement coupled with a handful (usually two) parliament appearances per year. The Bank’s sparse communication can be explained by a broad-based preference for silence or secrecy, consistent with a technocratic Keynesian orientation of policy at the time. This perspective tended to regard the economy as mechanical, almost hydraulic in nature, capable of being adjusted by competent managers (Blinder et al., 2008)

**Figure 1-1. The Bank of Canada legislation**

**Federal Legislation**

*The Bank of Canada Act 1985*

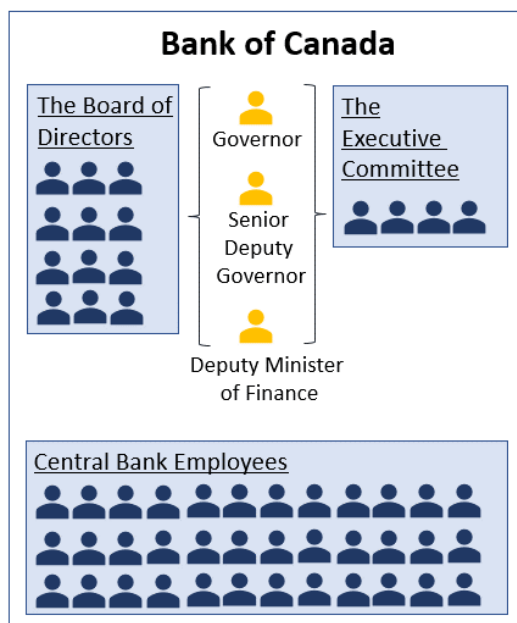
Prescribe:

- dates and procedures for sharing weekly financial information,
- monthly balance sheet,
- financial statements to Minister,
- signing of statements, and
- reports to the Parliament

*The Agreement on Inflation Targeting 1991*

Prescribe:

- The Bank's objective



*The Access to Information Act 1985*

Prescribe:

- the Bank of Canada's behavior in addressing public requests and disclosure limits

*The Privacy Act 1985*

Prescribe:

- protection the privacy of the Bank's officials
- provide the public with a right to access their information

Source: Bank of Canada. (2023, April 23). *Governance documents*. <https://www.bankofcanada.ca/about/governance-documents/>

By the 1970s and 1980s, however, the Bank's faith in hydraulic Keynesianism was called into question in the wake of inflation following two oil shocks (1973–1974 and 1979). As hydraulic Keynesianism became increasingly discredited, the Bank instead embraced monetarism, itself a statement of technocratic faith that by controlling the supply of money, central banks could control inflation. The Bank's embrace of the new monetarist paradigm, however, posed two communications challenges. First, while the central bank increasingly believed inflation was a monetary phenomenon, one it could control by adjusting growth in the money supply to coincide with economic growth, it rejected any suggestion that it was responsible for any related movements in interest rates. This position became increasingly untenable in the early 1980s, when the Bank insisted it was not responsible for interest rates rising to near 20% – after all, it merely adjusted the money supply—despite evidence it had orchestrated the increases. The second challenge was that while the Bank of Canada embraced monetarism as its core policy tool, it did not publicly adopt an overarching or clear policy objective. The absence of a single overarching policy objective was a point of strength, not

weakness, because in theory, if not in practice, it gave the central bank flexibility to target several objectives at once, including inflation but also unemployment and even income inequality.

By the early 1980s, the Bank of Canada—like other central banks—had largely given up on the monetarist experiment and was actively searching for a new paradigm, a viewpoint captured by then-governor Bouey in a 1982 address entitled ‘Finding a Place to Stand’ (Bouey, 1982). The new policy paradigm, with communications at its core, began to emerge under Bouey’s successor, John Crow in the late 1980s and culminated in 1991 with an agreement between the Bank of Canada and the Department of Finance that set out an inflation target of 2%, with a range between 1 and 3% through to 1995 (Nankivell, 2010). The agreement was extended by three years to 1998 and again to 2001 (Bank of Canada, 1998). Since then, the duration of the renewed inflation targeting agreements has been five years.

Having obtained a clear objective, the Bank of Canada became more accountable to the public through the use of a measurable criterion, which was inflation. This new objective also granted the Bank of Canada greater operational independence to conduct monetary policy by choosing a strategy and a set of associated accountability standards (Paulin, 2000). With this goal and greater independence, the Bank joined the general communication trend in the federal government, prompting the then-governor of the Bank of Canada in 2000 to remark (Thiessen, 2000a),

*“Public sector institutions have been undergoing significant changes over the past decade. One of the most important changes has been the move to greater accountability. Public institutions are now required to be more open and to provide more information about their operations ... Transparency and accountability in monetary policy require effective communication. At the Bank, we have undertaken a series of initiatives to improve our communications with the public.”*

The Bank of Canada’s communication strategy for the past 30 plus years has been ruled by two over-arching principles, transparency and accountability. And yet, until midway through the crisis associated with the Covid-19 pandemic, there was little to no political attention paid to the Bank of Canada’s announcements, actions, or communication practices. So long as the Bank

seemed to be hitting its inflation target through careful management of people's inflationary expectations, all was well. As the crisis progressed, and as a return to higher inflation appeared increasingly likely, the Bank of Canada found itself in the middle of a highly politicized debate about how to interpret its purchases of pandemic-related government debt and its associated communication practices. One of the first to criticize the central bank for these purchases and for how it talked about its activities was Pierre Poilievre (2020), at the time the Shadow Minister of Finance, but who would later become leader of the Conservative party on the strength of his populist message, a message that included critiques of the Bank of Canada and other 'elite' institutions. As well as earning accolades for its transparency, Poilievre's critique of the bank and its communication practices attracted considerable media attention (Argitis, 2020; Argitis & Bolongaro, 2020; Balakrishnan, 2020; Boutilier, 2020; Parkinson, 2020), culminating in the development of two private members' bills. The first, called the *Bank of Canada Accountability Act*, was introduced in 2021 by former Conservative party leader Andrew Scheer. It seeks to amend "the Bank of Canada Act to put the Auditor-General of Canada in charge of auditing Canada's central bank" (Parkinson, 2022). The second one, initiated by Poilievre himself in 2022, aimed to simplify "government jargon," which refers to the bureaucratic language commonly used in the government (Taylor, 2022). The aim is to make the government communicate using simple language, which would also affect the way how the Bank of Canada communicates in its information resources as well.

Although there is a growing body of research on the adoption of strategic communications practices in government generally (Glenn, 2014; Kiss, 2014; Kozolanka, 2006; Thomas, 2010), to my knowledge, no one has documented the evolution of these practices or linked them to inflation expectation management at central banks, where, arguably, these practices have been most clearly defined, refined, and perfected. To some extent, the absence of these issues in critical commentary is not surprising. Glenn (2014, p. 4), for example, writes that

*"Despite the ubiquity of government communications today, Canadians do not have a comprehensive picture of what the communications function in government is, understand how and for what purpose it is used, or have details of how communications activities are managed and administered."*



After documenting some of these communication functions at the federal government level, Glenn goes on to call for more research in a variety of areas, including, research into how communications are “*used to achieve specific policy and program goals*” (Glenn, 2014, p. 4).

There is, however, a large body of research linking central bank transparency to policy objectives like the management of inflation expectations (Blinder et al., 2008; Cukierman, 2008; Cukierman & Meltzer, 1986; Enoch, 1997; Ferrara & Angino, 2022; A. G. Haldane, 2018; A. Haldane & McMahon, 2018; Jansen, 2011; Montes et al., 2016; Montes & Nicolay, 2017; Smales & Apergis, 2017). Notably, Geraats’ (2005) research shows that central banks with inflation-targeting as a central objective like the Bank of Canada tend to be more transparent than central banks with other objectives. This research finding makes the Bank of Canada communication mechanism an interesting case study.

This study intends neither to research the advantages and disadvantages of the Bank of Canada communication mechanism nor to delve into the interpretation and effectiveness of central banks’ words and actions. Instead, this research aims to contribute to the call for more research by exploring the evolving communication *function*—as opposed to its outcomes—at the Bank of Canada in relation to the inflation targeting policy objective of shaping the way people think about the future path of inflation. This type of research question is well accepted in media and critical discourse studies. It also potentially has profound implications for the broader ‘whole of government’ literature on strategic communications because, first, to my knowledge nobody has sketched a detailed picture of these practices and, second, until recently, the Bank of Canada successfully managed its communication strategy to achieve policy objectives and maintain its independence without political attention. Furthermore, understanding these practices helps us understand how the Bank is likely to position itself in the future.

With this in mind, the rest of this thesis is structured as follows. Chapter 2 looks at the theory of strategic communications, asking both when and why the associated practices emerged and addressing questions about their larger social function of ordering societies and the literature about central bank communications practices since the adoption of inflation targeting in the early 1990s, when central banks’ communications shifted from ‘secrecy’ towards transparency and clarity. In Chapter 3, I outline the methodology, research methods and data used for this research. In Chapters 4 to 7, I present an empirical investigation, documenting the policies, personnel and their power, publications, speeches, training activities, and institutional initiatives devoted to

producing communication products aimed at shaping the consensus and expectations about the future path of inflation under the leadership of four Governors—Thiessen, Dodge, Carney, and Poloz. Chapter 8 links the findings with the theory, concludes the study and offers some reflections on the Bank of Canada’s strategic communication.

## **CHAPTER 2. LITERATURE REVIEW**

### **2.1 Overview**

This chapter reviews the literature on strategic communication, government communication and central bank communication and provides the theoretical foundation for this thesis. The chapter reveals the communication measures of critical communication literature, insights of government communication scholars, analysis of central bank factors affecting communications, and power relations communication can impose.

### **2.2 Theory of Strategic Communication**

Over the last 30 years, academics and practitioners have argued that in modern societies, communications are no longer merely a means of delivering information but have also become a strategic tool that organizations and governments increasingly use to achieve their policy and other goals (Falkheimer, 2014; Falkheimer & Heide, 2018; Frandsen & Johansen, 2017; Hallahan et al., 2007; Heide et al., 2018; Holtzhausen & Zerfass, 2014). This way of thinking about communications is known as strategic communication, a tool used by many organizations from private companies to government institutions.

Corresponding to the emergence of this way of thinking about communication, a growing body of scholarship has investigated strategic communications in the public sector. The literature describes government strategic communication from two perspectives: a critical or more broad perspective (Fairclough, 1995) versus a more pragmatic orientation (Glenn, 2014; Kiss, 2014; Kozolanka, 2006; Thomas, 2010). The critical, broader perspective sees strategic communication as part of a larger process aimed at structuring society along ideological lines, while the more pragmatic thread of literature investigates the role and effectiveness of strategic communication in either the private or public sector, with some related exploration of the politicization of government communication functions. This second perspective largely takes the dominant ideological or paradigm as a given.

### *2.2.1 The Critical Perspective – Technologization of Discourse*

The critical perspective describes strategic communication as a by-product of a larger trend in modern-day industrial societies, what Fairclough (1995, p. 102) calls the “technologization of discourse.” As the originator of this term, Fairclough (1995) says that the technologization of discourse is an historical process of instrumentalizing languages for the purposes of shaping social outcomes and imposing power in a modern advanced economic context. Technologization of discourse attempts to describe how communication has been transformed from an occasional practice into a qualified profession, with the aim of furthering structures broadly aligned with the dominant ideological paradigm, i.e., capitalism in western societies. Fairclough (1995) explains that the technologization of discourse is reflected in five observable indicators: the emergence of professionals, a shift away from local communication to context-free discourse, simulations, and the centralization of communication practices.

The first indicator is the emergence of professionals whose job is to set proper and professional outward communication of organizations or institutions. These communication professionals frequently share two core characteristics. First, almost all of them have backgrounds in the social sciences, such as political science, public relations, sociology, journalism, or related fields. Second, they have close “relationships to institutions” (Fairclough, 1995, p. 103), meaning that they hold specific positions within those institutions. These close relationships can be direct in the case of employees or indirect in the case of consultants.

Fairclough (1995) describes the second feature of technologization of discourse as a shift of communications from local levels and categories to more general framings that can be used when communicating with the general public or, in the case of government, across the entire expanse of government. The observable manifestation of this aspect of the technologization of discourse is the use of outside private-sector consultants. Being outsiders to the public sector, these consultants are specialists in what is considered ‘proper’ or ‘state of the art’ communications. They draw on their work in managing corporate reputations and promoting corporate objectives by writing ministerial reports, speeches, press conferences, with occasional use of journalists to gain more credibility. Thus, we can see evidence of technologization of discourse in an institution by documenting trends in the use of consultants.

Third, these consultants tend to draw on and promote a repertoire of context-free texts, speeches, and discourse. This context-free discourse is put into practice through training and

other forms of instruction that Fairclough (1995) calls ‘simulations,’ the fourth feature of technologization discourse. Through simulations, communications personnel are taught how to use more ‘friendly’ language in their outward communication and to draw on discursive practices from advertising and marketing discourse that are expected to ‘sell’ whatever the government is doing. They aim to smooth the difference between institutional or government categories and regular everyday topics by pursuing informative and persuasive framings. As Fairclough (1995, p. 105) writes, in developing these framings, personnel in communications, “[open] frontiers between the private and the institutional; institutional appropriation of the resources of conversation; conversationalization ...”

The last feature of the technologization of discourse is the centralization of communication practices within organizations. Centralization does not necessarily mean that the content of communications is the same everywhere in the organization. Rather, the content is subject to similar rules and objectives and contains features that enable the transmission of needed information signals.

Within the technologization of discourse tradition, language and proper framing are the key ways in which governments exert power. By power, I mean the ability of a person or government to influence the actions and decisions of another person, group of people, or society (Emerson, 1962). This power can be expressed in multiple ways, from laws to brute force. In his theory of the technologization of discourse, Fairclough (1995) shows how the tools and techniques associated with strategic communication effectively exert power and normalize a more market-oriented (in western societies) way of governing. Importantly, considering the unpressured character of government communication and its ubiquity, people generally do not perceive it as a tool of power that constantly exerts some influence over their behavior and thoughts. Because people generally do not recognize this effect and because they tend to perceive official, bureaucratic, communication as ‘neutral,’ strategic communication practices shape their views of policy issues, from climate change to taxes and monetary policy. As a power instrument, communications are used, even before a decision is announced, to shape people’s worldviews and to convince them that a decision is right and just through direct, indirect, or vague framings. Using power to persuade people through defining what is ‘natural’ and ‘rational,’ and convincing them of this truth, correlates with Lukes’ (2004) third face of political power—the ideological side of power. Ultimately, the technologization of discourse preserves

and reproduces political and real power—what Gramsci (2007) called hegemonic control—by gaining public trust, comprehension, and acceptance of the worldview via proper strategic communication (Griswold & Griswold, 1948; Watson, 2012).

### *2.2.2 The Pragmatic Perspective*

Relative to this critical perspective, the more pragmatic scholarship analyzes and documents strategic communication practices in the public sector, taking for granted the broader paradigm or ideology. This pragmatic analysis and documentation focuses on institutional details related to the strategic communication function, including, for example, understanding whether there is a clear “separation between political and public roles” (Kozolanka, 2006, p. 361), tracking the growth of formal strategic communication functions in the federal (Glenn, 2014) and provincial (Kiss, 2014) governments, and counting the growth of personnel devoted to communication activities within departments (Likely, 2013). Notwithstanding these different areas of study and approaches, these more pragmatically oriented researchers share common ground, namely their efforts to collect, document, and describe four aspects of strategic communication in government:

1. Communication policies shaping the character, principles, and key goals of communication and legislation
2. Growth in the absolute and relative number of communication personnel
3. Changes in the power wielded by heads of communications and their staff in government generally but by policymakers in particular
4. The teaching of good communication practices within government

There is clearly some overlap between Fairclough’s five features of technologization of discourse and the four areas of focus from the more pragmatic literature on strategic communications, but there are also differences. First, Fairclough (1995) addresses the background of individuals involved in strategic communications and the use of outside consultants, whereas the pragmatic approach focuses on the number of personnel dedicated to the strategic communications’ function and their hierarchical positions. Second, Fairclough (1995) emphasizes the centralizing and decentralizing tendencies of these practices, whereas pragmatic

scholars discuss the importance of structure and communication policies. And finally, Fairclough (1995) addresses the nature of what is taught by and to modern-day communications professionals—the delocalization and use of context-free discourse and the application of emotive ‘simulations’ to proxy everyday discourse—all practices that he associates with a ‘transactional’ kind of approach consistent with market ideology. In contrast, pragmatic scholars document internal government education and training. In short, Fairclough’s (1995) model is critical of the consequences of strategic communications practices, which he views as legitimizing the ideology and practices of capitalism. On the other hand, the more pragmatic researchers take strategic communications practices largely at face value.

### **2.3 Central Bank Communication in Canada and Worldwide**

The generalized trend in the Government of Canada towards strategic communications and transparency as a policy standard began in the 1970s (Glenn, 2014). The more formal embrace of strategic communication as a part of the policy process coincided with the embrace of the New Public Management (NPM) in the 1980s and sought to reform public policy according to a business-like manner in its execution (Diefenbach, 2009). From the NPM perspective, the adoption of strategic communication practices helped governments to link policy objectives to the way they talked about these objectives and, aspirationally, to be “more responsive to the society's demands and needs” (Lovari et al., 2020, p. 972). Kozolanka (2006) adds that the drift of the public service paradigm towards NPM in the communications’ realm embodied an essential feature of the NPM, namely the blending of public institutions with private-sector practices. This, in turn, has “moved [the public service in Canada] toward a market orientation in communications policies and practices” (p. 347).

In the late 1980s and 1990s, the scholarly literature on monetary policy began to orient itself similarly to a tendency to associate the central bank’s communication objective to being the embrace of transparency (Blinder, 1998; Cukierman & Meltzer, 1986) rather than the purposely ambiguous communications practices that were the norm when central banks were regarded as “secret temples” (Greider, 1989). Later, academics largely considered, and still presently consider, open central banks to be more effective in terms of interest rate setting (Jansen, 2011; Smales & Apergis, 2017), inflation targeting (Cukierman, 2008; Geraats, 2005; A. Haldane & McMahon, 2018; Woodford, 2001), and the management of inflation expectations (Montes et al.,

2016; Rudd, 2021). Some scholars even research the effectiveness of inflation reports (Siklos, 2003) in anchoring inflation expectations (van der Cruysen et al., 2010) and in making market participants' decisions more informed (Amato et al., 2002; Blinder et al., 2008; Jansen, 2011)<sup>1</sup>.

**Table 2-1. Monetary policy transparency across and within monetary policy frameworks**

<b>Relative frequency</b>	<b>Full sample</b>	<b>Exch. rate</b>	<b>Targeting money</b>	<b>Inflation</b>
Publication of				
Target	0.883	0.962	0.913	0.933
Forecast (b)	0.78	0.667	0.87	0.933
Minutes (b)	0.176	0.083	0.087	0.6
Voting records	0.064	0	0.043	0.2
Policy change explanation	0.809	0.808	0.696	0.933
Instrumental independence	0.67	0.692	0.696	0.733
Observations	94 (91 b)	26 (24 b)	23	15

Source: Geraats, P. (2005). Transparency of monetary policy: Theory and practice. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.869207>

Central bank adoption of practices associated with transparency—inflation targets, scheduled policy announcement dates, and central bank decision-making around short-term interest rates took place against the backdrop of government's broad-based embrace of strategic communications and the growing emphasis on transparency within the central bank literature (Issing, 2019). Statistically, Table 2-1 developed by Geraats (2005, p. 8) according to Fry et al.'s (2000) survey data across 94 central banks, shows the relationship between published

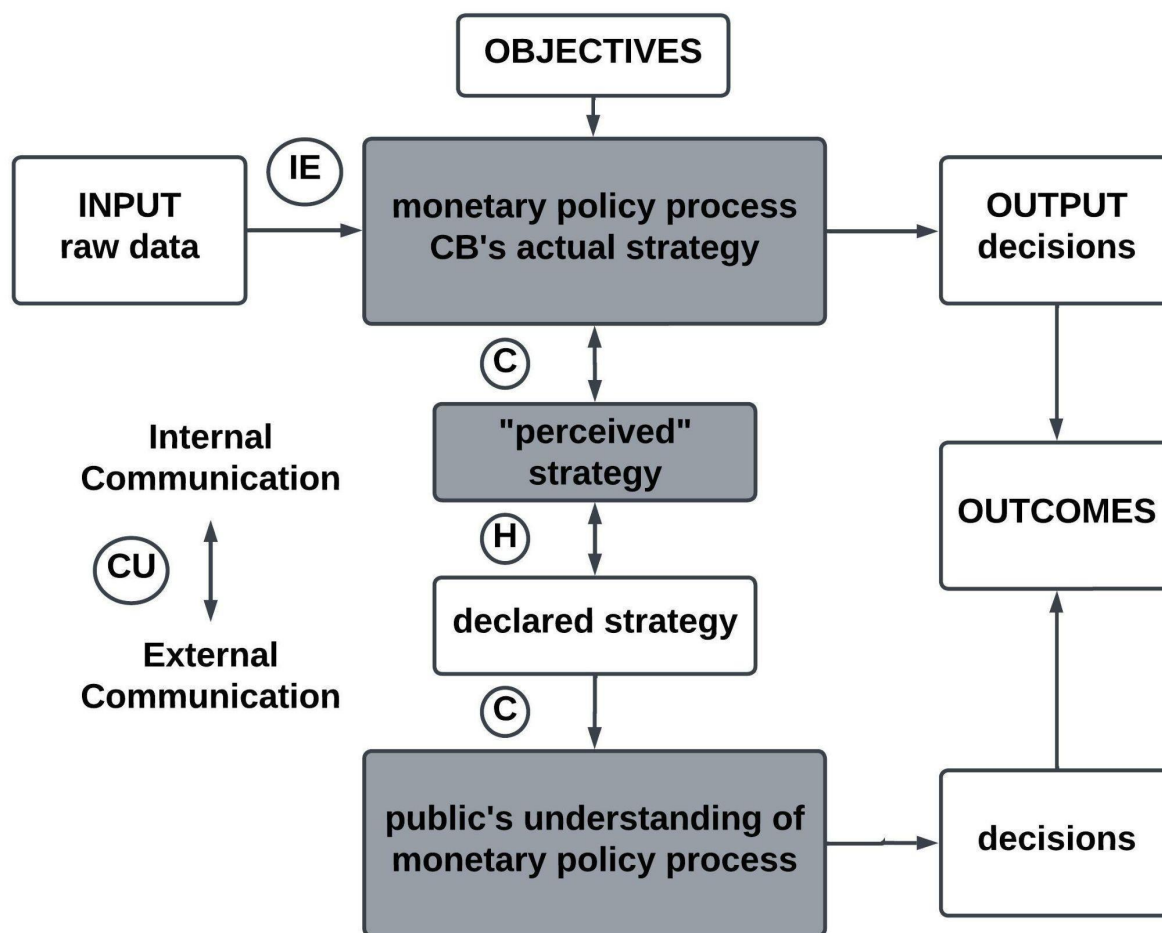
<sup>1</sup> However, there is some room for strategically motivated ambiguity around the Bank of Canada bailout policies (Eijffinger & Nijskens, 2012; Enoch, 1997; Russell, 2010; Vinogradov, 2012)



information and central bank policy objectives. Of 94 observed central banks in 2000, most shared targets, forecasts, and policy change expectations, but only a handful were willing to publish the voting records and minutes of rate-defining and general central bank meetings (see column 1 in Table 2-1). The central banks focusing on exchange rates and targeting the money supply followed this trend with only minor deviations in forecasts and policy change explanations (see columns 2 and 3, respectively, in Table 2-1). Among the 15 observed inflation-targeting central banks, 93% (14 central banks) disclosed forecasts and policy change explanations, 60% (nine central banks) shared minutes, and 20% (three central banks) published voting records (see column 4 in Table 2-1).

Rather than merely document communications practices, Winkler (2000) models these practices and associated practices from the perspective of internal or inward-facing communications practices and their relationship with external data sources and audiences (see Figure 2-1). The top white (not shaded) boxes for each column—input, objectives, and output—depict day-to-day central bank activities: collecting data, modeling the data, and making judgments about the data by filtering them through decision procedures. Barely observable to outsiders, these activities serve as a reference point for the actual monetary strategy. The shaded boxes in the figure are purely internal and unobservable to outsiders. Following Winkler (2000), the top three horizontal boxes refer to a process of transforming the data and the central banks' policy objectives into policy decisions. What Winkler (2000) calls the 'actual' strategy, allows central banks to organize the circulation of information with an eye towards maximizing the efficiency of the decision-making process.

Figure 2-1. Monetary policy strategy and communication



IE stands for information efficiency, CU for common understanding, C for clarity, and H for honesty.

Source: Winkler, B. (2000). Which kind of transparency? On the need for clarity in monetary policy-making. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.355587>

Based on the existing data, objectives, and operational plan, central banks set their communication strategy for the Bank people, corresponding to 'perceived' strategy, and external communications, corresponding to their declared strategy. The declared strategy is what central banks announce to the public and market participants. Moreover, an organized framework for internal communications lays a solid foundation for effective outward communication. As Figure

2-1 shows, the process of creating the outward strategy can also recursively influence the inward-facing strategy.

Another part of monetary policy strategy is influencing public perception of central bank communication. The primary receivers of central bank information are individuals, organizations, market participants (e.g., buyers of stocks and bonds), companies, and foreign countries. All are external to central banks and have access only to information transmitted through external communications. How central bank communications shape public perception culminates in the decisions of people—also known as outsiders. Depending on the quality and expertise of externally oriented communications, these decisions might lead to desirable and predictable outcomes based on a common or aligned understanding of the central bank’s decision-making process and objectives or, conversely, to undesirable and unpredictable outcomes.

This common understanding (CU) is bound up with the communication principles of information efficiency (IE), clarity (C), and honesty (H) (see Figure 2-1). Winkler (2000) describes the principle of information efficiency as, first, the gathering of all available and relevant information related to the central bank’s activities from the market and other sources and, second, the efficient use of this information to shape actual monetary strategy, policy decisions, and communication strategies, as depicted in Figure 2-1.

The key principles for monetary policy communication, which determine its transparency, are honesty, clarity, and common understanding. Winkler (2000) understands honesty as the correspondence of central banks’ information in public-facing declared communication strategy to the perceived internal communication strategy (see Figure 2-1). The principle of clarity implies the symmetrical understanding between the public and the central bank of the central bank policy process based on documents that are relatively easy to interpret and do not require additional clarifications. Although internal and external communications may be clarified and simplified, these processes may come at the cost of honesty. By the final principle—common understanding—Winkler (2000) means the capability of outsiders to interpret central bank messaging in a way that is aligned with the central bank’s desires. The successful outcome of common understanding refers to the degree to which the central bank’s strategy “is understood and interpreted the same way” (Winkler, 2000, p. 7) by outsiders and the central bank. This principle is shown on the left side of Figure 2-1. Winkler’s (2000) analysis

provides helpful insights for the empirical part of this thesis, and in particular, for analyzing and situating communication practices and information transmission in the central bank decision-making process.

## **2.4 Chapter Summary**

Strategic communication literature and critical scholars gave us insights regarding communication measures such as professional communicators, context-free framing and simulations of those framings, and centralized communication practices. Pragmatic scholars gave us more practical and measurable communication factors such as communication policies, communication personnel, their power in institutions and in decision-making processes, and training courses. Additionally, the scholars analyzing the power show communication as a policy tool which nowadays shapes the people's understanding of the public institutions' actions. Central bank literature explores how academic analysis of their objectives and approach to monetary policy impacts transparency and subsequently affects their communication practices. Winkler's model provides insights into the decision-making process within central banks, and offers a framework to analyze the Bank of Canada communication.

## CHAPTER 3. RESEARCH DESIGN AND DATA

### 3.1 Overview

This chapter reviews my methodology and describes the rationale of the use of interviews and document analysis as two essential methods in this thesis. The chapter contemplates the data and data limitations associated with the nature of the research, and presents the observable factors that have been taken from the literature.

### 3.2 Research Design

As this research focuses on changes in the Bank of Canada communication, I use a case study approach because it examines variation in a single unit (i.e., the central bank's strategic communication function) over time to understand a larger phenomenon (Gerring, 2004), and suits the observation of dynamic and naturally occurring processes using different methods such as interviews, focus groups, surveys, and document analysis (Baxter & Jack, 2015; Hancock et al., 2021; Kaarbo & Beasley, 1999; Rashid et al., 2019; Yazan, 2015; Yin, 2018). Case study research typically investigates a particular phenomenon, organization, or event that a researcher observes and shows the chronological evolution of events (Creswell & Creswell, 2007). Utilizing the case study method, I researched Canada's Central Bank communication in-depth, to detect trends and changes in communication goals and patterns and to capture how Bank employees and others have experienced these changes.

Gerring (2004) outlines three types of case study. Type I focuses on a single unit, "preserving" it as "the primary unit of analysis" (Gerring, 2004, p. 342), while Type II and Type III "break down this primary unit into subunits, which are then subjected to covariational analysis-either synchronically (Type II) or synchronically and diachronically (Type III)" (Gerring, 2004, p. 343). This research follows Type I of case studies. One of the limitations of the case study method is the narrow results that might not be applied to a larger scope of units (Gerring, 2004, p. 345).

A qualitative case study approach has been frequently used to observe phenomena, trends, or movements in social sciences, such as psychology (Knobe, 2006; Oltmanns et al.,

2011), social psychology (Cosmides & Tooby, 1989), education (Stake, 2006), political science (Mostwin, 1993), communication (Glenn, 2014; Kiss, 2014; Likely, 2013; Pigeon, 2009) and even medicine (Neustadt & Fineberg, 1978). Scholars who have studied central bank communication (Blinder, 1998; Blinder et al., 2008; Cukierman, 2008; Cukierman & Meltzer, 1986; Enoch, 1997; Issing, 2019; Russell, 2010), have frequently combined qualitative and quantitative research methods, many choosing case study methodology. These case studies have addressed the degree of openness in bank communications and the bank's communication objectives (Fry et al., 2000; Geraats, 2005), the number of speeches given, and the character of these speeches (Siklos, 2003; Siklos et al., 2018), how the central bank communicates to the public and market (Blinder et al., 2008; Winkler, 2000) or together with the government departments (Pigeon, 2009).

### **3.3 Methods**

Qualitative research methods can vary depending on the topic and research questions. Strategic communication scholars (Glenn, 2014; Kiss, 2014; Likely, 2013; Pigeon, 2009) and central bank scholars (Blinder et al., 2008; Fry et al., 2000; Geraats, 2005; Pigeon, 2009; Siklos, 2003; Siklos et al., 2018; Winkler, 2000) use interviews, document analysis, focus groups or surveys to research shifts in communications. To address the research question – How have the Bank of Canada communications evolved? – this research will apply two qualitative research methods: interviews and document analysis.

#### *3.3.1 Interviews*

To better understand the internal view of communications depicted by Winkler (2000) in his model (see Chapter 2), I interviewed former and current executive Central Bank personnel. For the external perspective, I interviewed commercial bank economists, economics professors, and journalists who track the Bank's activity. Before conducting the interviews, I obtained the TCPS-2 Core certificate and Ethics Approval from the University of Saskatchewan for group and individual interviews. I discussed my interview questions with my supervisor and committee members. The interview questions can be found in Appendix A. The interviews shed light on moments that were not described in the Bank's documents and media, or at least not in detail.

Specifically, I was interested in how the Bank developed the Communications Department and built its communication strategy.

In total, I conducted 11 interviews. The response rate was 48%. Of 25 interview candidates contacted, 12 responded. Since the two interviewees currently working at the Central Bank preferred not to be quoted, this thesis does not use any quotations from them. I assigned each interviewee a code to ensure their confidentiality (See Table 3-1). Some of the interview comments are discussed in Chapters 4 to 7.

**Table 3-1. Interviewees**

<b>Interviewee</b>	<b>Code</b>
Bank of Canada Official	B1
Bank of Canada Official	B2
Bank of Canada Official	B3
Former Bank of Canada Official	B4
Former Bank of Canada Official	B5
Journalist	M1
Journalist	M2
Economics Professor	A1
Economics Professor	A2
Senior Economist	E1
Senior Economist	E2
Senior Economist	E3

### *3.3.2 Document Analysis*

A research method predominantly used in qualitative research studies (Bowen, 2009), document analysis involves analyzing, examining, and interpreting a text (Corbin & Strauss, 2008). For this research, I cataloged and analyzed over 100 Bank of Canada’s publications, including *Annual Reports*, *Monetary Policy Reports*, *Financial System Review Reports*, staff

working papers, and more than 600 speeches from top Bank officials. I obtained much clarifying information and internal Central Bank data through over 30 thematic email messages from the Bank's Communications Department, Human Resources, and Archives. Several of these email threads consist of a string of five to nine messages.

In the document analysis, I measured the volume and frequency of key Bank publications. I also analyzed staff publications to see how the Bank's staff assessed its communication and readability scores, so I could evaluate the approachability of some of the Bank's documents. I used two readability scores – the Gunning Fog Index (GFI) and the Flesch-Kincaid score (Alas et al., 2013; Bogert, 1985; Deslongchamps, 2018; DuBay, 2004; *Flesch Reading Ease and the Flesch Kincaid Grade Level*, n.d.; Wrigley Kelly et al., 2021; Zhang et al., 2019). While the Flesch-Kincaid is pertinent for relatively small text samples, the GFI is more useful for larger documents. Typically, the higher the GFI or Flesch-Kincaid score, the harder it is to read and understand the text. The optimal GFI score allowing any reader to understand a text is 7 or 8, while a score above 12 marks a hard-to-read text. The optimal score for Flesch-Kincaid is from 8 to 12. The Bank uses the Flesch-Kincaid score to measure the readability of its speeches. One of the Bank's staff members, Deslongchamps (2018) used the GFI to evaluate how easy it is to read the *Monetary Policy Report*, *Financial System Review*, and overnight rate speeches. Unlike the critical discourse theorist Fairclough (1995), I do not use deep reading techniques to analyze Bank documents due to the high volume of documents and their diversity.

### **3.4 Data Limitations**

Although I gathered a large amount of data, the data collection process had some limitations. First, the Bank of Canada often did not or could not address my requests for detailed data. In particular, the Bank said it did not have consistent long-term data on the number of employees for the 1990s, communication strategies, or communication guidelines from the 1990s and 2000s. Second, my efforts to access the Bank of Canada archives were unsuccessful. Third, the Bank of Canada could not share with me specific details such as communication personnel's education, previous experience, and salaries due to privacy concerns. Hence, *Annual*



*Reports*, Bank of Canada staff publications, presentations, press conferences—together with the interviews—were the main information sources.

### **3.5 Observable Factors**

To capture the adoption of strategic communications practices at the Bank of Canada, I catalogued and observed four institutional features informed by pragmatic, critical perspectives and discussed by central bank scholars:

1. Communication Institutional Initiatives
2. Policies: Formulating Communications Strategies
3. Human Resources: Communication Personnel, Outside Consultants, and Training Courses
4. Observable External Output: Central Bank Publications, Speeches, and Surveys

Communication institutional initiatives at the Bank of Canada include actions aimed at establishing and organizing the Bank's communications. They comprise the creation of a communications department, an official website, development of a social media presence, scheduled communication events, and regular public appearances. Standard practices in many public institutions, these communication initiatives demonstrate a commitment to transparency and accountability. In this thesis, documenting the evolution of communication initiatives at the Bank of Canada provides a sense of the role communications play in the Bank's decision-making.

Following the pragmatic school approach (Glenn, 2014; Kiss, 2014; Kozolanka, 2006), I examined the Bank of Canada's internal documents—policies—shaping its communication strategy and rules. Specifically, I determined if and how communication policies have affected the Bank's day-to-day external communication by looking at what communication strategies were in place between 1991 and 2020. This analysis of the Bank's communication policies revealed, first, if these policies followed the communication practices or determined them, or both, and, second, if the policies and strategies impacted the Bank's day-to-day communication, and, if so, to what extent.

By analyzing the Bank of Canada from a human resource perspective, I observed three aspects of the Bank's communication: its communication personnel (Glenn, 2014; Kiss, 2014; Kozolanka, 2006; Likely, 2013), the extent to which it has used outside consultants, and its use of training courses (Fairclough, 1995). I looked at how many communications people the Bank employed from 1991 to 2020, how they were selected, what their backgrounds were, and how much power they had from the perspective of their contribution to the decision-making process. As well as investigating internal communicators, I determined if, during this period, the Bank used outside communication consultants to adjust its communication or even some aspects of it. Lastly, I explored how the Bank of Canada trained its communicators, what software it used, and which courses the Bank offered to communicators.

Finally, I tracked the development and growth of Bank of Canada publications, from speeches and media advisories to regular surveys and reports. I outlined what audiences Bank documents targeted and what goal central bank documents have pursued depending on the documents' type. In some cases—*Annual Reports* and some speeches—I used software to check their readability. I used the previously mentioned GFI to determine how hard it is to read the opening paragraphs of each *Annual Report* between 1980 to 2000. I checked only the introduction of these reports because, usually, beginning paragraphs deliver a message and provide an overview of the document. Thus, my aim was to determine how hard it is to read the part which, in theory, should be the most approachable in any document. I completed my analysis by using the Flesch-Kincaid scores of the official speeches by Bank employees to determine the readability of these speeches.

The narrative in each of the findings' chapters is presented and linked to the four Bank of Canada governors—Thiessen, Dodge, Carney, and Poloz—between 1991 and 2020. This narrative allowed me to reveal the evolving nature of communication priorities under each Central Bank governor.

### **3.6 Chapter Summary**

This research is a qualitative case study. Interviews and document analysis are two research methods used in this thesis. Drawing from the theoretical literature, I identified four observable activities that point to the Bank of Canada's embrace of strategic

communications—institutional initiatives, Bank policies, communication personnel and training, and central bank publications—are used to track the evolution of the Bank of Canada communication.

## CHAPTER 4. FINDINGS: COMMUNICATION INSTITUTIONAL INNOVATIONS

### 4.1 Overview

This chapter investigates the transformation of the Bank of Canada's communications from a means of imparting dense information to those knowledgeable about financial matters to a sophisticated, well-funded, strategic tool that encourages a two-way dialogue with both financial professionals and the public and in doing so promotes transparency and openness. The chapter describes and reveals the impact of key communication tools developed in the 2000s: primarily a new, centralized communications department but also a website, social media presence, and regional development and new initiatives known as the fixed announcement date regime, forward guidance, and the Canadian Fixed-Income Forum.

### 4.2 Institutionalization of the Bank's Communications – The Communications Department

The adoption of inflation targeting in 1991 was the catalyst to a radical change in the Bank's communications functions (Thiessen, 2000b). The 1991 agreement identified inflation targeting as the Bank of Canada's objective and outlined the responsibility of the Governor and Governing Council in implementing this initiative. In its 1994 *Annual Report*, the Bank announced its plan for disciplined and frequent communication: "*The Bank must provide information on its objectives, its operations and on the factors it considers when making decisions,*" emphasizing the importance of an "*ongoing dialogue ... between the Bank and the public*" in its "*deliberations.*" (Bank of Canada, 1994, p. 14). Commenting on the need for this dialogue in an interview for this research, one of the former central bank officials pointed out, "*That was the beginning of a concerted effort to promote openness and transparency in monetary policy.*"

About a year after the statement on the importance of an ongoing dialogue appeared in the 1994 *Annual Report*, the Bank formed its Communications Department, with Bruce Yemen, a former editor of the Ottawa Journal and senior communicator at the Department of Finance, as

its first director (Pigeon, 2009). The role of the Communications Department was to oversee communication services such as writing speeches and press releases, conducting surveys, and producing reports—both existing ones such as the *Annual Reports* and new ones such as the *Monetary Policy Report*. Unlike communications departments in other parts of government (Glenn, 2014; Likely, 2013), the new central Communications Department had little influence on decision-making (e.g., whether to increase or reduce interest rates), but it was always included in the deliberations. As one former central bank employee asserted, although the new department did not have a voice in the decision-making, in just being present during the deliberations, members of the department “[understood] the rationale for decisions so that when [it] came to drafting press releases, and writing the Monetary Policy Report,” they had a clear understanding of why decisions were made. They did not, however, have the right to question the decisions.

The Bank’s understanding of communication as more than just information exchange practice can be seen in the communications’ expenses. Based on the numbers in the *Annual Reports*, the Bank invested about \$12 million in communications in 2000 (Bank of Canada, 2000) and \$14.3 million in 2001 (Bank of Canada, 2001). I requested information for the years 2002–2020 but only received communication expenses for 2010, 2015, and 2020, which were \$8.4, \$10.1, and 12.8 million, respectively. Adopting Glenn’s (2014) approach in analyzing communication expenses, I calculated the share of communication expenses from the Bank’s total expenses for 2000, 2001, 2010, 2015, and 2020. As shown in Table 4-1, the Bank’s overall communications expenses were modest, accounting for only 10% of the total expenses at most. As expected, the largest communication expenses were in the 2000s, when the Communications Department was still being established. According to the results for the years 2010, 2015, and 2020 (Carney’s and Poloz’s tenure), communication expenses were around 2% of the total Bank expenses and have been about \$10 million per year since the 2000s. I was unable to find information on the communications’ expenses of other central banks. It would have been interesting to compare Canada’s central bank expenses with those of its counterparts.

**Table 4-1. Bank of Canada expenses on communications**

Year	Total Bank Expenses (million)	Communication Expenses (million)	Share (%)
2000	118.6	12	10%

2001	168.8	14.3	8.40%
2010	390.5	8.4	2%
2015	459.7	10.1	2%
2020	625.5	12.8	2%

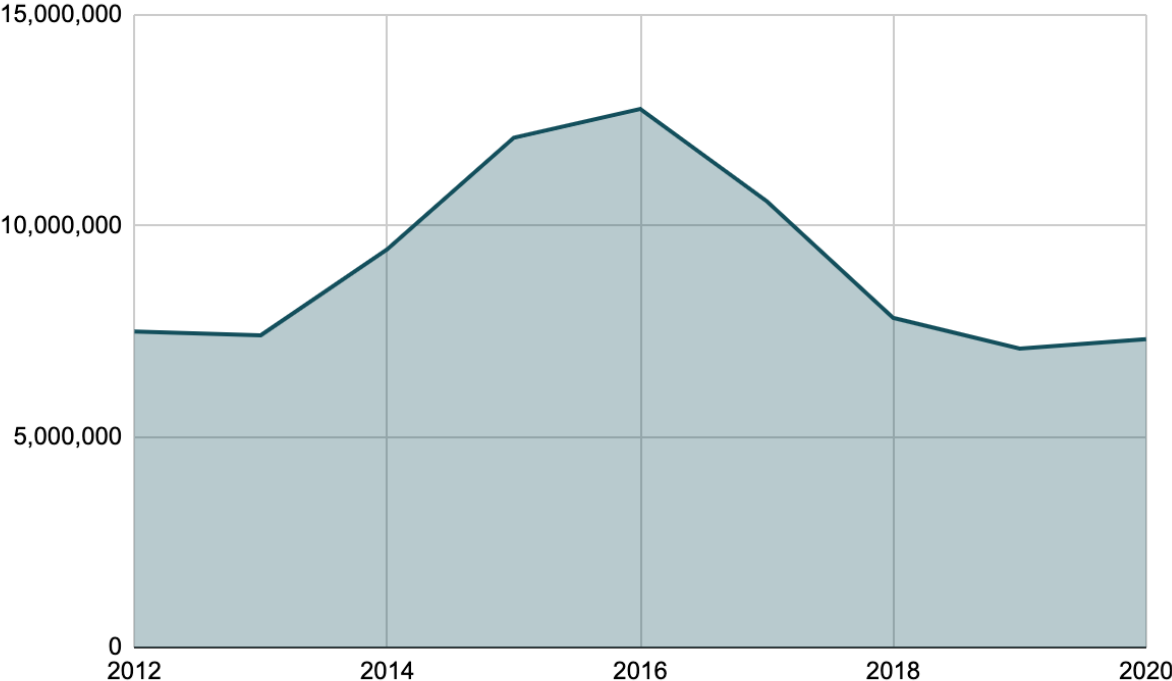
**4.3 Digital Resources**

*4.3.1 An Official Website*

In 1995, the Bank created its official website, one of the first government bodies to do so. Most governments and private companies introduced their websites in 1996–1997 (Kirby, 2019). In 2001, Lombard Street Research evaluated 25 central bank websites and rated the Bank’s website at 89.9 out of 100, noting its role in enhancing the Bank’s transparency and improving people’s understanding and expectations of the Bank’s actions and the economy (Eades, 2001; Jenkins, 2004). Brent Eades (2001), senior communicator at the Bank of Canada, maintains that there were on average 20,000 visitors per week in 1998; by 2001, this number had grown five-fold to 95,000. From the beginning in 1995, the Bank’s website contained regulations and other documents, staff articles, speech summaries, exchange rates, the *Bank of Canada Review*, the Bank’s Currency Museum papers, *Annual Reports*, and *Monetary Policy Reports*. Other benefits of the website included a deeper and easier interaction between the Bank and external stakeholders, including almost real-time feedback on the Bank’s actions (Fountain, 2001). Based on my interviews with central bank officials, the creation of the website was an important milestone in the Bank’s efforts to make its communications more strategic. The website also coincided with the Bank’s leaders’ realization of the need to communicate not only with financial institutions and professionals but also with regular people.

I asked the Bank to provide data on the number of website visitors from 2000 to 2020, but data for the years 2002–2009 were unavailable and data for the years 2010–2011 were sparse. Figure 4-2 shows the number of website visitors from 2012 to 2020.

**Figure 4-2. Number of website visitors per year, 2012 to 2020**



As Figure 4-2 shows, website visitors grew steady after 2013, peaking in 2016, following the beginning of the Russo-Ukrainian war in 2014, the Chinese stock market crash in 2015, and the Brexit referendum in 2016. According to my correspondence with the Bank and information in the 2014 *Annual Report* (Bank of Canada, 2014), visitors consulted the website regularly to view statistics on exchange rates, information on interest rates, and speeches.

The drop in the number of website visitors after 2016, coincided with the creation of the Application Program Interface (API), making it easier for people to track the Bank’s data. The API allows Bank’s users to receive data from the Bank automatically once they subscribe. This program interface is convenient, particularly for companies that want to regularly receive large amounts of data. Once the API was introduced, some users had less need to visit the Bank’s website, but this did not mean there were fewer consumers of the Bank’s information. The adoption of the API was part of the Bank’s development of the website and social media in the second half of 2010 (Bank of Canada, 2018a). From my correspondence with the Bank, I understood that it used several approaches to track the efficiency of communications in the

media domain through checking the number of media articles published and amount of engagement on social media after the fixed announcement dates and speeches.

The Bank's official website is its main communication tool. Because the Bank can track website usage, its communication is more strategic and measurable than it used to be. Of course, there are limitations to communication and its impact, and it may not always be possible to determine if communication goals have been attained. For example, it is hard to measure both if the Bank is meeting its goal of building expectations (Woodford, 2005) and if expectations are built according to the Bank's preferences.

#### *4.3.2 A Social Media Platform*

Like the website, the development of social media accounts represented a sea change for bank communications. Commenting on this change, the Bank officials interviewed indicated that social media is an opportunity for direct dialogue without the media's opinions and misinterpretations. M1 put the point this way:

*“Going directly to the public through social media and saying: “This is the stuff we think you should be paying attention to.” So there’s sort of a more direct way and continuing to try to find ways to be more directly communicate with various audiences. I wouldn’t say that it’s really any clearer when it comes right down to what we’re going to do and when we’re going to do it.”*

While central bank publications like the *Monetary Policy Report* and *Financial System Review* target knowledgeable and predominantly professional audiences, social media accounts reach a much larger, more general audience. Despite not being a place for deep conversation, social media are platforms for quick public relations and engagement, especially in periods of crisis such as during and after the 2020 pandemic. Additionally, social media posts redirect users to the Bank's official website for more information. The latter is a useful option when the Bank needs to communicate more complex information.

Through engaging in the digital arena, the Bank is pursuing two objectives: to make its communications more disciplined and to expand the reach of these communications by



conveying information to and receiving feedback from both market and financial experts and the public. While the Bank’s reports, speeches and technical publications are mostly intended for sophisticated market participants and knowledgeable audiences, the official website and social media accounts expand the Bank’s potential audience to regular people.

4.3.3 Informational Analysis

Another digital innovation in the 2020s was an emphasis on data analysis. This focus emerges clearly in a staff publication (Portelance 2021) setting out the Bank’s communications strategy. Figure 4-3 reproduces a table from this paper, showing how the Bank uses both quantitative and qualitative measures such as external and internal surveys, focus groups, consultations, social media analytics, media coverage, and feedback to shape its communications strategy.

Figure 4-3. Measures used in the framework

MEASURES		
	What is being measured	Metrics
TRUST	Canadians’ level of trust in the Bank	Quantitative: public surveys
AWARENESS	Awareness, knowledge and attitudes of Canadians about the Bank and the economy	Quantitative: broad public and targeted surveys Qualitative: focus groups and consultations
KNOWLEDGE		
ATTITUDES		
REACH	Results of activities to reach audiences	Quantitative: web and social media analytics, media coverage, etc.
EDUCATION	Results of educational activities	Quantitative: school/educational visits to Museum, educational program uptake, web and social media analytics Qualitative: feedback (visitors, teachers, event participants)
ENGAGEMENT	Results of stakeholder engagement activities Results of activities to inform and engage Bank employees	Quantitative & qualitative—stakeholders: participation in meetings and consultations, participant feedback, quality of interactions, etc. Quantitative & qualitative—employees: employee feedback/surveys, Intranet analytics, etc.

Source: Portelance, Annie. *Measuring and Evaluating Strategic Communications at the Bank of Canada*. The Bank of Canada, 22 June 2021, <https://www.bankofcanada.ca/wp-content/uploads/2021/06/sdp2021-9.pdf>.

As shown in Figure 4-3, the list of what is measured (left column) includes trust, awareness, knowledge, attitudes, reach, education, and engagement. In the discussion section of my research, I relate these objectives to Winkler's theoretical framework around central bank communications.

#### **4.4 The Bank's Regional Expansion**

Another form of reaching out and being more transparent with Canadians was the Bank's expansion of its regional presence in 1996 (Bank of Canada, 1996). In 1997, the Bank opened regional offices in Nova Scotia and Alberta and increased its personnel in Toronto, Montreal, and Vancouver. The heads of regional offices frequently assisted the Governing Council communication in different parts of Canada (Bank of Canada, 1997). The new offices were the first step in developing communication initiatives in the provinces. Later, in 1999, the Bank of Canada revised its communications, developed and enhanced the regional offices, and improved communication facilities and products (Bank of Canada, 1999). Unlike the Federal Reserve System in the US, the Bank of Canada's regional offices are not independent bodies and are limited in their competencies to representing the Bank's position in Canadian provinces and gathering data on the ground. The regional expansion did not mean that the Bank's services and communication were decentralized, rather that ties were created with the provinces for information exchanges. Decision-making was still happening in Ottawa, but the regional offices funneled information on provincial economies to the Bank, allowing it to sharpen its analysis. Thus, regional expansion contributed to the effectiveness of the Bank's communications apparatus across Canada, and in so doing, reinforces the control of the center of the regions.

#### **4.5 Fixed Announcement Dates – The First Central Bank Communication Initiative**

Regional development, the creation of a centralized communications department, and the development of a website all foreshadowed the Bank's communication 2000 initiative known as the fixed announcement date regime (FAD), a predetermined date for the Bank's announcement of its overnight rate decision. Occurring eight times a year, each FAD announcement is followed by explanatory press releases that shed light on the reasons for the announcements. FAD brought the Bank several benefits. First, its predictability had a positive effect on several financial factors in Canada, most notably short-term interest rates (Parent et al., 2003). Second, because its schedule of rate decisions were now predictable, the Bank met the principles of transparency and accountability. Third, FAD allowed the Bank to transmit its monetary policy independently from the Federal Reserve (Pigeon, 2009). Fourth, FAD accelerated the dialogue with the public (Parent et al., 2003).

FAD demonstrates the power of the Bank's commentary on interest rates. Before FAD, the Bank announced new rates without explaining them. Commenting on this, E1 said:

*“There was a period where it [the Bank of Canada] could change on any day. You didn't know whether they [the Bank of Canada] were going to announce a change, and change didn't necessarily come with a big, long explanation of the change.”*

Through FAD, the Bank was able to communicate its objectives to the financial markets. When the markets have greater understanding of these objectives, as well as the Bank's motives, the Bank can put things into effect earlier and faster. And when the Bank raises interest rates through FAD, it affects the speed of the economy. For example, higher rates slow the economy down when it is needed. E-1 put it this way:

*“If we know that the Bank of Canada is thinking they might have to raise rates further, and we know what they're looking at to decide how much they need to raise them. So that's the kind of information they're trying to convey. Then as*

*soon as that data comes out, that says all this is going to push them to a bigger rate hike or a smaller rate hike, the bond market will start to price that in. So bond yields will move quickly in the direction that they're [the Bank of Canada] going to want them to move anyway. So they can move, for example, five year interest rates, before they've actually moved the overnight rate.”*

The Bank’s expectations from communication was described by Dodge in a 2002 speech:

*Previously, financial markets could not be sure on which day we might move. So, when there was an expectation that we were about to act, trading would be slow in the early mornings—sometimes for several days. We have found that removing this uncertainty has improved the workings of the market.”(Dodge, 2002, p. 2)*

Through FAD, the Bank introduced its first formal communication policy, the Blackout Guidelines, as an internal governance document managing Bank communications on fixed dates and ‘silent periods.’ In 2000, FAD shed light on the reasons for this guideline (*Blackout Guidelines*, 2000). The Blackout Guidelines will be discussed in Chapter 5.

#### **4.6 Minor Communication Innovations in the early 2000s**

During the Thiessen period (1994–2001), the Bank began institutionalizing its communications activities, and under David Dodge, it deepened and extended the communications innovations initiated by his predecessor. Dodge’s tenure as the Governor was marked by three major events: the attacks of September 11, 2001; the subsequent invasions of Afghanistan and Iraq; and the early stages of the financial crisis, which began in Canada with what is now known as the asset-backed commercial paper<sup>2</sup> (ABCP) crisis. Of note, at the end of Thiessen's and the beginning of Dodge’s tenures, the Bank’s inflation targeting mandate became more firmly anchored around five-year agreements with the Department of Finance.

---

<sup>2</sup> ABCP is a type of short-term investment with a maturity date of no more than 270 days (*Asset-Backed Commercial Paper (ABCP)*, n.d.)

Under Dodge, the Bank made several minor communication innovations. One innovation was a conference with media, public, and market participants on the Bank's strategic communication, crisis communication, educational programs, the use of websites, and evaluations of its performance (Bank of Canada, 2002). The role of this and subsequent conferences was to exchange information with external stakeholders and other central banks. A second innovation was the adoption of a medium term plan *The Way Forward* (200–2006), which had key objectives in promoting research, partnerships, and communications (Bank of Canada, 2006). I did not locate any specific results of this plan. A third was the publication of the Bank's rate and exchange rate on its website (Bank of Canada, 2002). Another innovation was “Media Training Day” in 2004, when the Bank tried to help journalists understand what the Bank was trying to do and what questions were considered “clearly defined” or “acceptable requests” (p. 117) and thus liable to be answered (Pigeon, 2009). A fifth innovation was the clarification of monetary policy objectives in the *Monetary Policy Report* and press releases (Bank of Canada, 2006).

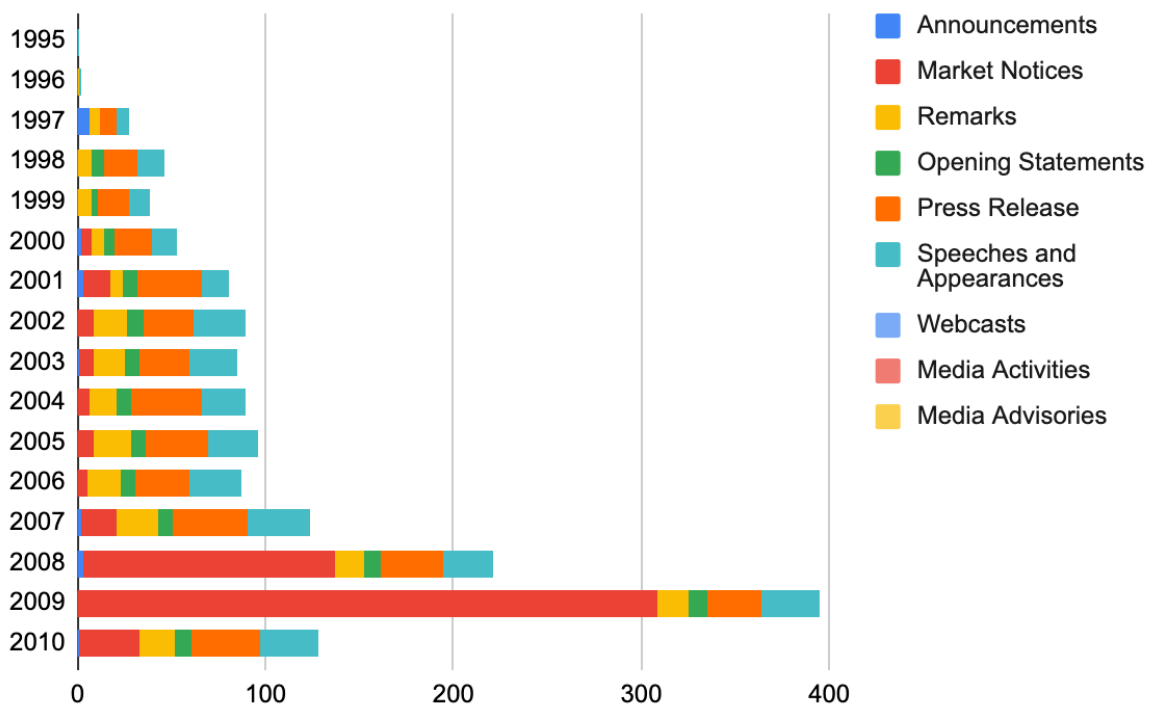
Also under Dodge, the Bank conducted a study on how to communicate in times of uncertainty, an increasing concern given recent experience with the 9-11 attacks and wars in Afghanistan and Iraq (Bank of Canada, 2007). This research showed that the Bank of Canada's communication was relatively better than that of the Federal Reserve in the US despite its smaller budget for communications. The Bank of Canada innovation attracted the attention of the media, which noticed the Bank's results in achieving transparency (Little, 2002). My interviewees confirmed these general impressions: journalists, and senior economists from the commercial banks all made positive remarks about the Bank's communication functions.

#### **4.7 Conditional Commitment: Forward Guidance**

Under Carney (2008–2013), the Bank continued its commitment to clear and regular communications (Jenkins, 2007). With Dodge's tenure ending as the great financial crisis was only just beginning, Carney found himself having to manage the brunt of the crisis in 2008 and 2009. During the financial crisis, the Bank launched the policy known as conditional commitment or forward guidance. This policy was a set of communications to control inflation targeting and keep yields low in 2009 (Bank of Canada, 2009). Practically, forward guidance

aimed to create credible and efficient communications that involved “*acknowledging the problem, indicating that the authorities are carefully assessing the situation and promising prompt, regular updates*” (Vayid, 2013, p. 14). The Bank lowered its target for the overnight rate, helping to reduce rates on one-year, two-year, five-year, and mortgage rates. During this period, all the Bank’s communication instruments presented in Figure 4-4 were part of this policy. Commenting on the conditional commitment, the senior economists I interviewed said that from April 2009 to 2010 the Bank stated very clearly its plan for the crisis. M1 noted, “*It [forward guidance] was sort of a realization that the communications itself could be a policy tool.*”

**Figure 4-4. Bank of Canada communication instruments**



By 2013, as the financial crisis was abating, the Bank moved to pause its forward guidance. Although the measure was seen as an effective communication tool, it had a downside—increasing market participants’ reliance on the Bank’s statements ahead of economic conditions (Bank of Canada, 2008). All interviewed economists echoed the Bank’s concerns about the conditional commitment and reliance on the Bank’s statements. Some senior economists argued that the Bank expected to encourage market participants to consider economic factors instead of relying solely on the Bank’s statements. For example, E-2 said, “*They [the*

Bank] *cannot completely spoon feed the market. And I think they shouldn't make hard promises where they might need flexibility, a little bit of flexibility down the line.*" To decrease the market reliance on the Bank's words, the Bank introduced the neutral interest rate stance early in 2013 and paused the conditional commitment when the need for the forward guidance to respond to the crisis had passed (Bank of Canada, 2014).

Despite the end of the conditional commitment, forward guidance continued to be a part of the Bank's communication, for example, if the Bank needed to explain the management of future rates to give the public some understanding of the economy's direction and the Bank's own actions, a practice reflecting state-of-the-art recommendations from the academic literature (see Woodford, 2001, 2005). At the same time, the Bank continued to build "*the links between the expected evolution of the economy and policy rate settings*" (Kozicki & Vardy, 2017, p. 12). In other words, the Bank used information and its documents to give the public some understanding of the economy's direction and its own actions.

Central Bank officials Kozicki and Vardy (2017) point out that the Bank began to instrumentalize a data-oriented language in its information products to help the public understand its direction. Information supported by real numerical or statistical data is more professional and reliable, and data-based texts allowed the Bank of Canada to skip interpretations of these data for an audience. Kozicki and Vardy (2017, p. 12) elaborate:

*"In some situations, when warranted by economic conditions, the Bank has provided information with respect to expectations of the direction and rough timing of rate moves, without actually saying what the next move will be"*

Typically, the Bank expects the public to have the same understanding of data as the Bank has and hence the economic situation and the Bank's direction. M-1 made an interesting point about the intention behind the Bank of Canada's communication:

*"It isn't just a message to sort of make us think a certain way. But it's to lean our thinking in a direction of understanding, a certain point of view. It also implies that economic actors will actually act accordingly. And therefore, it*

*will help transmit policy ... but I don't think they anticipate that actual concrete action that will affect economic outcomes will come from that."*

#### **4.8 Canadian Fixed-Income Forum**

The Bank's last institutional communication initiative was the Canadian Fixed-Income Forum (CFIF) (*Canadian Fixed-Income Forum*, n.d.) in 2015. As well as communicating activity on its website and in social media, issuing speeches and publications, and hosting regular and quarterly meetings with the commercial banks and financial institutions, the Bank organized a forum where big and small debt market participants (15 in all) could meet to discuss current financial issues, like Canadian benchmark debt managed by the Bank of Canada. The Canadian Fixed-Income Forum is not a traditional communication instrument like publications and speeches that explain the Bank's decisions and views to the public and market. This Forum coordinates and nudges the discussion among financial participants in Canada. As one central bank official explained, the Bank's role in this forum is not to communicate its decisions but to provide the financial market participants with a place to exchange best practices and help them deal with the structural issues related to the Canadian benchmarks. On the other hand, the Bank can use this forum to lead the discussion in its preferred direction.

#### **4.9 Chapter Summary**

Between 1991 and 2020, the Bank invested heavily in its strategic communications function. This development occurred as an outgrowth of the Bank's adoption of inflation targeting and its related focus on transparency. The Bank's communication initiatives were the Communications Department, official website, social media accounts, the FAD and regular press-releases, conditional commitment or forward guidance, and Canadian Fixed-Income Forum.



## **CHAPTER 5. FINDINGS: POLICIES FORMULATING COMMUNICATION STRATEGIES**

### **5.1 Overview**

While Chapter 4 described the impact of the Bank of Canada's centralized communication department, website, and other initiatives, this chapter discusses the Bank's policies that regulate different aspects of its communications, including the influence of inflation targeting, disclosure (or blackout) rules during the fixed announcement dates, communication principles, and the responsibilities of communicators. The chapter also presents the Bank's communication strategies since 2002, showing how these strategies set the Bank's long-, medium-, and short-term objectives for its communications.

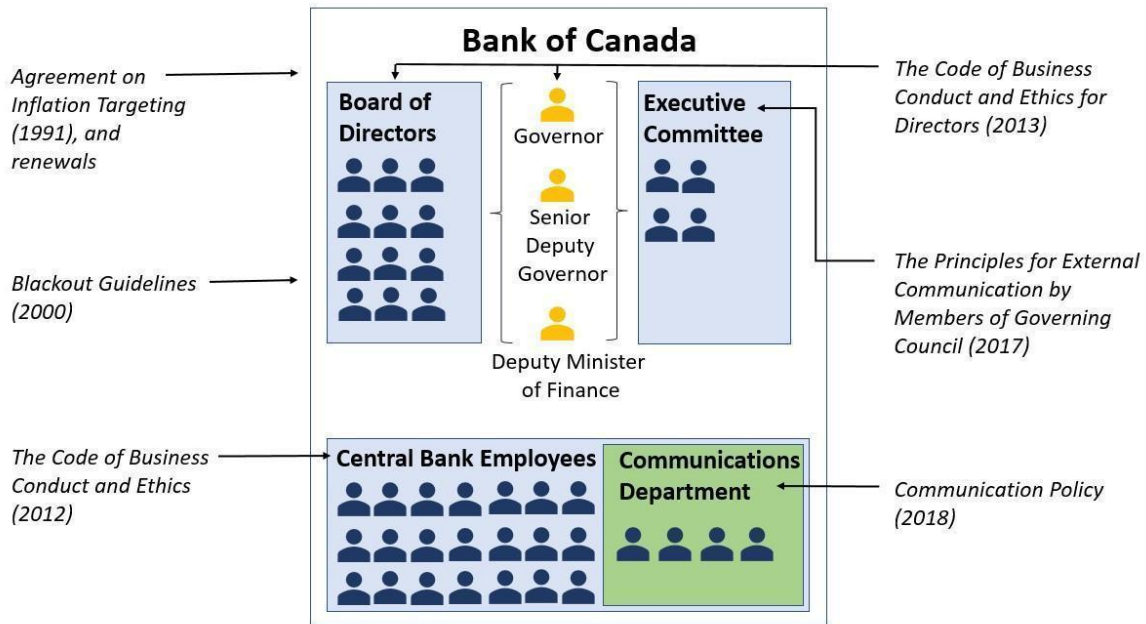
### **5.2 The Bank of Canada's Communication Policies**

In Chapter 4, we explored institutional innovations tied to communications and used by the Bank in the pursuit of its goal of making communications more open and transparent, with the end-point being expectations management and inflation goals. The Bank's institutional initiatives were driven by policies; sometimes the Bank determined the policies preemptively, and sometimes communication policies followed or appeared alongside tangible communication initiatives. While the communication initiatives, such as the Communications Department, website, and regional expansion observed in Chapter 4, were driven by the inflation targeting agreement in the 1990s, starting from 2000 other communication policies did not always determine the communication initiatives and sometimes communication practices were not related to the communication initiatives and formalized the existing practices.

From 1990 to 2020, the Bank adopted six policies that directly or indirectly sculpted the Bank of Canada communication apparatus as it exists today: *Agreement on the Inflation-Control Target* (1991), *Blackout Guidelines* (2000), *Code of Business Conduct and Ethics* (2012), *Code of Business Conduct and Ethics for Directors* (2013), and *Principles for External Communication by Members of Governing Council, and Communication Policy* (2017). These policies determined the Bank of Canada's communication framework for external and

occasionally internal communication. Figure 5-1 highlights all the communication policies, Bank personnel, and Board members involved with or impacted by these policies

**Figure 5-1. Bank of Canada communication policies**



### 5.2.1 Agreement on the Inflation-Control Target

Although it is not officially known as a communication policy, the document that most impacted the transition of the Bank’s communication from secrecy to transparency was the inflation agreement in 1991. One of the interviewees described its importance this way:

*“[The Bank’s] openness and transparency has been a deliberate evolutionary activity that began in earnest with the introduction of the inflation target, because that gave us the framework that gave us the objective around which we could then design the rest of the communication strategy.”*

By providing a directional framework, the inflation target agreement predetermined the communication-related policies that followed. The first of these was the *Blackout Guidelines*, intended to regulate the fixed announcement dates (FAD) in 2000.

### 5.2.2 *Blackout Guidelines*

The *Blackout Guidelines* appeared simultaneously with the fixed announcement dates (FAD) in 2000. An internal governance document, the *Blackout Guidelines* manage central bank communications during silent periods on fixed dates. According to the policy, during silent periods, also known as blackouts, Governing Council must “*refrain from giving speeches and from speaking to the news media or other outside parties about the economic outlook and the direction of monetary policy, or about anything else that could be considered relevant to the economic outlook and their interest rate decision*” (*Blackout Guidelines*, 2000). Practically speaking, the purpose of *Blackout Guidelines* “*[helps] mitigate unnecessary speculation about monetary policy actions*” (*Blackout Guidelines*, 2000).

The Blackout usually starts on Tuesdays, eight days prior to the final rate decisions in January, April, July, and October and can be extended in case the final rate decision has not been made. According to the *Blackout Guidelines*, “*The blackout ends at 11:00 a.m. Eastern Time on the day of the rate decision when the press conference associated with the release of the Report begins*” (*Blackout Guidelines*, 2000).

### 5.2.3 *Codes of Business Conduct and Ethics*

The second and third communication policies came at the end of Carney’s and the beginning of Poloz’s term: *The Code of Business Conduct and Ethics* in April 2012 and the *Code of Business Conduct and Ethics for Directors* in August 2013. These communication policies added safeguards to the Bank’s communication with the public. *The Code of Business Conduct and Ethics* highlights the Bank’s commitment to the principles of integrity, excellence, and respect, and establishes ethical principles to guide the duties of Bank officials (Bank of Canada, 2012). Essentially, *The Code of Business Conduct and Ethics* outlines the expected behaviour of all Bank employees—present, on leave, or retired, not including directors—in all

communications about the Bank with anybody external to the Bank. *The Code of Business Conduct for Directors* applies only to the directors appointed by the Department of Finance, setting the rules to participate in external communication and discuss the Bank publicly: “Any person not legally entitled to any information relating to the affairs of the Bank, including the proceedings of the Board and its committees” (Bank of Canada, 2013, p. 6). Section 2.3 clearly states who is authorized to make external communications: “Only the Governor, Senior Deputy Governor or other Bank-designated spokespersons are authorized to issue statements or make comments about the Bank’s position on a given subject” (Bank of Canada, 2013, p. 6). Section 2.3 also mandates that all public inquiries must be addressed by the Communications Department (Bank of Canada, 2013).

These codes did not prescribe new communication initiatives, rather they strengthened practices already in place. The publication of the codes suggests that the Bank saw a need to set strict and well-coordinated communications from all levels of employees to protect itself from revealing insider information that might be used by either investors or market speculators. The timing of the Codes’ publication suggests that cases of miscommunication might have arisen during the financial crisis of 2007–2009, sparking the need for written guidelines. Another reason for the Codes could be the need to organize communications because the Bank’s increasing transparency could have inadvertently signaled to journalists and market participants that more employees of the Bank were permitted to talk about the Bank’s decisions. In the Codes, the number of people empowered to communicate is limited due to the hierarchical and careful character of Bank communications (Siklos et al., 2018). However, a paradox results when a policy of enhanced transparency is accompanied by strict communication boundaries and rules.

#### *5.2.4 Policy on External Communications*

The fourth policy, introduced in November 2017, was the *Principles for External Communication by Members of the Governing Council* (See Table 1 in the Appendix A). This document aims to preserve the Bank’s independence by preventing Bank officials from being involved in political or private discussions and by having them refrain from making personal comments about the Bank. It also mandates that the Executive Committee only share information

from their speeches that has already been made available to the public. All public speeches must first correlate with the Bank’s documents and reports and second not discuss any internal Bank matters. As well, information or documents about the Bank’s internal documents that are unavailable to the public must remain confidential (Bank of Canada, 2017).

### 5.2.5 Overarching Communication Policy

A year after the *Principles for External Communication* was published, the Bank released its fifth communications policy document, which also happened to be its first overarching Communication Policy (Bank of Canada, 2018b). This policy outlined the Communications Department areas of responsibility and the key objectives of its director and senior and junior communicators. As one Bank official noted, this policy formalized communication-oriented activities that were already part of established practice.

## 5.3 Communication Strategies

According to the Bank officials interviewed, the Bank had communication strategies before inflation targeting began in 1991 and the Communication Department was created in 1995. However, typically these strategies were internal and lacked detail. In 2002, under Dodge’s leadership, the Bank began to refer to its strategies publicly in its *Annual Report*. Developed more regularly and comprehensively under later governors, a strategy usually lasts three years before a new one takes its place. Table 5-1 presents all the Bank’s strategies between 2002 and 2021.

**Table 5-1. The Bank of Canada’s communication strategies**

Strategy	Years	Governor
The Bank’s Medium-Term Plan (MTP)	2002 – 2005	David Dodge
The Bank’s Medium-Term Plan (MTP): The Way Forward	2003 – 2006	David Dodge
The Bank’s Medium-Term Plan (MTP): Moving Forward	2007 – 2009	David Dodge Mark Carney

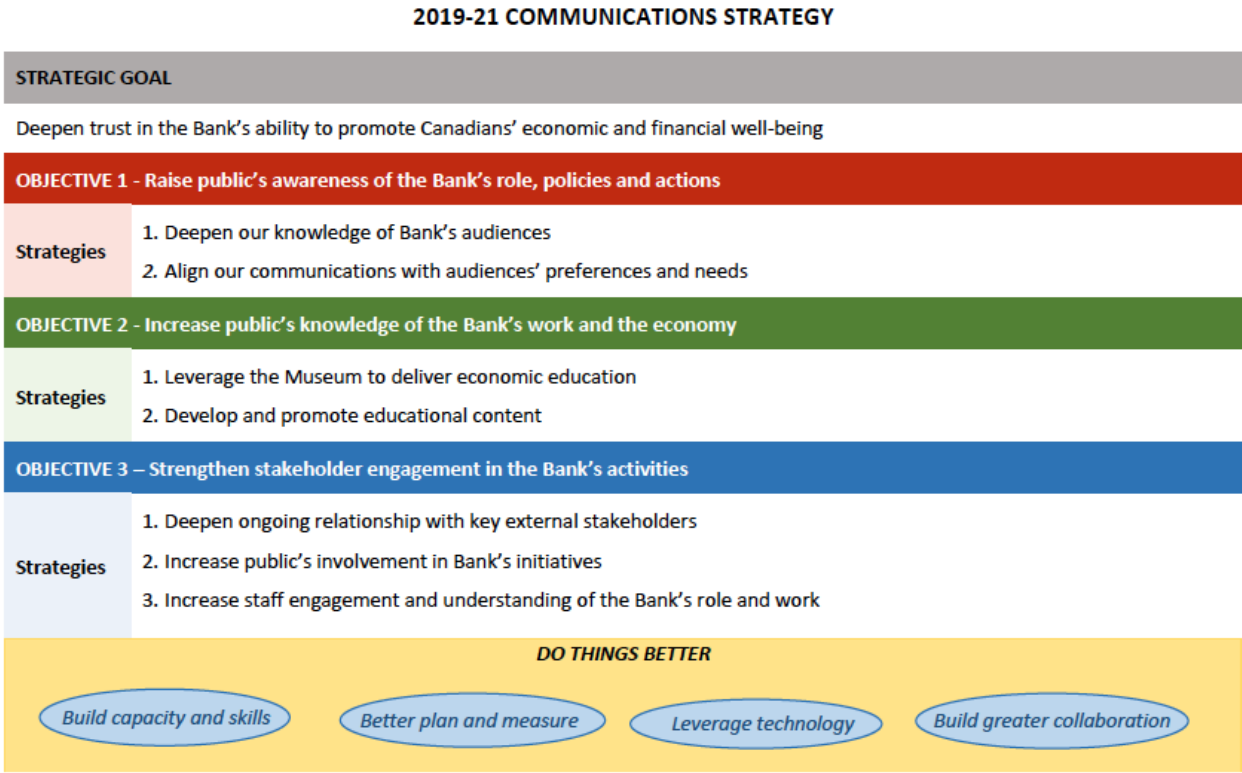
The Bank’s Medium-Term Plan (MTP)	2010 – 2012	Mark Carney
The Bank’s Medium-Term Plan (MTP): Building on Excellence: Strength, Stability and Confidence	2013 – 2015	Stephen Poloz
The Bank’s Medium-Term Plan (MTP): Central Banking for a New Era: The Bank of Canada’s Medium-Term Plan	2016 – 2018	Stephen Poloz
The Bank’s Medium-Term Plan (MTP): Leading in the New Era	2019 – 2021	Stephen Poloz Tiff Macklem

All the strategies in Table 5-1 addressed tasks related to monetary policy, such as bank notes, currency, debt management, and inflation. Occasionally they touched on communications objectives. Communication was mentioned as one of the goals in 2006 *The Way Forward* strategy but no specific details were provided about improving communication, besides mentioning the role of the *Monetary Policy Report*, the *Financial System Review*, press releases and speeches by Bank officials (For more details see *Annual Report*, 2006, p. 6–9).

The first document to refer to a specific communications strategy is Portelance’s paper “Measuring and Evaluating Strategic Communications at the Bank of Canada” (2021), cited in Chapter 4. As seen in Table 5-1, and according to Portelance’s paper (2021) and my correspondence with the Bank, the Bank developed a three-year medium-term communication strategy alongside the Bank’s medium-term plan (MTP) called *Leading in the New Era 2019–2021*. Figure 5-2 shows the objectives of this strategy, which were sent to me by the Bank.

The main goal of the three-year medium-term communication strategy (Portelance, 2021) is to build Canadians’ trust in the Bank’s actions. By deepening trust, the Bank is trying to build a certain set of expectations in the public (Blinder et al., 2008; Woodford, 2001, 2005) through this communication policy and its measures. However, how much impact Bank communications have had on expectations is difficult to measure.

**Figure 5-2. Bank’s communication strategy: A three-year medium-term communication strategy**



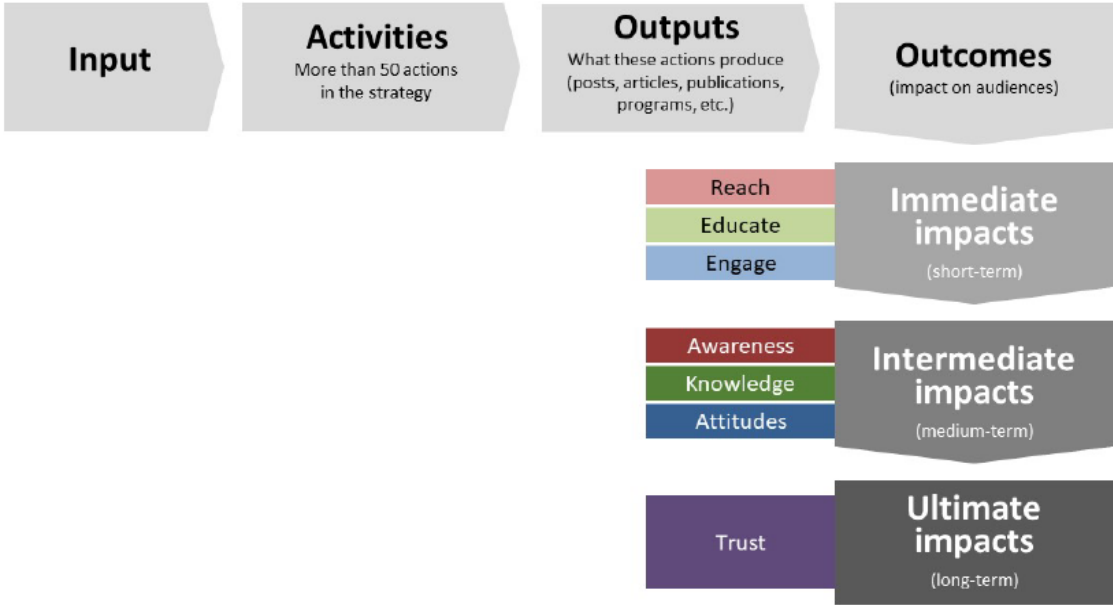
Source: Portelance, A. (2021, June 2021). *Measuring and evaluating strategic communications at the Bank of Canada*. The Bank of Canada. <https://www.bankofcanada.ca/wp-content/uploads/2021/06/sdp2021-9.pdf>.

The Bank’s Senior Director Annie Portelance explains that the Bank’s communication is unique for three reasons: central bank services do not affect people’s day-to-day lives; the audiences for its communications are diffuse (from regular people to sophisticated market participants); and complicated topics and explanations do not resonate with the majority (Portelance, 2021). Taken together, these factors present challenges for the Bank’s communication and hence affect its communication strategy.

To manage the Bank’s strategic and complex goals like expectation management, three-year medium-term communication strategy, as a part of *Leading in the New Era (2019–2021)* has three supplemental objectives (or sub-goals) (see Figure 5.2). These supplemental objectives include raising the public’s awareness and knowledge about the Bank’s

work for different audiences and strengthening stakeholder engagement in the Bank’s activities (see Figure 5-4). Through building awareness, knowledge, and engagement, the Bank frames how the economy should be understood and sets a narrative supporting the Bank’s perspective (Woodford, 2005).

**Figure 5-3. Logic of the communication strategy: A three-year medium-term communication strategy**



Source: Portelance, A. (2021, June 2021). *Measuring and evaluating strategic communications at the Bank of Canada*. The Bank of Canada. <https://www.bankofcanada.ca/wp-content/uploads/2021/06/sdp2021-9.pdf>.

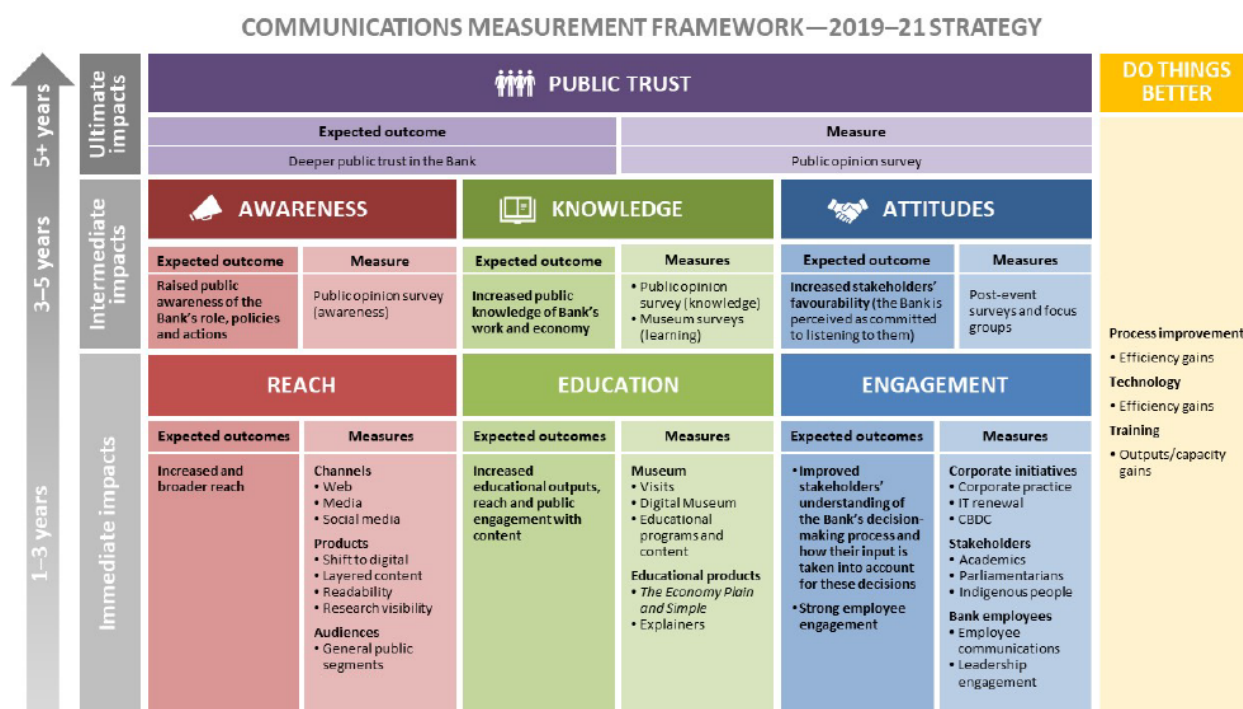
Senior Director Annie Portelance’s working paper (2021) provides a more detailed explanation of what impact the Bank expects from its strategy and goals laid out in the three-year medium-term communication strategy (see Figure 5-3). Portelance (2021) highlights three impacts: immediate (short term), intermediate (medium term) and ultimate impacts (long term). The ultimate impacts correspond with the strategic goal of the working paper—building expectations. The intermediate impact corresponds to the three sub-goals (Portelance, 2021), which encompass three tasks—reach, educate and engage—, which were not mentioned in three-year medium-term communication strategy or *Leading in the New Era (2019–21)*. Portelance (2021) explains that reach, educate, and engage fulfill the intermediate impact goals:



‘Reach’ leads to raising the public's awareness; ‘educate’ leads to knowledge; and ‘engage’ causes people to become involved in the Bank’s activities, which corresponds to ‘attitude.’

Figure 5-3, from Portelance’s paper (2021), shows a more explicit explanation of how each component works and supports the whole strategic goal—building public trust. As noted earlier, building public trust is part of expectation management. If the public trusts the Bank, the latter likely has more freedom to act without being criticized, reinforcing the Bank’s independence.

**Figure 5-4. Logic of the communication strategy: A three-year medium-term communication strategy**



Source: Portelance, A. (2021, June 22). *Measuring and evaluating strategic communications at the Bank of Canada*. The Bank of Canada. <https://www.bankofcanada.ca/wp-content/uploads/2021/06/sdp2021-9.pdf>.

Figure 5-4 shows the measures the Bank uses to achieve its goals, measures that were discussed in Chapter 4. Despite having few detailed strategies in the years prior to 2019, the Bank officials interviewed discussed the existence of communication strategies in these years, adding that the three-year medium-term communication strategy (a part of *Leading in the New*

*Era (2019–21)* formalized the Bank’s practices. Hence, we can assume that the goals of communications strategies in the past were similar to those in the 2019–21 strategy.

#### **5.4 Chapter Summary**

Between 1991 and 2020, the Bank instituted six policies that influenced the Bank’s communications. The inflation agreement and renewals affected the Bank’s communication generally, particularly its commitment to transparency and determined the establishment of the Communications Department, official website, and regional expansion. The *Blackout Guidelines* supported the fixed announcement date regime (FAD), while the Codes imposed controls on the communication of Bank personnel and directors. The *Principles for External Communications* guides the Governing Council members’ communications, while the *Communication Policy* (Bank of Canada, 2018b) formalized the responsibilities of communicators. These policies were developed when the Bank needed them and reflected the existing communication practices rather than determining these practices. This incremental policy evolution gives the Bank a certain degree of freedom and flexibility to adapt its communications to the changing situation.

Beginning in 2002, the Bank began publishing strategies, with a new strategy appearing every three years. Although strategies were developed prior to 2002, these generally lacked detail. Since 2002, the strategies have become increasingly sophisticated and detailed. Only the Bank’s latest strategy, *Leading in the New Era (2019–2021)*, reveals the communications objectives and shows the Bank’s plans to enhance trust in its actions, educate the public, and engage the cooperation of the Bank’s stakeholders.

## **CHAPTER 6. FINDINGS: HUMAN RESOURCES—COMMUNICATIONS PERSONNEL, OUTSIDE CONSULTANTS, AND TRAINING COURSES**

### **6.1 Overview**

This chapter discusses the Bank of Canada's approach to the selection of communications personnel between 1995 and 2020: their number, hierarchy, background, education, and role in the Bank's communications process. Using Fairclough's (1995) definition of communication forming and communication-management processes (see Chapter 2), the chapter also investigates the Bank's use of outside consultants. Finally, the chapter looks at the training practices the Bank offers to its employees in communications.

### **6.2 Communication Personnel and Outside Communication Consultants**

Like any other professional activity, communications are most effective when professionals with education and experience are hired to manage the process. The Bank started hiring professional communicators during Thiessen's tenure after the formation of the Communications Department in 1995. The first chief of the Communications Department was Bruce Yemen, an experienced journalist and communicator. Around the same time, two other individuals—Jocelyne Charron and Denis Schuthe—were hired as managers in the Communications Department because of their experience in public sector communications. Since both had worked in government communications, the Bank used their experience to establish communications like those that had been established in other government departments.

In interviews with former Bank officials, I learned that prior to forming the Communications Department in 1995, the Bank consulted with a communications specialist in Ottawa to navigate the thinking on communications strategies and to hire a chief of communications. Starting in 1998, the Bank created a one-year post called Visiting Special Advisor to obtain external expertise. Usually, these advisors were professors who assisted the Bank in monetary policy research rather than in communications (Bank of Canada, 1998). In August 2005 however, the Bank hired a new Visiting Special Adviser, Bruce Little, a former journalist who was expected to advise the Bank in communications (Bank of Canada, 2005).

However, neither the interviewees nor the Bank documents nor media articles mention anything specific about Little's role in the Bank's communications.

In 2002, Denis Schuthe, former Director of Policy, Planning, and Public Affairs at the Bank, succeeded Bruce Yemen, taking charge of the Bank's communications. In their interviews, former bank employees (Boc-4 and Boc-5) said that under Governor Dodge and Denis Schuthe, the Bank's communications retained their focus on transparency and innovative initiatives. The data from interviews and correspondence indicate that under Schuthe's leadership, in 2005, the number of employees in the Communications Department reached 81 employees, representing 6.75% of the 1,200 public servants working at the Bank. Among these 81 employees, almost a quarter (18) held senior and managerial positions. This ratio of staff to management remained the same in the following years.

Based on my interviews with Bank officials, a relatively small number of employees were directly engaged in public relations or stakeholder relations. These individuals had substantial communication experience and degrees in journalism or economics. Few of the Bank's communications employees participated in 'street communications' with media and stakeholders; they rather oversaw, produced, and shaped communications, including the style and substance of the Bank's publications, reports, surveys, and website. Key to this process were two employees who arrived at the Bank under David Dodge's tenure: press secretary Jeremy Harrison and speech writer Jill Vardy, hired in 2005 and 2002, respectively.

As one Bank official pointed out, under Dodge and Schuthe, there was a significant emphasis on recruiting people with experience in communication, journalism, public relations, and client services because these individuals understand how communications are perceived by the media and other audiences and how to deliver news to them. This direction in hiring reflected the Bank's attempt to shift from the public servant mindset to a more market-oriented one. The non-government communicators brought fresh perspectives to public sector communication practices. As one Bank official said in an interview, bringing in new communicators corresponded to the Bank's special status between the private sector and public sector.

The trend of hiring non-governmental communication specialists continued during Carney's term (2008–2013), when Brigid Jansen became Chief of the Communications Department in 2008. Unlike previous heads, before joining the Bank of Canada, Jansen had been communications director in financial organizations for 28 years. In the same year, Jill Vardy and

Jeremy Harrison became Deputy Head (2008–2010) and Director of Planning and Public Affairs (2008–2013), respectively.

In the 2010s, Jill Vardy succeeded Brigid Jansen as a Chief of the Communications Department in 2010 and Jeremy Harrison took over the position in 2017. While Denis Schuthe and Bruce were public communicators, Brigid Jansen and Jill Vardy had strategic communication experience and journalist experience at the Globe and Mail (the newspaper of record for policymakers), while Jeremy Harrison was the first central bank communicator, meaning that all his career path was dedicated to central bank communications. Vardy had worked as a journalist before joining the Bank in 2002; Harrison joined the Bank in 1999 before moving to the Communications Department in 2005. After serving as the Director of Planning and Public Affairs between 2008 and 2013, he worked as press secretary and then Head of the Bank of England’s Media and Publications Division from 2013 to 2015.

The shift from hiring public servants as communicators to hiring journalists and private strategic communicators corresponds with Fairclough’s (1995) observation that organizations in late modernity increasingly turn to external consultants to manage their communications. External consultants have specialized training and substantial experience in communication. Fairclough (1995, p. 104) calls them “*technologists of discourse*.” When the Bank began to hire experienced journalists like Jill Vardy for non-management positions in the 2000s, it did so to familiarize them with the Bank’s work and prepare them for management roles. At the same time, the Bank invested in employees already experienced in the Bank’s communications. These people typically worked in other Bank departments, such as the Research Department. Current Managing Director of Communications, Jeremy Harrison is an example of someone who began working at the Bank in a different department. For medium and entry-level positions, the Bank pursued a similar strategy. Table 6-1 summarizes the evolution of the Bank of Canada’s top communicators.

**Table 6-1. The background of top central bank communicators**

<b>Years</b>	<b>Chiefs of the Communications Department</b>	<b>Background</b>	<b>Governors</b>
1995–2008	Bruce Yemen (1995–2002)	Journalism and Government	Gordon Thiessen David Dodge

	Denis Schuthe (2002–2008)	Communications	
2008–2010	Brigid Jansen (2008–2010)	Strategic Communications	Mark Carney
2010–2016	Jill Vardy (2010–2016)	Journalism	Mark Carney Stephen Poloz
2016–2023	Jeremy Harrison (2016–Present)	Central Bank Communication	Stephen Poloz Tiff Macklem

In analyzing these Bank communication personnel, I looked at two factors: the number of employees working in the Communications Department and their backgrounds. Because data is lacking for the 1990s, it is impossible to determine the number of communications employees over time. Nonetheless, in the interviews, former Bank officials said that about 20 people worked in the Communications Department in the late 1990s. This number began rapidly increasing in the early 2000s. From my correspondence with the Bank, I found that by 2005 the Communications Department had a staff of 81. As one of the interviewees said, the translation team and museum people were part of the department. On the other hand, there were only a few people involved in external communication. Between 2005 and 2010, the Communications Department grew a little more—from 81 in 2005 to 90 in 2010. From 2010 and 2020, the communications staff increased by 11 people and was 101 by 2020. Table 6-2 shows the growth of personnel in the Communications Department from 1995 to 2020 during the tenure of different Communications Department chiefs and governors.

**Table 6-2. Communication personnel from 1995 to 2020**

<b>Year</b>	<b>Communication Personnel</b>	<b>Number</b>	<b>Chiefs of the Communications Department</b>	<b>Bank of Canada Governors</b>
1995–2000	Less than 20	Data not available	Bruce Yemen (1995 – 2002)	Gordon Thiessen
2000–2005	81	2 senior 16 leaders 63 non-leaders	Denis Schuthe (2002 – 2008)	Gordon Thiessen David Dodge
2005–2010	90	1 senior 17 leaders	Denis Schuthe (2002 – 2008)	David Dodge Mark Carney

		72 non-leaders	Brigid Jansen (2008 – 2010)	
2010–2015	100	3 senior 12 leaders 85 non-leaders	Jill Vardy (2010 – 2016)	Mark Carney Stephen Poloz
2015–2020	101	3 senior 17 leaders 81 non-leaders	Jill Vardy (2010 – 2016)  Jeremy Harrison (2016 – Present)	Stephen Poloz Tiff Macklem

Structurally, the Communications Department had a similar hierarchical framework for 20 years from 2000 to 2020. This framework included from one to three senior communicators and from 12 to 17 leaders, people who manage teams. As for the education of the staff, in the interviews with the Bank communicators, I learned that their backgrounds varied from museum studies to journalism, to marketing, to programming, to economics and finance. As one of the interviewees noted, an ideal communicator who is involved in ‘street’ or stakeholder communication would be educated in economics together with journalism, public relations, and political science. The Bank people interviewed also said that having government experience is not a dealbreaker as the Bank is somewhere in between the private and public sector.

The number of communication initiatives and programs and the Bank’s focus on transparency require a big and professional team of communicators. Communication specialists prepare important documents, write speeches, and assist in media appearances. Although they play an essential role at the Bank, communication personnel do not take part in the decision-making process, unlike communicators in some ministries (Glenn, 2014; Likely, 2013). The Communications Department’s power lies not in the decision-making domain but in its role in shaping communications to convey the Bank’s decisions.

**6.3 Training Practices**

The expansion of the Communications Department drew attention to the need to improve not only the quality and professional skills of those in the department but also those of the Bank’s top management. After hiring professional communicators to advise the Bank’s

people on external communications, the Bank provided top management with communication training to prepare them for public appearances and speeches. Targeted at deputy governors and department directors, the training aimed to familiarize them with strategic communication practice in handling different situations. A former Bank official commented on these practices:

*“(T)here was a type of communication training ... how to handle press conferences, things like that question and answers, how to avoid getting in trouble. How to best answer questions. How to avoid questions you didn't want to answer that sort of thing.”*

I was unable to obtain any further details about these courses. However, from the other interviews and Bank documents, I found that starting in 1997, the Bank outlined its intention to offer courses on communications skills and survey techniques to Bank employees and communicators (Bank of Canada, 1997). The main idea was to provide those in the Communications Department with the understanding of what to do and to hone their communication skills. One former central bank official described the challenges involved in communication and what the training was trying to accomplish:

*“When you think of communications, there’s communications on an ongoing basis, there’s communications in a crazy situation. You know, there’s the issue of, you’ve got a message, but you’ve got 20 different audiences. So how do you package the message to the different audiences? How do you think about market messaging versus appearing before the Commons Finance Committee? ... I think it’s understanding what you’re trying to do, why it’s important, and how to communicate it.”*

While the training focus appeared at the same time as several crises, including the Asian financial crisis (1997–1998) and the dot.com bubble (1995–2001), neither the interviewees from the Bank nor the Bank documents indicated any correlation between these crises and the training. Trained communicators were an important factor in the Bank’s crisis communications in 2007–2009. However, based on my correspondence with the Bank, there was and is no



predetermined set of courses offered specifically to the communications personnel, and the Bank encouraged all employees—managers, team leads, and employees—to choose the types of learning that would help them keep pace with changes in their field and hone their skills.

From the interviews, we know that some Bank employees attended strategic communication training, although this kind of training was not a common or planned practice. Most of these communication training programs taught Communications Department employees how to behave in different situations, like media appearances and public relations events, how to communicate with stakeholders, and how to write media releases and other documents. This training was in the form of simulations to demonstrate practical applications of communication techniques (Bank of Canada, 2008).

Following the expansion of the Communications Department in 2010, employees were encouraged to talk with their leaders about taking courses related to their work. In our correspondence, the Bank employees said that one of the core competencies on which all Bank staff, including those in the Communications Department, are evaluated is their capacity to be effective communicators. As a result, the Bank’s Human Resources Department offers training called “Effective Communications Skills” on external platforms such as LinkedIn Learning or Qrio. These training sessions are available multiple times throughout the year. Through offering this skills training, the Bank intends to teach employees to communicate clearly, concisely, coherently, and concretely. This process accelerated with the Bank’s increasing presence in social media and the development of its website (Bank of Canada, 2014).

#### **6.4 Chapter Summary**

This chapter has discussed the Bank’s communications personnel from 1995 to 2020 and their role in the Bank’s communications process. Since the Bank initially did not have its own communicators, it hired former government communicators to manage communication until the Bank trained its own in 2010. Occasionally, the Bank used outside communication consultants to guide its thinking in the 1990s and early 2000s. None of the communicators had decision-making power. Finally, the Bank offered communication training to communicators and managers to hone strategic communication skills.

## CHAPTER 7. FINDINGS: OBSERVABLE EXTERNAL OUTPUT—CENTRAL BANK PUBLICATIONS, SPEECHES, AND SURVEYS

### 7.1 Overview

The previous chapters analyzed the Bank’s communication institutional initiatives, communications policies and strategies, and human resources devoted to communications. This analysis revealed the evolution of the Bank’s communications output from 1995 to 2020. This chapter discusses Bank speeches and publications in the same period, tracing the changes in the narrative, readability, and structure of key documents, as well as the audience these documents were targeting.

### 7.2 Commonly Viewed Bank Publications

The Bank sees communication as a policy tool to transmit views to different audiences through its publications. Some of these publications are aimed at sophisticated readers working in finance; others at leaders with less knowledge. To identify what publications are most useful for the Bank’s knowledgeable audience, during the interviews I asked seven non-Bank participants this question: “What Bank publications do you make use of the most?” Table 7-1 contains their responses. In this research I interviewed only a knowledgeable audience and did not question what central bank publications are read by the general people.

**Table 7-1. The Bank publications that interviewees read**

Code	Publication 1 (First thing to look at)	Publication 2	Publication 3
M1	<i>Monetary Policy Report</i>	Speeches on Policy Rate Decisions and other Topics	Press conferences
M2	<i>Monetary Policy Report</i>	Speeches on Policy Rate Decisions and other Topics	Surveys
A1	<i>Monetary Policy Report</i>	Speeches on Policy Rate Decisions and other	

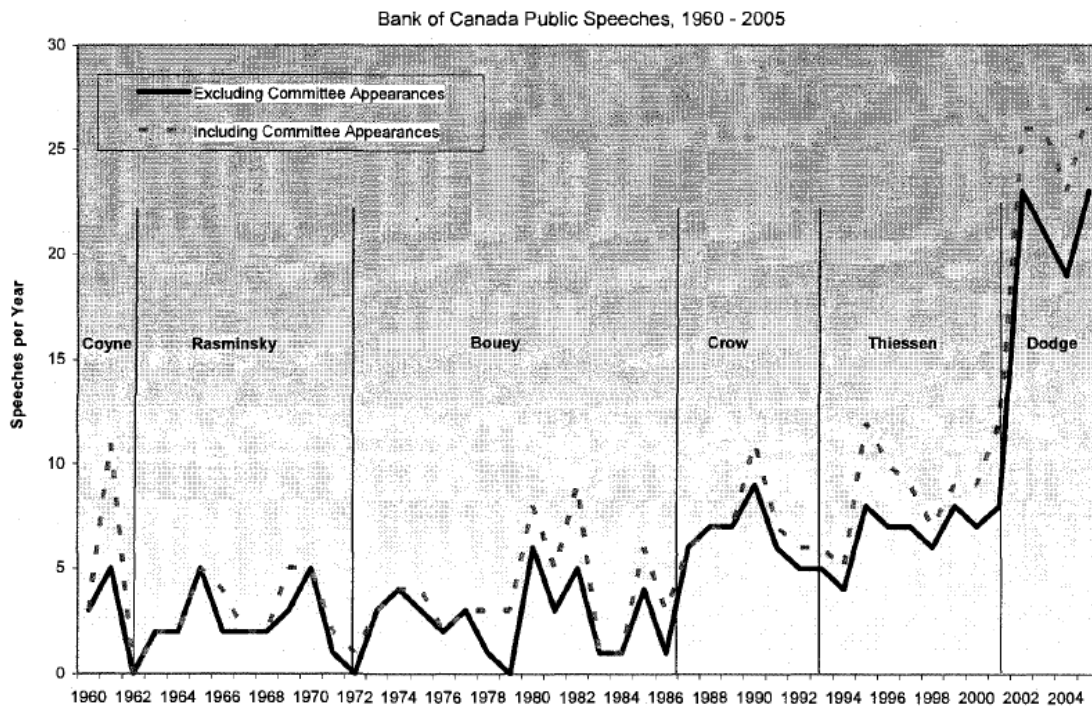
		Topics	
A2	Speeches on Policy Rate Decisions and other Topics	<i>Monetary Policy Report</i>	
E1	<i>Monetary Policy Report</i>	Speeches on Policy Rate Decisions and other Topics	Statements on the Policy Rate Decisions and other Speeches
E2	<i>Monetary Policy Report</i>	<i>Financial System Review</i>	Statements on the Policy Rate Decisions and other Speeches
E3	<i>Monetary Policy Report</i>	<i>Financial System Review</i>	Statements on the Policy Rate Decisions and other Speeches

As can be seen in the table, six out of seven interviewees consulted the *Monetary Policy Report* before looking at other Bank publications. The second most consulted documents were the Bank’s speeches on the policy rate decisions and other speeches. The commercial bank economist interviewed, as well as a journalist, looked first at the *Financial System Review* and second at the Bank surveys. This chapter focuses on the documents most often referred to by the interviewees, the Bank’s speeches, the *Monetary Policy Report*, the *Financial System Review*, and surveys. It also analyzes the *Annual Report*.

**7.3. Bank of Canada Speeches**

From its establishment in 1935 to the mid-1990s, the Bank of Canada was not open to public communication. Figure 7-1 from Pigeon (Pigeon, 2009, p. 104) depicts the growth in governors’ speeches 1960 to 2005.

**Figure 7-1. Growth in Bank of Canada governors' speeches from 1960 to 2005**



Source: Pigeon, M. A. J. (2009). *Conflict, consensus, convention: The depoliticization of Canada's macroeconomic discourse* [Text, Carleton University]. <https://curve.carleton.ca/16426d90-3d84-4101-8c0d-766f48fccd78>

From the governorship of Coyne (from 1955–1961) to that of Crow (from 1987–1994), governors did not make more than seven speeches a year. Some growth in public communication began during the tenures of Crow and Thiessen, with Thiessen initiating the Bank’s strategic approach to communications. Dramatic changes occurred under Governor Dodge, as not only did he make more speeches than his predecessors but also top central bank officials began communicating with Parliament, specialized audiences, and the general public, as noted in the 2006 *Annual Report* (Bank of Canada, 2006). The growth in public speeches under Dodge was a result of the Bank’s communication strategy revealed in the 1994 *Annual Report* (p. 14):

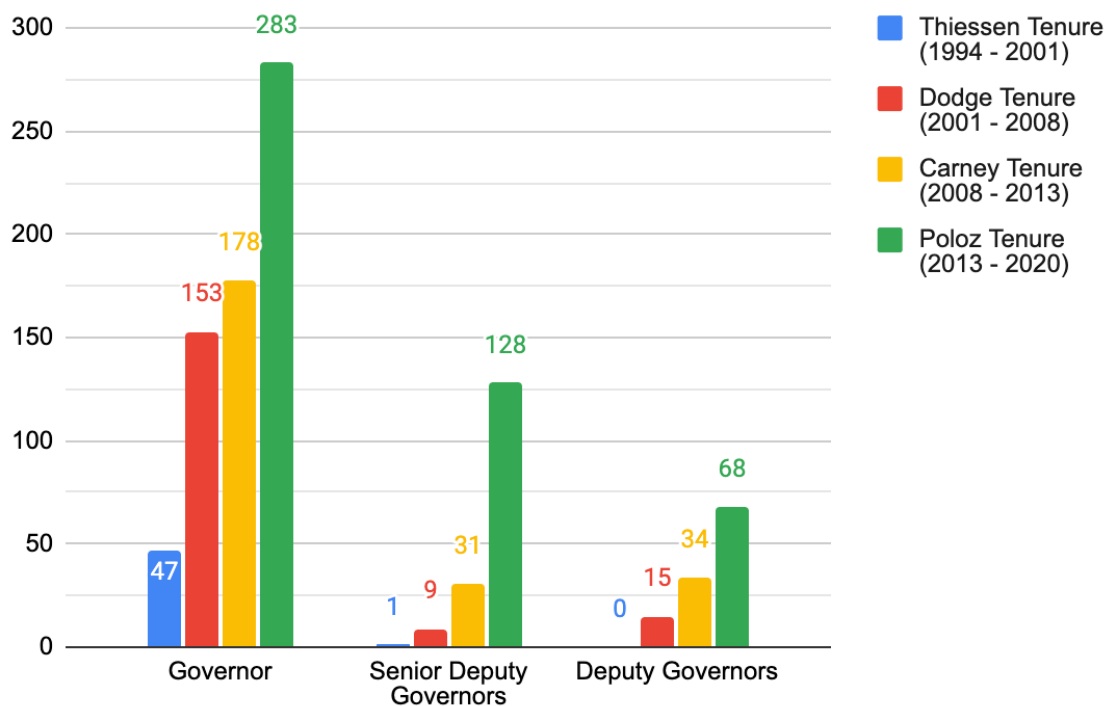
*“The Bank’s principal means of communicating, both domestically and internationally, include:*

- *speeches by the Governor, Deputy Governors and other senior officers*

- *regular publications - the Annual Report, the forthcoming Monetary Policy Report, the Bank of Canada Review and the Weekly Financial Statistics*
- *meetings across Canada with a wide range of associations, businesses and individuals*
- *meetings with international economic and financial organizations*
- *publication of extracts from the minutes of each meeting of the Board of Directors*
- *technical reports, working papers and conference proceedings*
- *phone lines providing bondholder information and foreign exchange rates”*

Drawing on data from the Bank of Canada website (Bank of Canada, n.d.), Figure 7-2 depicts the number of speeches given by the four governors, senior deputy governors, and deputy governors from 1994 to 2020.

**Figure 7-2. Speeches of the Bank of Canada governors, senior deputy governors, and deputy governors**



Source: Bank of Canada. (n.d.). *Publications*. Retrieved May 7, 2023, from <https://www.bankofcanada.ca/publications/browse/>

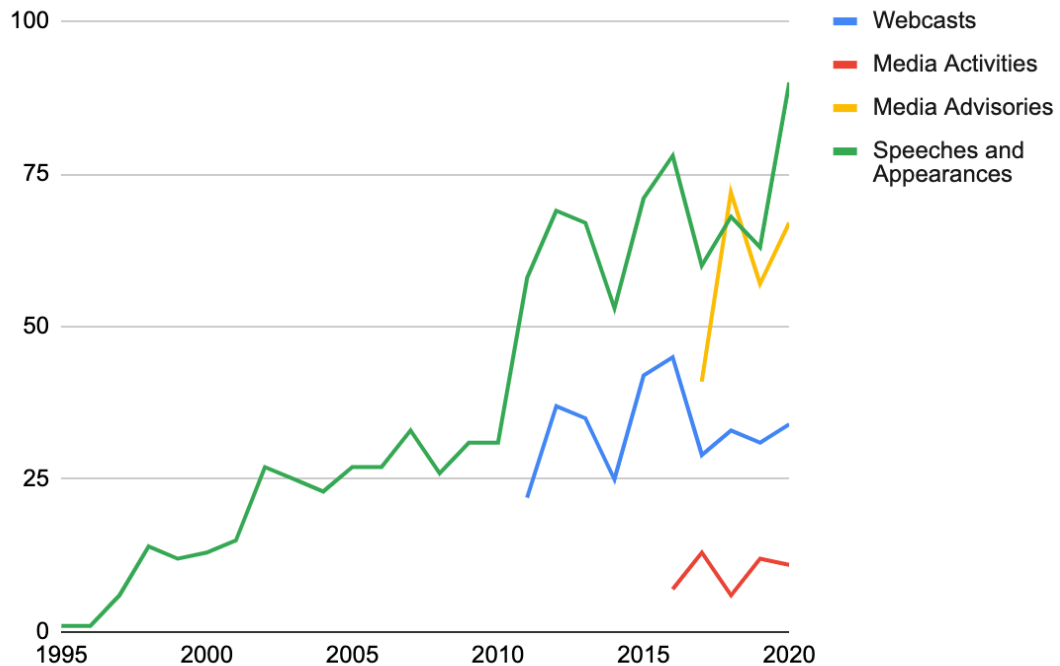
As shown in Figure 7-2, the speeches given by the governors grew rapidly during and after Dodge's tenure (see first section in Figure 7-2), as did the speeches made by senior deputy governors and deputy governors (see second and third sections in Figure 7-2). The involvement of senior deputy governors and deputy governors aimed to show the diverse and stable character of the Bank's communications. A significant increase in speeches occurred during Poloz's governorship when members of the Governing Council started making speeches after four policy decisions (Bank of Canada, 2018a).

Notwithstanding the broadening of communications from the governor to other officials, the governor remained the singular voice at the Bank of Canada during the tenure of Thiessen and Dodge (See the blue and red bars in Figure 7-2), while under Carney and Poloz, top officials were given more airtime in the context of the 2007-09 financial crisis. According to one of the interviewed journalists, speeches by a variety of officials reflect a diversity of opinions. This diversity matters because it shows the Bank's audiences that the Bank's actions are shaped by consensus despite the Bank's centralized approach (Siklos et al., 2018). There is some evidence to support this view. Starting in January 2023, the Bank of Canada began publishing minutes of Board of Governor meetings around interest rate decisions, following a recommendation from the International Monetary Fund (2022) which has advocated for this practice as a means of promoting greater transparency and to reveal the diversity of perspectives and voices that go into major interest rate decisions.

### *7.3.1. Expansion of Information Instruments to Support Speeches*

In the 2010s, the Bank of Canada expanded its publications by producing three information sources: webcasts, media advisories, and media activities. See Figure 7-3. Rather than being independent, the new information instruments generally supported public speeches.

**Figure 7-3. Central Bank communication activities**

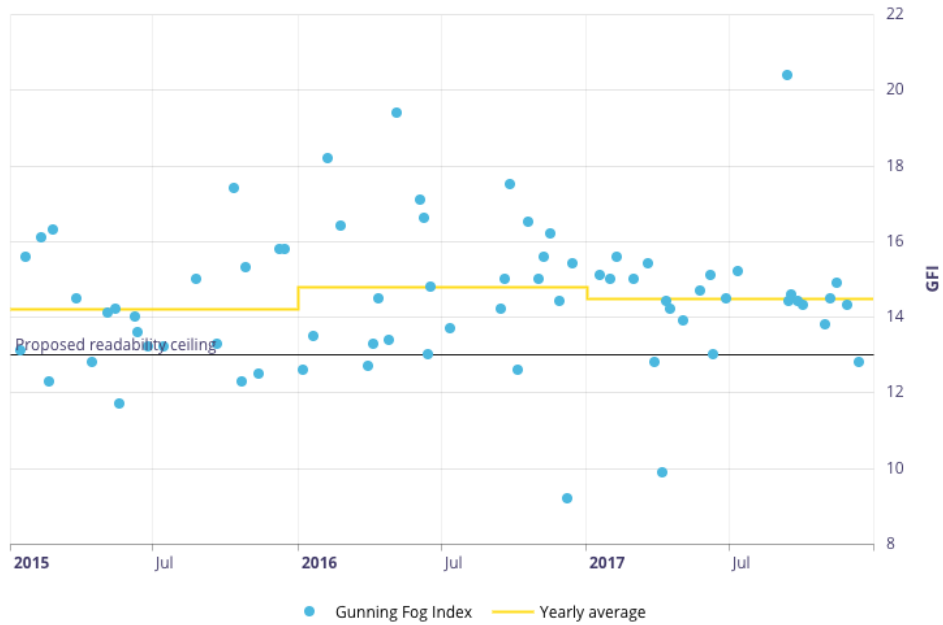


Source: Bank of Canada. (n.d.). *Publications*. Retrieved May 7, 2023, from <https://www.bankofcanada.ca/publications/browse/>

#### **7.4 Readability Scores of Speeches and Press Releases**

As discussed in Chapter 3, to test the ease with which speeches and other documents can be read, the Bank uses readability scores. These scores use simple formulas to determine the difficulty level of a text by measuring sentence and word length (Bogert, 1985; DuBay, 2004; Zhang et al., 2019). The Bank of Canada uses two of the most popular scores—the Flesch-Kincaid and the Gunning Fog Index (GFI). Both estimate the years of education an individual needs to understand a text on a single reading. A reading level of 12 means that the audience needs to be reading at a grade 12 level to understand it. A score of under 12 is needed to reach a wide audience. The Bank official Deslongchamps (2018) used the GFI to analyze the readability of Bank speeches about fixed announcement dates and other speeches between 2012 and 2017. Figure 7-4 shows that the GFI of the Bank’s central speeches from 2015 to 2017 is between 12 to 15, meaning that many members of the public would struggle to understand them.

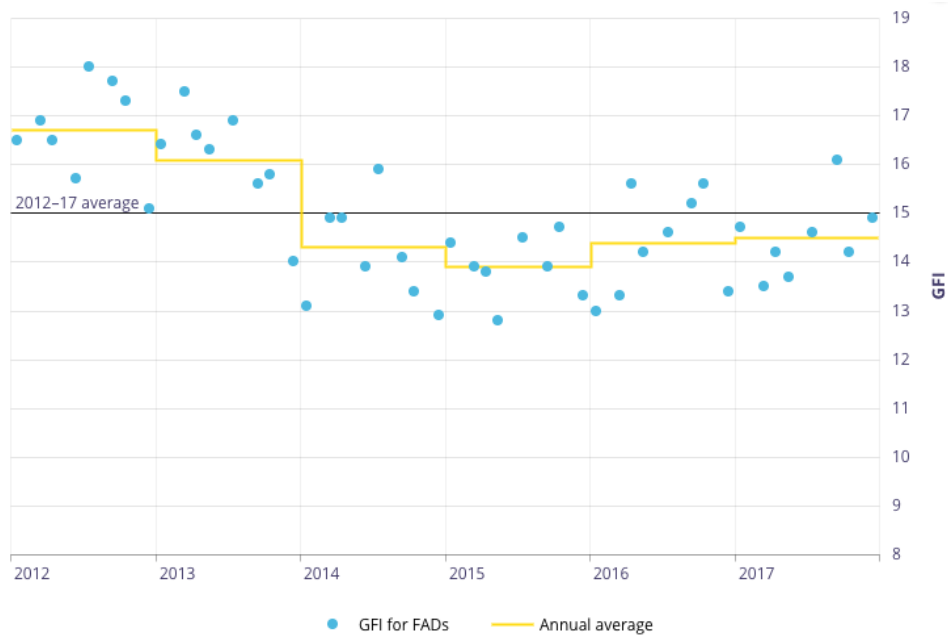
**Figure 7-4. Gunning Fog Index for the Bank’s speeches**



Source: Deslongchamps, A. (2018, June 27). *Readability and the Bank of Canada*.

<https://doi.org/10.34989/san-2018-20>

**Figure 7-5. Gunning Fog Index for the Bank’s fixed announcement date press releases**



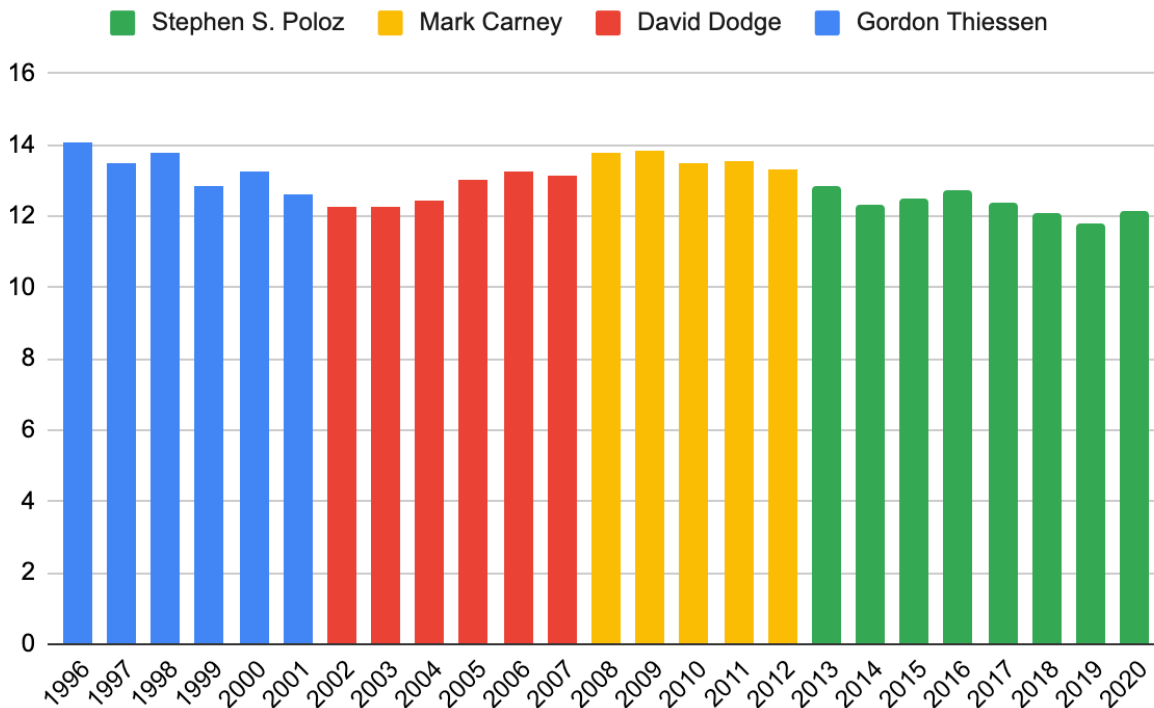


Source: Deslongchamps, A. (2018, June 27). *Readability and the Bank of Canada*. <https://doi.org/10.34989/san-2018-20>

A GFI index was also used to measure the readability of the press releases on the fixed announcement dates. (See Figure 7-5). The GFI score was 13, too high for a wide audience to comprehend.

The Bank shared the Flesch-Kincaid scores for over 600 speeches given by the governors and senior deputy governors between 1996 and 2020. Figure 7-6 demonstrates that, using the Flesch-Kincaid scores, the speeches' readability during the tenures of Thiessen, Dodge, and Carney was between 12 to 14. Under Poloz, the readability slightly improved as the scores were between 12 to 13. Such shifts likely occurred because Poloz had an accessible way of talking about monetary policy (Siklos et al., 2018).

**Figure 7-6. Flesch-Kincaid scores for Central Bank speeches**



Source: Bank of Canada. (n.d.). Search. Retrieved December 7, 2022, from <https://www.bankofcanada.ca/search/>

As seen in Figure 7-6, over four governors the readability scores of speeches were still high, above 12 points which means they are hard to read for the unprepared audience, regardless of some improvements during Poloz. To be accessible for all audiences, the Flesch-Kincaid should be between 8 to 10 (Alas et al., 2013; *Flesch Reading Ease and the Flesch Kincaid Grade Level*, n.d.; Wrigley Kelly et al., 2021). Speaking about monetary policy in plain and simple language is not an easy task, but the Bank is working on being easier to understand. For this purpose, the Bank launched some educational products like *the Financial System Hub* (*Financial System Hub*, n.d.) and *the Economy, Plain and Simple* (*The Economy, Plain and Simple*, n.d.).

### **7.5 Annual Report and Communications Before 1990**

Before inflation targeting began in the 1990s, the Bank published only a few communication products. One of these was *the Bank of Canada Review*, which educated the public on financial and banking matters but seldom addressed monetary policy. Another was the *Annual Report*, which provided an overview of the actions the Bank had taken in monetary policy in the previous year. Notwithstanding these documents, as the former Bank employees who I interviewed acknowledged, before Thiessen's tenure, the Bank's external communications consisted largely of infrequent and unpredictable press releases setting out the Bank's decisions on interest rates but providing no meaningful context about the rationale for changes and broader economic conditions. Aside from the *Annual Report*, there were almost no Bank publications relating to monetary policy between 1970 and 1990. As a former Bank official said in their interview, when the Bank was targeting monetary aggregates, there was little need for complicated communication strategies. Thus, prior to the 1990s, although the governor appeared at parliament and gave speeches, communications were sparse.

With the new open communication approach which began under Thiessen's tenure, the Bank reviewed and transformed the *Annual Report* “from a document of little outside interest to one that was much more informative” (Nankivell, 2010, p. 93). I found the first indication of this change in the 1994 *Annual Report*:

*“The Bank places a good deal of emphasis on effective two-way communication. If its actions are to be understood and judged, the Bank must provide information*

*on its objectives, its operations and on the factors it considers when making decisions. The ongoing dialogue that exists between the Bank and the public plays an important role in our deliberations. The Bank's principal means of communicating, both domestically and internationally, include:*

...

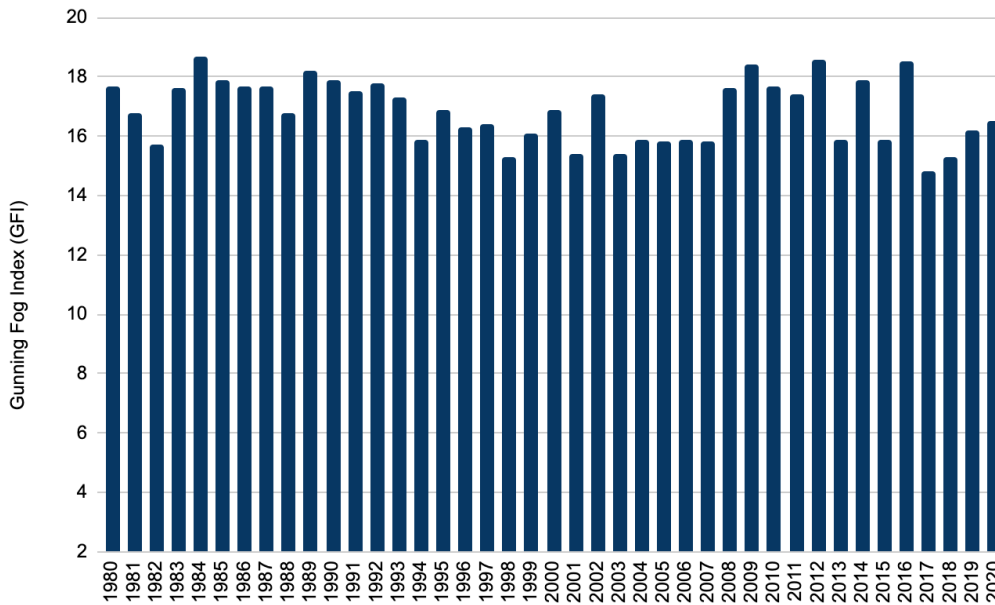
- *regular publications – the Annual Report, the forthcoming Monetary Policy Report, the Bank of Canada Review and the Weekly Financial Statistics.” (p. 14)*

### *7.5.1 The Readability Scores of and Improvements to the Annual Report*

As discussed above, in the 1990s, the *Annual Report* was a key information source for the Bank. By transforming these reports, the Bank signaled it was becoming more accessible to the public. Did it succeed? To track their transformation, I used the GFI to see how hard it is to read the opening part of each *Annual Report* between 1980 to 2000. I checked only the introduction of these reports because usually these sections deliver a message and provide an overview of the entire report. Hence, the introduction is assumed to be the easiest part of these *Annual Reports*.

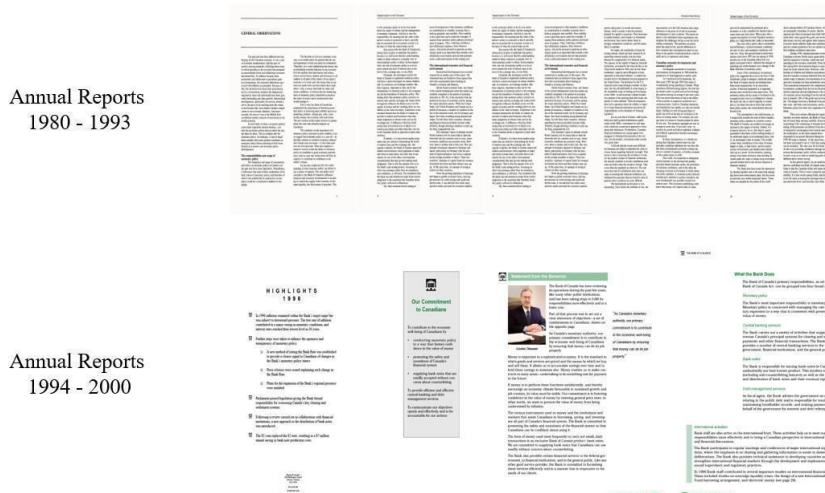
Before 1993, the first part of the Bank's *Annual Report* was titled “General Observations,” and starting in 1994, the name was changed to “Statement from the Governor.” As Figure 7-7 demonstrates, the GFI score of the “General Observations” section of the reports from 1980 to 1993 was high, above 17 points, which indicates that a university degree is required to understand the text. Such high scores are associated with the very formal, dense, and impersonal style of the “General Observations,” which makes the text heavy and unfriendly for unsophisticated readers. The GFI of the “Statement from the Governor” sections in the reports from 1994 to 2001 score 16.1 points and is more personalized. However, as seen in Figure 7-7, our analysis does not show a consistent trend towards greater readability. From 2002 to 2007, the readability score was below 16, but it jumped in the following year and was between 17 and 18 from 2008 to 2012. The score fell again in 2016 but has been creeping back up ever since.

**Figure 7-7. Gunning Fog Index readability score for *Annual Reports***



Although the GFI scores show that the *Annual Reports* are still challenging to read, there are signs that the Bank has tried to make its report more accessible. A comparison of reports published before and after 1994 shows some changes. Figure 7-8 depicts how the first pages of the reports differ.

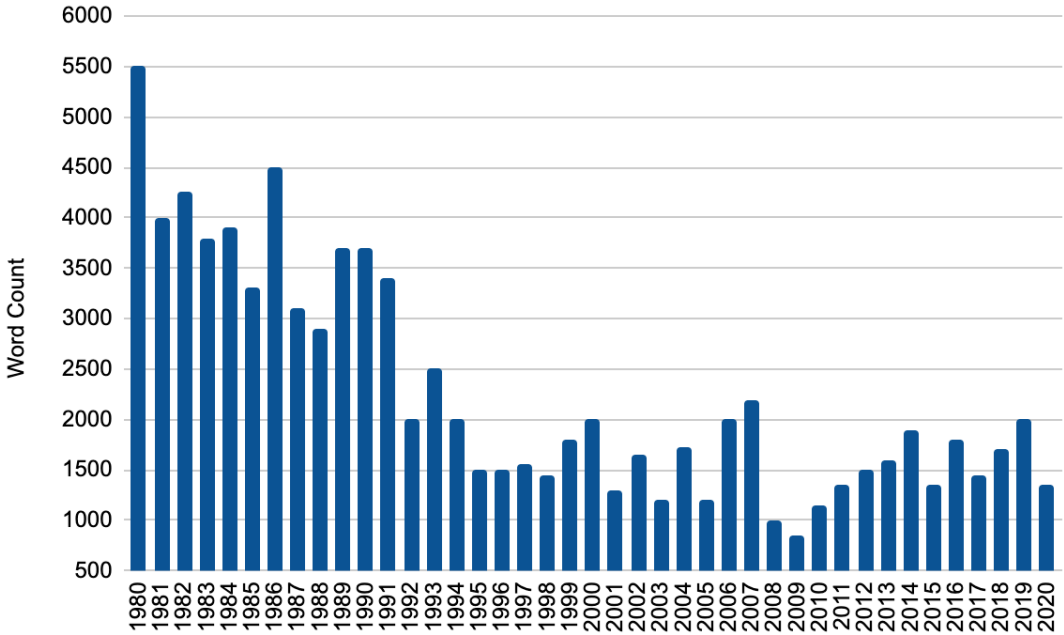
**Figure 7-8. *Annual Reports* 1980–2000**



Changing the name of the first part of the report to “Statement from the Governor” (first pictures in each row in Figure 7-8) allowed the Bank to make it clear who is addressing the readers in the report. The “Statement from the Governor” also personalizes the text by including a photograph of the governor. Previous *Annual Reports* had not clearly specified who was making general observations about the year. Another innovation is the introduction of “Highlights” (first picture in second row of Figure 7-8), a concise summary that enables readers to quickly familiarize themselves with the key points. As well, a section called “Our Commitment to Canadians” provides a clear message about the Bank’s actions (second picture in second row in Figure 7-8). Finally, while the “Statement from the Governor” still walks readers through world economic events, compared to the “General Observations,” its design is much more approachable, with colour, headings, short paragraphs, a larger font, and wider margins, all of which make the text easy to navigate and the main message clear.

As well as improving the design of the opening pages of the *Annual Report*, the Bank has also reduced the words contained in this introductory section, making this part of the report easier to read. As shown in Figure 7-9, the opening part of the report decreased from 5,500 words in 1980 to under 1500 words in 2020.

**Figure 7-9. Word count of the opening parts of the *Annual Report***



In sum, the Bank's changes to the *Annual Report* make the report resemble a magazine article instead of a doctoral thesis. Nonetheless, high readability scores for the opening parts of the reports show that the document is still not accessible to the public. Perhaps the Bank only intended to make the *Annual Report* more accessible to a specific public like journalists and bank economists, policy analysts, and financial analysts.

## **7.6 Monetary Policy Report and Financial System Review**

Following the introduction of the Bank's new communication approach in the 1990s (see Chapter 4), in 1995, the Bank began publishing a new semi-annual publication called the *Monetary Policy Report*. If the *Annual Report* provides a broad overview of the Bank's activities in the previous year, the *Monetary Policy Report* reveals the Bank's thinking about future monetary policy and lays out what the Bank expects to come.

One former Bank employee said of the *Monetary Policy Report*, “*We viewed [it] as an important document to regularly report on monetary policy.*” The *Monetary Policy Report* quickly became the most important Bank document for sophisticated market participants and knowledgeable audiences such as policy analysts, economics professors, journalists, and commercial bank economists. Six out of seven external interviewees named the *Monetary Policy Report* as their first-to-read Bank of Canada document.

When in the late 1990s the Canadian economy was reaching its production capacity, the Bank focused on communicating more frequently about production capacity risks to its outlook through a new publication called the *Monetary Policy Update*. This was in response to a series of recent disruptions ranging from Canada's fiscal consolidation in 1994 and 1995, the Mexican crisis in 1995, the Asian Crisis of 1997, and the dot.com bubble in the late 1990s.

The next big publication was a semi-annual *Financial System Review* launched in 2002 to increase the Bank's efficiency and build better relations with the financial sector. Its aim was to familiarize the public with the potential risks, and responses to them, in the financial sector. Together with the *Annual Report* and *Monetary Policy Report*, the *Financial System Review* became an additional instrument in the Bank's toolbox to develop and strengthen the Bank's efforts to communicate its intentions to the Canadian capital markets (Nankivell, 2010, p. 99) and indirectly shape inflation expectations by bolstering the Bank's credibility as a transparent

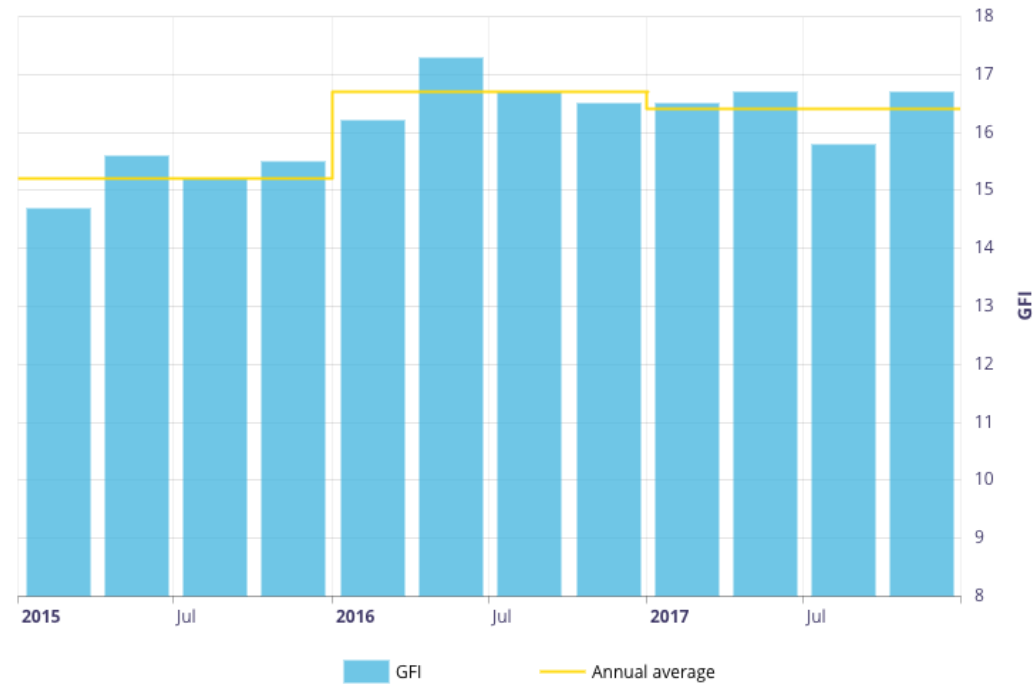
organization (Blinder et al., 2008). The new document became useful for the Bank's communications in the early 2000s, primarily because the Bank explained its strong commitment to its inflation target despite a sharp decline in the value of the Canadian dollar.

During the great financial crisis of 2008 and in the aftermath (between August 2008 and December 2010), the Bank's regular publications like the *Annual Report*, *Monetary Policy Report* and *Updates*, *Financial System Review*, and their *Reviews* played a central role. For instance, the *Monetary Policy Report* and *Financial System Review* provided Canadians and the market with a broad explanation of the crisis and outlined potential risks and potential Bank's solutions. For example, in June 2007, two months before the crisis, the *Financial System Review* described risks and warned Canadians about the upcoming financial crisis because of the US housing bubble. During and after the crisis, the *Financial System Review* became an additional source of the Bank's information, primarily for sophisticated market participants together with the *Monetary Policy Report*. Nevertheless, Canada could not avoid the consequences of the financial crisis, which ended five years of low employment rate and economic growth (Nankivell, 2010).

#### *7.6.1 Readability of the Monetary Policy Report and Financial System Review*

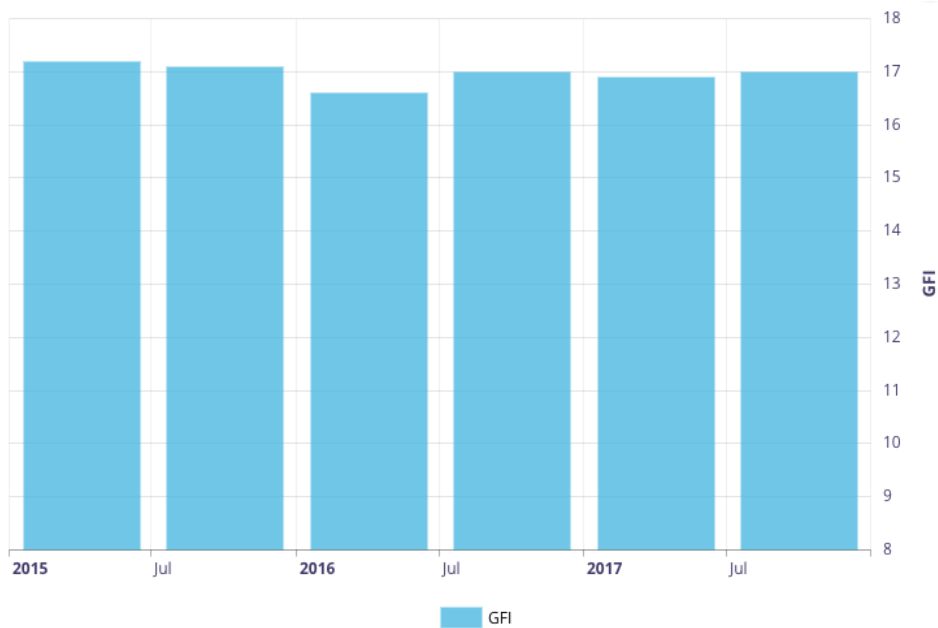
Deslongchamps (2018) checked the readability of the *Monetary Policy Report* and *Financial System Review* between 2015 and 2017 via the Gunning Fog Index. Results are presented in Figures 7-10 and 7-11. Deslongchamps' analysis (2018) shows that the *Monetary Policy Report* and *Financial System Review* received a score of 16 and 17, respectively, which means both these documents are very hard to read.

**Figure 7-10. Gunning Fog Index for the *Monetary Policy Report***



Source: Deslongchamps, A. (2018, June 27). *Readability and the Bank of Canada*. <https://doi.org/10.34989/san-2018-20>

**Figure 7-11. Gunning Fog Index for *Financial System Review***





Source: Deslongchamps, A. (2018, June 27). *Readability and the Bank of Canada*. <https://doi.org/10.34989/san-2018-20>

Clearly, it is impossible to always write about inflation, risk, and monetary policy in simple and straightforward language. Despite its high readability score, the *Monetary Policy Report* remains the most important information tool for a sophisticated audience. However, when it comes to educational products designed for less knowledgeable readers, the bank has made greater efforts to use plain language. Both the *Financial System Hub* and *The Economy, Plain and Simple* familiarize the public with how the economy works in simple terms.

### 7.7 Surveys

Together with the speeches and regular publications such as the *Annual Report*, *Monetary Policy Report*, and *Financial System Review*, the Bank has invested in surveys. Besides being tools to obtain information on the general business outlook, consumer awareness and expectations, and financial systems, these surveys help shape public expectations by reflecting back to the public the general consensus about the future path of critical economic variables (Woodford, 2005). In total, the Bank has initiated five surveys, which are listed in Table 7-2.

**Table 7-2. Bank of Canada surveys**

Survey	Year	Objective	Audience
Business Outlook Survey	1998	Scanning understanding of firm-level expectations around the future path of inflation, employment rates, and price changes	Market participants
Senior Loan Officer Survey	1999	Provides a window into the minds of lenders and what they think is the future direction of mortgage and non-mortgage interest rates (i.e., prices), and lending conditions	Market participants

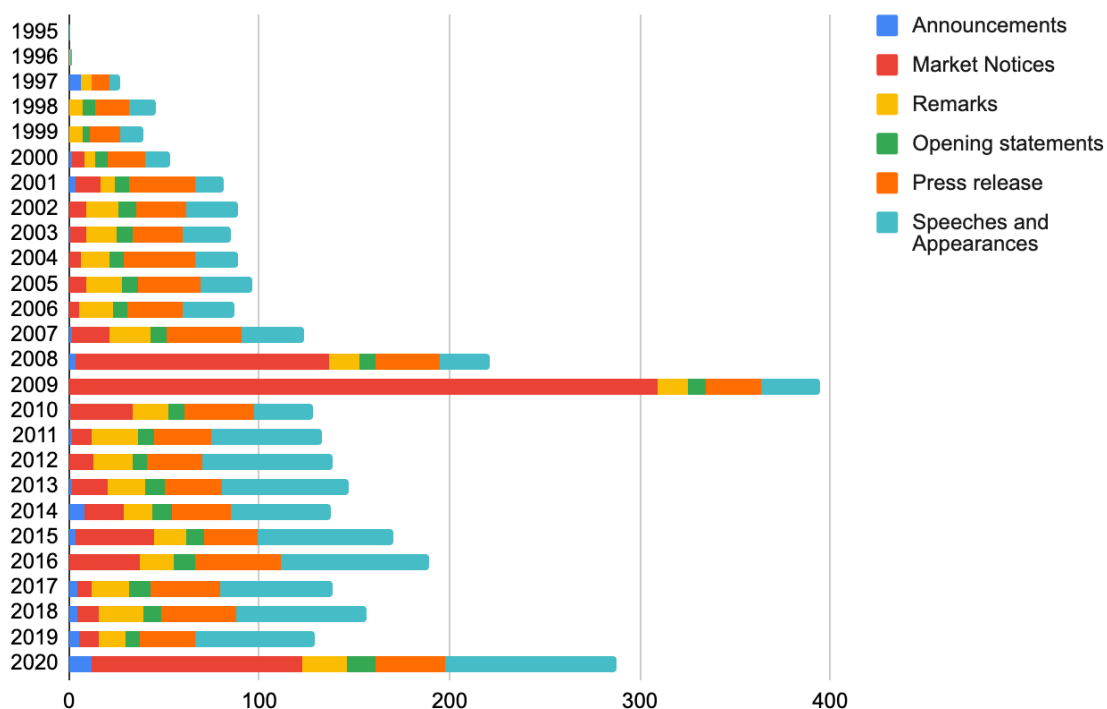
Public Awareness Survey	1999	Monitoring the public knowledge of the Bank of Canada actions	General public and market participants
Canadian Survey of Consumer Expectations	2014	Measuring short- and long-term inflation expectations, labour expectations, and household finance expectations	Canadian households
Financial System Survey	2018	Checking the influence of those, mostly non-economic and non-monetary, conditions affecting the financial market and economy	Sophisticated market participants dealing with risk management

Drawing from Portelance’s (2021) communication measurement framework, the Bank employs internal surveys to measure stakeholders' and public opinion on certain Bank events, including some Bank publications. These internal surveys can be likened to what Fairclough calls ‘simulations,’ providing the Bank with insights into the readability and approachability of the Bank's materials, along with the perception of Bank events.

**7.8. Other Central Bank Publications**

Besides the above-mentioned regular publications and speeches, the Bank has other communications, such as announcements, market notices, remarks, opening statements, press releases, speeches, and appearances. Figure 7-12 shows the volume of these instruments published from 1995 to 2020. Of note, Figure 7-12 shows an increase in communications activities coinciding with the financial crises.

**Figure 7-12. Other Central Bank communication instruments**



The Bank uses the communication instruments depicted in Figure 7-12 to navigate the market between the regular publications and FAD speeches. The market notices increased markedly from 2007 to 2009 because the Bank used them to signal to the public its measures for market liquidity support in the 2008 financial crisis. These measures included terms of Special Purchase and Resale Agreement (SPRA) and Purchase and Resale Agreements (PRA) After the increase in market notices in 2008–2009, they faded in 2010 and the following years, while press releases and public speeches held steady positions among the Bank’s communication tools over several years. Additionally, the financial crisis of 2007–2009 and growth in information products corresponded with the engagement of senior deputy governors and deputy governors in the Bank’s communications, such as speeches or media advisories.

Another innovation for regular accountability was the publication of the *Weekly Financial Statistics* between March 2012 and October 2017 and the annual *Summary of Government of Canada Direct Securities and Loans* starting in 2000. Both were particularly useful for senior economists and financial professionals who analyze benchmarks and find the

supply of government securities and other indicators of financial stability practically relevant (Gao et al., 2018). The documents provide information to help people make financial decisions based on their own analysis (Kozicki & Vardy, 2017). A2, a knowledgeable reader, said they used these documents, together with the Bank's financial statistics and balance sheets.

## **7.9. Chapter Summary**

All the Bank's publications aim to build expectations about monetary policy in different audiences. Despite having a high readability score, the *Monetary Policy Report* remains the most important information tool for a sophisticated audience. All non-Bank interviewees named the *Monetary Policy Report* as their first choice to look at among all the Bank's publications. Together with the Bank's *Annual Report*, *Financial System Review*, and speeches, the *Monetary Policy Report* transmits the Bank's communication strategy. Besides these reports and speeches, the Bank has other communication tools such as announcements, market notices, remarks, appearances, opening statements, press releases, webcasts, media advisories, and activities, all of which help the Bank remain in touch with the market. Finally, *Weekly Financial Statistics* and the annual *Summary of Government of Canada Direct Securities and Loans* provide information to help people make market-based decisions.

## **CHAPTER 8 DISCUSSION AND CONCLUSION**

### **8.1 Overview**

Responding to Glenn's call (2014) for more research on how strategic communications is used to support public policy, my research has sought to describe how the Bank of Canada's communication mechanism has evolved over time in support of its inflation targeting mandate. This chapter discusses my research findings in the context of the theoretical literature reviewed in Chapter 2. It also addresses the limitations of this research and provides some thoughts on future research that could deepen our understanding of the Bank's communications practices and how they contribute to its public policy objectives.

### **8.2 Purpose of the Study and Methodology**

This thesis has tracked the evolution of the Bank of Canada communications between 1991 and 2020 by looking at four indicators of strategic communications drawn from the strategic communication literature and, in particular, what I have called the 'critical' (Fairclough, 1995) and 'pragmatic' perspectives. It also draws on strategic communication literature and central bank scholarship. The four indicators are: (i) communications institutional initiatives; (ii) policies setting out communication strategies; (iii) human resources; and (iv) observable external output.

### **8.3 Summary of Findings and Relationship to Theory**

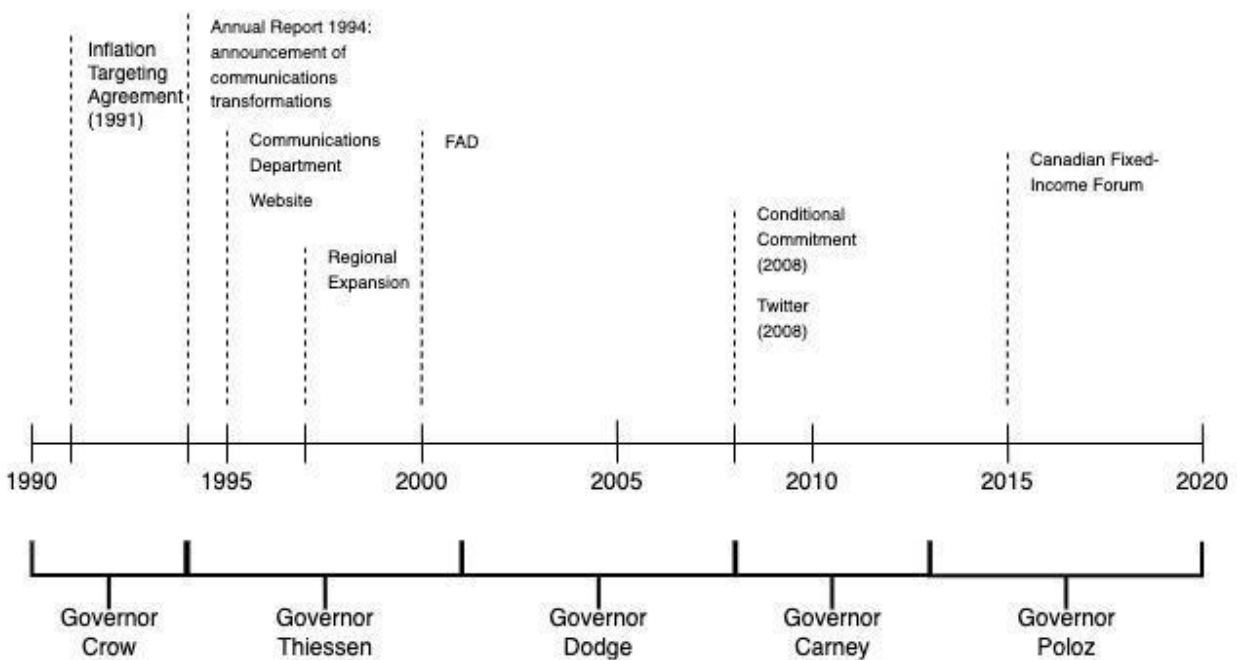
Between 1991 and 2020, the Bank developed its communication toolkit. In the 1990s, the Bank of Canada's professional communication mechanism was born and shaped thanks to the ongoing transparency trend in Canada and the rest of the world (Blinder et al., 2008; Diefenbach, 2009; Glenn, 2014; Kiss, 2014; Kozolanka, 2006; Lovari et al., 2020). The Bank has adopted seven communication-forming or communication-affecting institutional initiatives: creating the Communications Department, launching its website, developing a social media presence, expanding its regional footprint, adopting fixed announcement dates, implementing forward

guidance, and participating in the Canadian Fixed-Income Forum. Besides these seven, it has also adopted several smaller communication innovations.

### 8.3.1 Communication Institutional Initiatives (i)

Since 1995, the Bank of Canada has embarked on a series of institutional initiatives to strengthen its communication. Figure 8-1 showcases the timeline of the Bank's communication institutional initiatives, signaling a shift towards greater openness and accountability.

**Figure 8-1. Bank of Canada communication institutional initiatives**



As discussed in earlier chapters, this research uncovered seven institutional initiatives that have helped the Bank increase the transparency of its communications. Two of these—the Bank's official website and presence on other digital platforms—make the Bank's information accessible to the general public. They allow the Bank to deliver context-free (Fairclough, 1995) messages that can be understood by regular people, yet, at the same time, social media communication can be dangerous in a sense that these platforms can contribute to politicizing the Bank's role. A second initiative is the Bank's fixed announcement regime, supported by press releases, which informs the market and the public about interest rate changes. A third initiative is

regional outreach events and conferences, which have become sources for collecting information about each Canadian province and territory. Another is forward guidance, also known as conditional commitment, which has become an effective communication tool for crisis periods. Its effectiveness was demonstrated during the 2008 financial crisis. The latest communication initiative is the Canadian fixed-income forum, which has allowed the Bank to regulate the discussion about financial issues among sophisticated market participants. All these innovations have shaped the Bank’s communication network—both information transmission and information collection.

The most recent communication initiative—the publishing of the Bank’s meeting minutes beginning in January 2023—had been discussed for many years leading up to the publication of the IMF (2022) report in September 2022. Indeed, publishing the meeting minutes is a common practice among central banks (Geraats, 2005). However, a recent *Globe and Mail* article (Parkinson, 2023) argues that the Bank of Canada’s summaries are very general and do not reflect any disagreements that may have taken place at the Governing Council table:

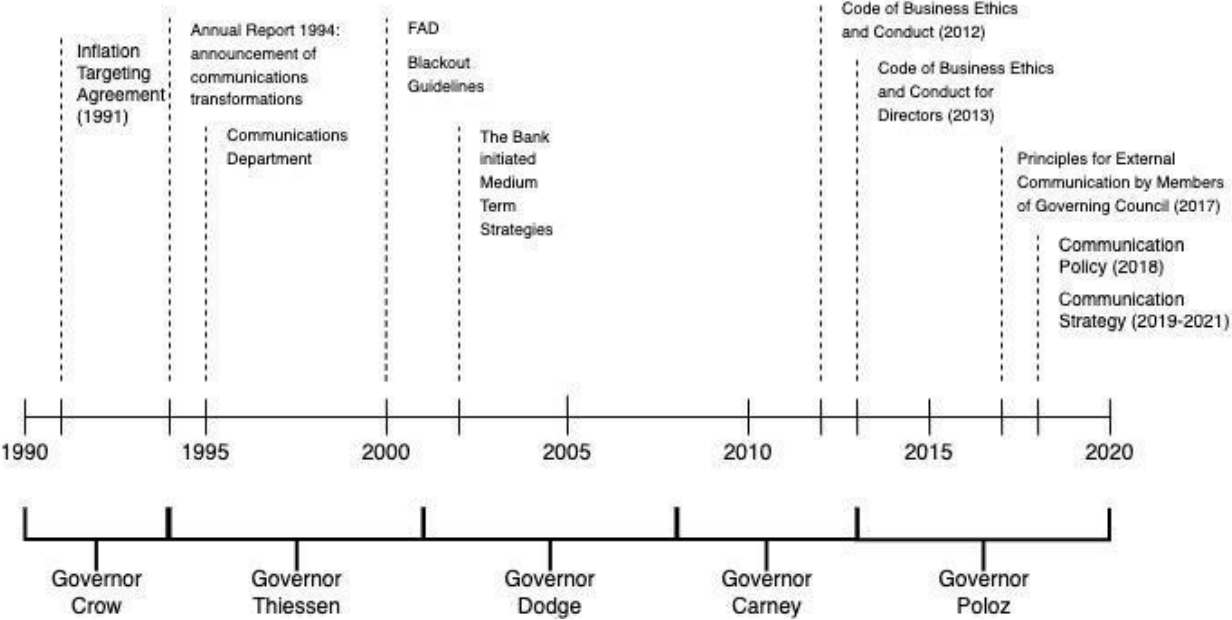
*“[The] summary merely reflects that the Governing Council naturally discussed each of the two options that remained: hold or hike. Or, that the summary has been crafted to emphasize the bank’s existing message that it’s still willing to restart rate hikes. Without further details of the discussion, it remains very open to interpretation.”*

### *8.3.2 Policies Formulating Communication Strategies (ii)*

The communication institutional initiatives discussed in this thesis were intended to modernize the Bank’s communications, making them more transparent. At the same time, the Bank followed Fairclough’s (1995) ideas on centralizing its communications at all levels and adopted communications’ policies to guide, regulate, and safeguard the Bank’s communications. Four documents underscore the centralizing tendencies at work in the Bank’s communications function: the *Communication Policy* (Bank of Canada, 2018), *Code of Business Conduct and Ethics* (2012), *Code of Business Conduct and Ethics for Directors* (2013), and the *Principles for External Communication* by Members of Governing Council. They formalized and disciplined

the Bank’s communications to avoid uncontrolled discussion of monetary policy and inflation. Paradoxically, despite the centrality of communications in the Bank’s policy objectives, communicators appear to have as much power as their counterparts elsewhere in government. All policy decision-making rests entirely with the high executive leadership, governor and the governing council at the Bank. In other words, while communications professionals sit at the table for these decisions, they are more note takers than contributors. Nevertheless, the Communications Department continues to manage all aspects of communication within the Bank. Figure 8-2 shows a timeline of the Bank's communication policies, demonstrating their gradual evolution. Most of the policies were driven by either changing economic conditions or the need for greater clarity or for centralization purposes to organize the Bank communications.

**Figure 8-2. Bank policies formulating communications**



The Bank’s latest three-year communication strategy, which is a part of *Leading in the New Era 2019–2021*, outlined key objectives such as building trust, increasing awareness, educating the public, and fostering stakeholder cooperation. By prioritizing these objectives, the Bank sought to strengthen its relationship with stakeholders, enhance public understanding of its role, and establish a solid foundation for transparent and effective communication. These communication objectives diverge significantly from the power practices (Griswold & Griswold,

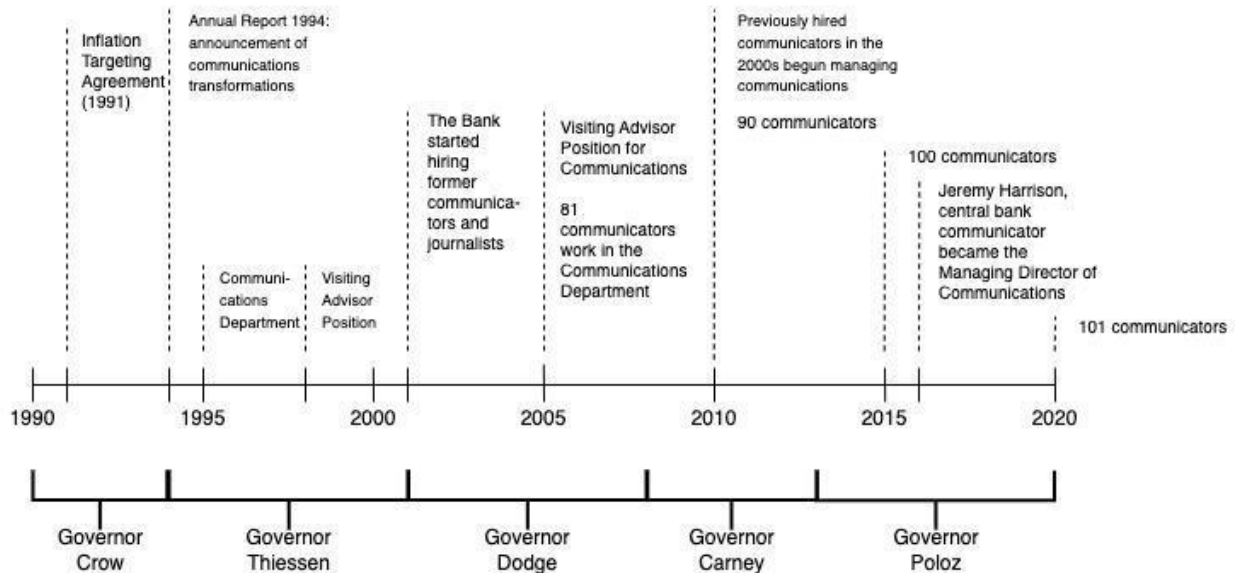


1948; Watson, 2012) that seek to present a constructed image of “natural” and “rational” perspectives to the public (Luke, 2004) in order to legitimize the Bank's actions through strategic communication. Unlike the aggressive persuasion tactics employed by propaganda, for example, the Bank’s strategic communication approach focuses on subtly nudging people’s expectations and the market’s perceptions rather than forcefully imposing specific viewpoints. By setting the agenda for the market, strategic communication allows the Bank to guide discussions with respect to its objectives while maintaining a more nuanced approach to public engagement.

### 8.3.3 Bank of Canada Human Resources (iii)

From a human resources perspective, in the 1990s, the Bank began using outside communication consultants, helping it to get a solid start on centralizing its communications. Former government communicators, journalists, and private communicators consolidated communication practices and introduced new information products. Figure 8-3 shows the Bank of Canada’s communication human resources underwent significant developments over the years and played a crucial role in shaping the institution's public outreach and engagement strategies. The provided timeline does not include the training activities, as their start dates are unclear.

**Figure 8-3. Bank’s human resource**



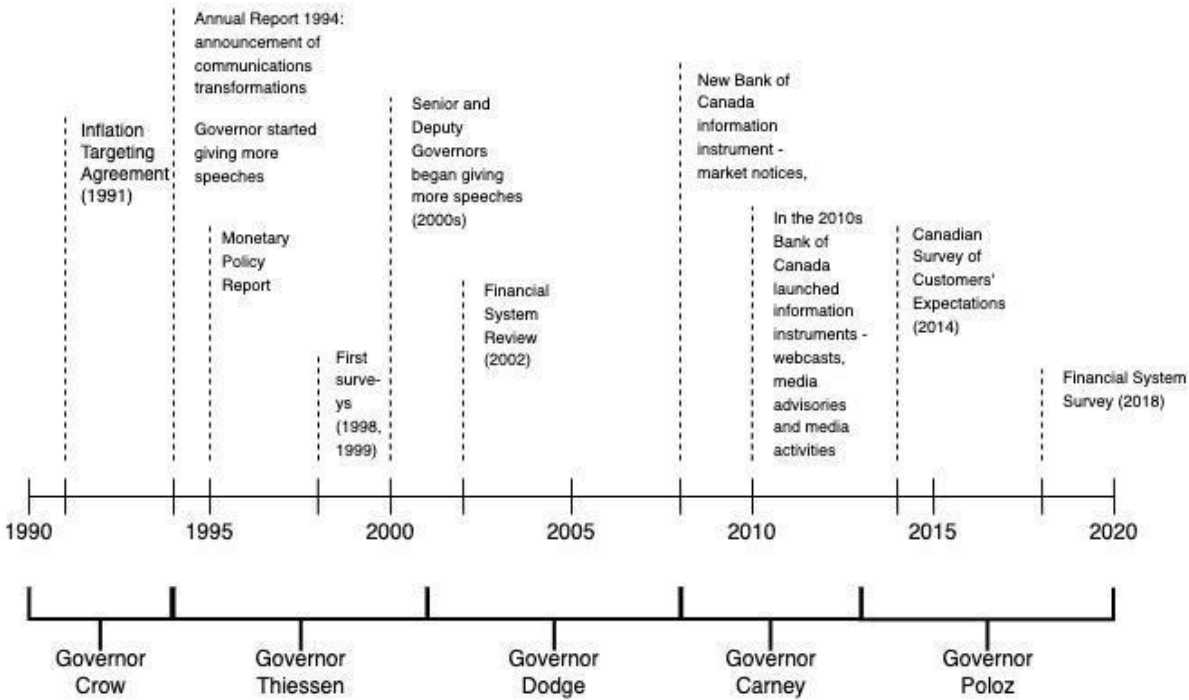
Training practices offered to communicators not only allowed the Bank to keep its communicators aware of modern communication trends but also provided best communication practices in different situations. The Bank's selection of communication personnel and training for them correlated with Fairclough's (1995) technologization of discourse—the use of strategic communication practices in an organization's work.

#### *8.3.4 Observable External Output—Central Bank Publications, Speeches, and Surveys* (iv)

The Bank of Canada's timeline below (Figure 8-4) shows the evolution of the central bank information products promoting public understanding of monetary policy through various information sources.

Between 1995 and 2020 the Bank diversified its information products and communication sources to target different knowledgeable audiences. It targeted primarily knowledgeable audiences because the reading level scores show that bank publications and speeches are difficult for unprepared audiences to read. Complex information sources—regular reports, speeches, and surveys—deliver the Bank's statements and views to the world. The increased number of speeches by members of the governing council helps sustain the notion of a consensus inside the Bank. The Bank surveys asking people about the Bank serve a dual purpose of gathering information and facilitating what Fairclough (1995) refers to as 'simulations.' Fairclough viewed simulations as practices aimed at smoothing the difference between institutional or government categories and regular everyday topics using approachable framings. By collecting feedback on the Bank's actions, the central bank's communication personnel become equipped to engage in the 'simulations,' fostering a more inclusive and relatable dialogue. Although the Bank's information and publications are largely designed for knowledgeable readers, the Bank has begun to adopt changes that make Bank texts more accessible to the public. However, the Research Department and staff research publications appear to be an attempt at self-analysis, a sort of an inner think tank in the Bank.

**Figure 8-4. Bank of Canada information transformations**



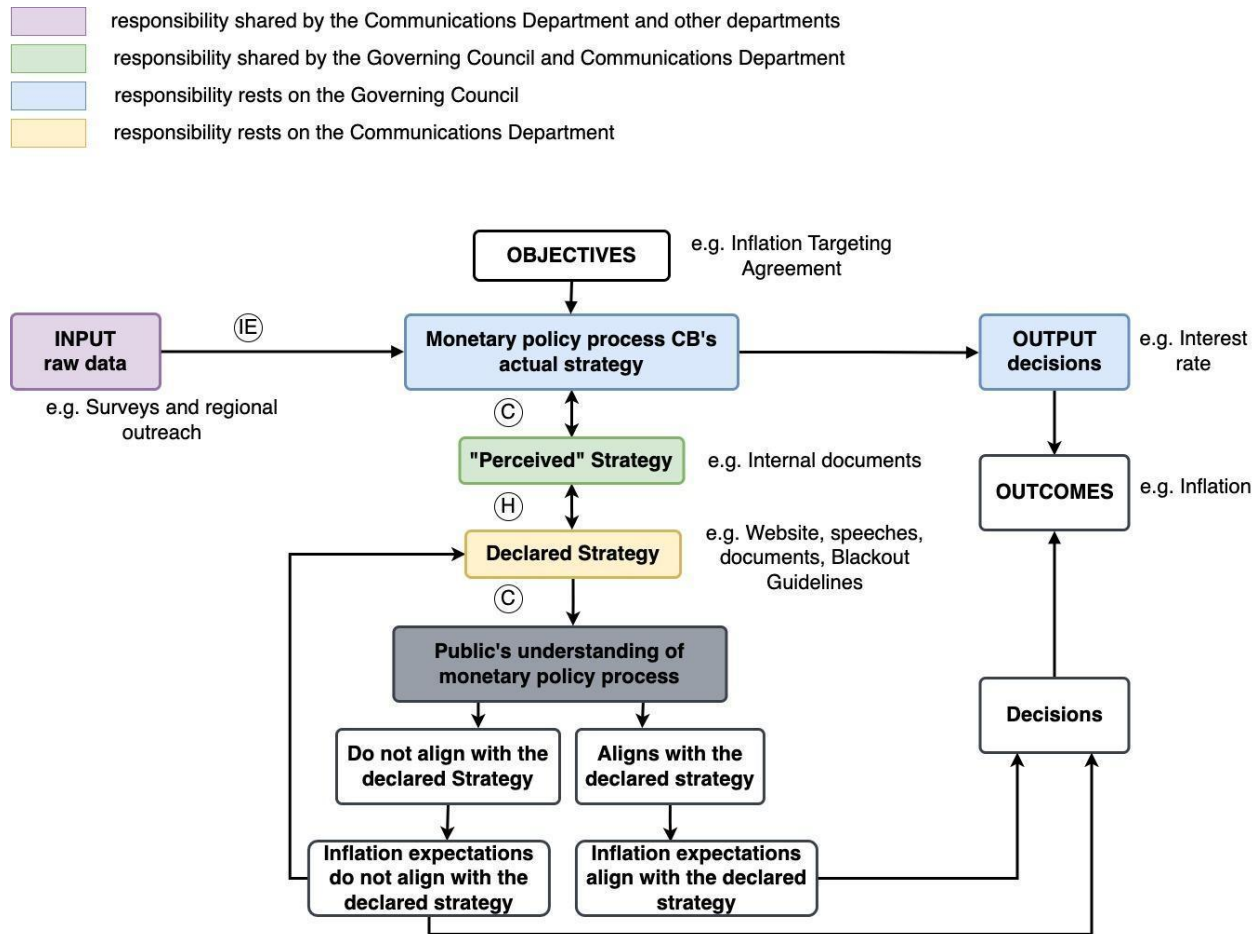
**First surveys** - Business Outlook Survey (1999), Senior Loan Officer Survey (1998), and Public Awareness Survey (1999)

### 8.3.5 Communication in the Bank of Canada Decision-Making

To illustrate the role of the Communications Department within the Bank of Canada, I have made modifications to Winkler’s model (2000) in Figure 8-5. The authority to make monetary policy decisions lies with the Governing Council, depicted by the blue boxes in Figure 8-5, which determines the Bank’s monetary policy strategy and rate decisions. As shown in Figure 8-5, the Communications Department plays a vital role in data collection for the Bank through surveys and regional outreach, as indicated by the purple box. This data serves as input into the decision-making process. Additionally, the Communications Department collaborates with the Governing Council in establishing internal communication, referred to as the “perceived” strategy. The “perceived” strategy aims to ensure consistency in communications within the Bank, avoiding contradictions with the Bank’s previous announcements. On the other hand, external communication, known as the declared strategy, is under the Communications

Department. This includes utilizing various communication instruments to effectively convey the Bank’s monetary policy plans to the public.

**Figure 8-5. Modified Winkler’s model**



IE stands for information efficiency, C for clarity, and H for honesty.

Source: Winkler, B. (2000). Which kind of transparency? On the need for clarity in monetary policy-making. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.355587>

The ‘public understanding of monetary policy process’ serves as a benchmark for evaluating the effectiveness of the Bank of Canada’s external communications, communication strategies and objectives that include building trust, enhancing public awareness of the Bank’s role, policies, and actions, promoting a deeper understanding of the Bank among the public, and fostering stronger stakeholder engagement in the Bank’s initiatives (Portelance, 2021).

Depending on the clarity and effectiveness of these communications, the public's understanding of monetary policy can either be aligned or misaligned with the Bank's declared and "perceived" strategies. Consequently, these differing perceptions shape inflation expectations and influence decision-making processes and outcomes. In cases where communications output has led to misalignment between the Bank's objectives and the public's perception of the Bank's strategy, the Communications Department takes the necessary measures to review and adjust its efforts, ultimately impacting inflation expectations and outcomes in the right direction.

#### **8.4 Policy Implications**

The findings of this study show that strategic communications serves as a bridge linking the institution and the public. If it is done well, it can also be a tool for policy effectiveness. But, in times of crisis, even well-functioning communications mechanisms can face challenges, like the Bank did at the beginning of and during the COVID-19 pandemic. At that time, the Bank announced the Government Bond Purchasing Program as a tool to finance government payments to the public, increasing government debt by purchasing government, provincial, and corporate bonds to keep the yields low and to give some confidence to the economy. From fall 2020 to the end of 2021, the media focused on the Bank and criticized its use of quantitative easing via the Government Bond Purchasing Program (Argitis, 2020; Argitis & Bolongaro, 2020; Balakrishnan, 2020; Hagan, 2020; The Canadian Press, 2022; V. Koepl & Kronick, 2020). Also the Bank's communication aimed at building expectations was in the epicentre of criticism from academics (Rudd, 2021) and from Pierre Poilievre (2020), the Head of Conservative Party and the former Shadow Minister of Finance (2019–2021).

Despite a certain level of criticism, the interviewed journalists understood the Bank's objectives and need for the Government Bond Purchasing Program. Still, they pointed out misunderstandings that occurred because the Bank's messages were not as clear as they expected them to be and confused people about the program. On the other hand, the interviewed senior economists asserted that the Bank had succeeded in communicating the objectives of the program fairly well. The interviewees commented on the Bank's recent communication on inflation, with several claiming that the Bank rightly acknowledged the reasons for the rapid

inflation: too much stimulus and a faster economic recovery than expected. Getting the timing right for this communication outweighs the precision of the message in times of crisis.

Indeed, when it comes to public institutions, there are inherent limits to transparency. While it is easy to be straightforward in times of stability, uncertainties challenge this approach. The Bank of Canada found itself in the midst of political debates after 30 years. With the pandemic in 2020, the Bank faced a difficult situation and, whatever it did, criticism was bound to follow. During the pandemic, the Bank's credibility and independence was indeed called into question. Was it too transparent? Would more ambiguous messages have generated less criticism? There is no doubt that, under normal conditions, transparent central bank communication benefits the economy and helps the central banks lead the market in the right direction. Interestingly, the Bank's vague and ambiguous approach emerged as a potential alternative strategy. The interviewed senior economists pointed out that the Bank sometimes is too explicit during uncertain times. They suggested that a certain level of ambiguity regarding its intentions and situations would be more effective when the Bank is not sure about the future. For communications to be effective, the situation, occasion, and timing should be strongly considered. Depending on these factors, the resulting communication strategy might be either transparent or constructively ambiguous.

To address the issue, I would suggest that the Bank create more educational videos about how money appears and functions in the economy and which communication instruments the Bank uses at different times. The Bank can use its social media sources to spread these educational products and create other interdependent relations between its Twitter page and official website.

## **8.5 Research Limitations**

This research has analyzed the Bank of Canada's communication mechanism based on the literature on central banks, the work of strategic communication scholars, interviews with current and former Bank employees, economists, and journalists, and readability scores. The research had several limitations. First, since this research addressed only the Bank of Canada, the findings cannot be extrapolated to other central banks. Second, only 11 interviews with sophisticated market participants were conducted. To undertake a broader analysis of the Bank's

strategic communications function, it would be useful to expand the range of targeted interviewees to include business, citizens, firms and regular people. Third, there were limitations in the way readability scores were used in this research. I used only to analyze the opening parts of the *Annual Reports*. The readability scores for speeches, the *Monetary Policy Report*, and *Financial System Review* were sent to me by the Bank.

## **8.6 Future Research**

This study answers one of Glenn’s (2014) research questions—“[For] *what purpose* [is] (communication) ... *used, or* [how] *have details of* ... *communications activities* ... [been] *managed and administered*” (Glenn, 2014, p. 4)—and shows the evolution and use of communications at the Bank of Canada, which is independent from the Canadian government. This thesis provides a foundation for future studies that could deepen and expand my analysis. First, future studies could measure how the Bank’s documents program expectations more precisely using text-as-data methods to classify texts based on their transparency or ambiguity. Second, scholars could critically analyze Bank of Canada texts—rather than treat them as artifacts to be observed and counted as this study has done—to better grasp the exercise of power, if any, through the Bank’s communications output. Third, a study comparing the communication strategy of Canada’s Bank with other central banks could shed light on the Bank of Canada’s practices and strategies. Fourth, the effectiveness of the Bank of Canada texts could be studied through large surveys with different objectives, as they would reveal the Bank information products that have the most impact on people’s thinking about the economy. In other words, which communication outputs most shape readers’ expectations? Finally, qualitative research on how the market and sophisticated market participants view the Bank’s policy and communication during crises (e.g., the COVID-19 pandemic or the Russo-Ukrainian war) would develop greater understanding of how outsiders perceive the Bank.

## **8.7 Conclusion**

This thesis sought to analyze the evolution of the Bank of Canada’s communications from 1991 to 2020 by looking at four features of this communication: communication

institutional initiatives, communication policies, communication personnel and training, and Bank publications. Through 11 interviews with past and current Bank employees, economists, and journalists and document analysis, I discovered that the Bank's communications changed significantly in this almost 30-year span: Communications became more frequent and numerous, and a centralized communications department, established in 1995, professionalized communication mechanisms, developed an online presence for Bank speeches and documents, ensured that Bank employees stayed on message, and strived to achieve more transparent and accessible communications. At the same time, my document analysis revealed the complex character of the regular Bank publications and speeches, which target a professional audience. The Bank has made some small, positive changes in making its texts more readable, regardless of the complicated nature of monetary policy. Overall, I found that the Bank of Canada communication is strategic and aims to contribute to the Bank's objective. Simultaneously, the Bank is trying to fulfill its commitment to transparency and accountability. The ideas for future research enumerated in this chapter could confirm the findings of this research and deepen insight into the Bank's communications practices and strategies.



## REFERENCES

- Access to Information Act*. (1985). <https://laws-lois.justice.gc.ca/eng/acts/A-1/>
- Alas, A. N., Bergman, J., Dunivan, G. C., Rashid, R., Morrisroe, S. N., Rogers, R. G., & Anger, J. T. (2013). Readability of Common Health-Related Quality-of-Life Instruments in Female Pelvic Medicine. *Female Pelvic Medicine & Reconstructive Surgery*, 19(5), 293–297. <https://doi.org/10.1097/SPV.0b013e31828ab3e2>
- Amato, J. D., Morris, S., & Shin, H. S. (2002). Communication and Monetary Policy. *Oxford Review of Economic Policy*, 18(4), 495–503. <https://doi.org/10.1093/oxrep/18.4.495>
- Argitis, T. (2020, October 26). Bank of Canada already pushing limits of domestic bond market. *Bloomberg News*. <https://www.bnnbloomberg.ca/bank-of-canada-already-pushing-limits-of-domestic-bond-market-1.1513097>
- Argitis, T., & Bolongaro, K. (2020, October 15). Bank of Canada Becoming ‘ATM for Trudeau,’ Conservatives Caution. *Bloomberg News*. <https://www.bloomberg.com/news/articles/2020-10-15/bank-of-canada-becoming-atm-for-trudeau-conservatives-warn>
- Asset-Backed Commercial Paper (ABCP): Definition and Uses*. (n.d.). Investopedia. Retrieved April 27, 2023, from [https://www.investopedia.com/terms/a/asset\\_backed\\_commercial\\_paper.asp](https://www.investopedia.com/terms/a/asset_backed_commercial_paper.asp)
- Balakrishnan, A. (2020, December 10). Bond-buying program faces misconceptions, BoC says. *Canadian Press*. <https://www.investmentexecutive.com/news/research-and-markets/boc-bond-buying-program-faces-misconceptions/>

Bank of Canada. (n.d.). *Publications*. Retrieved May 6, 2023, from <https://www.bankofcanada.ca/publications/browse/>

Bank of Canada. (1991). *Bank of Canada Review*.

Bank of Canada. (1994). *Annual Report 1994*. Bank of Canada.

Bank of Canada. (1996). *Annual Report 1996*. Bank of Canada.

Bank of Canada. (1997). *Annual Report 1997*. Bank of Canada.

Bank of Canada. (1998, February 24). *Inflation-Control Targets Extended*. <https://www.bankofcanada.ca/1998/02/inflation-control-targets-extended/>

Bank of Canada. (1999). *Annual Report 1999*. Bank of Canada.

Bank of Canada. (2000). *Annual Report 2000*. Bank of Canada.

Bank of Canada. (2001). *Annual Report 2001*. Bank of Canada.

Bank of Canada. (2002). *Annual Report 2002*. Bank of Canada.

Bank of Canada. (2005). *Annual Report*. Bank of Canada.

Bank of Canada. (2006). *Annual Report 2006*. Bank of Canada.

Bank of Canada. (2007). *Annual Report 2007*. Bank of Canada.

Bank of Canada. (2008). *Annual Report 2008*. Bank of Canada.

Bank of Canada. (2009). *Annual Report 2009*. Bank of Canada.

Bank of Canada. (2012). *Code of Business Conduct and Ethics*. Bank of Canada. <https://www.bankofcanada.ca/wp-content/uploads/2018/07/code-business-conduct-ethics.pdf>

Bank of Canada. (2013). *Code of Business Conduct and Ethics for Directors*. Bank of Canada. <https://www.bankofcanada.ca/wp-content/uploads/2018/07/Code-of-Conduct-for-Directors.pdf>

Bank of Canada. (2014). *Annual Report 2014*. Bank of Canada.

Bank of Canada. (2017). *Principles for External Communication by Members of Governing Council*.

<https://www.bankofcanada.ca/about/governance-documents/principles-external-communication-members-governing-council/>

Bank of Canada. (2018a). *Annual Report 2018*. Bank of Canada.

Bank of Canada. (2018b). *Communication Policy*.

Baxter, P., & Jack, S. (2015). Qualitative Case Study Methodology: Study Design and Implementation for Novice Researchers. *The Qualitative Report*.  
<https://doi.org/10.46743/2160-3715/2008.1573>

*Blackout Guidelines*. (2000).

<https://www.bankofcanada.ca/core-functions/monetary-policy/key-interest-rate/blackout-guidelines/>

Blinder, A. S. (1998). *Central banking in theory and practice* (1. MIT Press paperback ed). MIT 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.

Bogert, J. (1985). In Defense of the Fog Index. *The Bulletin of the Association for Business Communication*, 48(2), 9–12. <https://doi.org/10.1177/108056998504800203>

Bouey, G. K. (1982). *Monetary policy: Finding a place to stand*. Per Jacobsson Foundation.

Boutilier, A. (2020, October 15). Conservative MP warns the Bank of Canada risks becoming too political. Not likely, experts say. *Toronto Star*.

- <https://www.thestar.com/politics/federal/2020/10/15/conservative-mp-says-the-bank-of-canada-is-becoming-too-political-experts-call-that-really-hard-to-believe.html>
- Bowen, G. A. (2009). Document Analysis as a Qualitative Research Method. *Qualitative Research Journal*, 9(2), 27–40. <https://doi.org/10.3316/QRJ0902027>
- Canadian Fixed-Income Forum*. (n.d.). Retrieved July 21, 2022, from <https://www.bankofcanada.ca/markets/canadian-fixed-income-forum/>
- Communication Canada. (n.d.). *Communication Canada: 2003-2004 Estimates. Part III - Report on Plans and Priorities*. Communication Canada. [https://publications.gc.ca/collections/collection\\_2015/tpsgc-pwgsc/PF1-3-2003-eng.pdf](https://publications.gc.ca/collections/collection_2015/tpsgc-pwgsc/PF1-3-2003-eng.pdf)
- Corbin, J., & Strauss, A. (2008). *Basics of Qualitative Research (3rd ed.): Techniques and Procedures for Developing Grounded Theory*. SAGE Publications, Inc. <https://doi.org/10.4135/9781452230153>
- Cosmides, L., & Tooby, J. (1989). Evolutionary psychology and the generation of culture, part II: Case study: A computational theory of social exchange. *Ethology and Sociobiology*, 10(1), 51–97. [https://doi.org/10.1016/0162-3095\(89\)90013-7](https://doi.org/10.1016/0162-3095(89)90013-7)
- Cukierman, A. (2008). *The Limits of Transparency* (SSRN Scholarly Paper ID 1284903). Social Science Research Network. <https://papers.ssrn.com/abstract=1284903>
- Cukierman, A., & Meltzer, A. H. (1986). A Theory of Ambiguity, Credibility, and Inflation under Discretion and Asymmetric Information. *Econometrica*, 54(5), 1099–1128. <https://doi.org/10.2307/1912324>
- Deslongchamps, A. (2018, June 27). *Readability and the Bank of Canada*. <https://doi.org/10.34989/san-2018-20>
- Diefenbach, T. (2009). NEW PUBLIC MANAGEMENT IN PUBLIC SECTOR

- ORGANIZATIONS: THE DARK SIDES OF MANAGERIALISTIC  
 ‘ENLIGHTENMENT.’ *Public Administration*, 87(4), 892–909.  
<https://doi.org/10.1111/j.1467-9299.2009.01766.x>
- Dodge, D. (2002, January 28). *Challenges and Changes in an Eventful Year*.  
<https://www.bankofcanada.ca/2002/01/challenges-and-changes-eventful-year/>
- DuBay, W. H. (2004, August 25). *The Principles of Readability*.  
<https://www.semanticscholar.org/paper/The-Principles-of-Readability.-DuBay/64fb9efc620af549ed9d78fe6998f3f23533cac1>
- Eades, B. (2001). *www.bankofcanada.ca—The Bank on the World Wide Web*.  
<https://www.bankofcanada.ca/wp-content/uploads/2010/06/brente.pdf>
- Eijffinger, S. C. W., & Nijskens, R. (2012). A Dynamic Analysis of Bank Bailouts and  
 Constructive Ambiguity. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2118439>
- Emerson, R. M. (1962). Power-Dependence Relations. *American Sociological Review*, 27(1),  
 31–41. <https://doi.org/10.2307/2089716>
- Employment and Social Development. (2016, May 12). *Policy on Communications and Federal  
 Identity and Directive on the Management of Communications* [Backgrounders].  
<https://www.canada.ca/en/treasury-board-secretariat/news/2016/05/policy-on-communications-and-federal-identity-and-directive-on-the-management-of-communications.html>
- Enoch, C. (1997). *Transparency and Ambiguity in Central Bank Safety Net Operations*.  
<https://doi.org/10.5089/9781451930115.001>
- Fairclough, N. (1995). *Critical discourse analysis: The critical study of language*. Longman.
- Falkheimer, J. (2014). The power of strategic communication in organizational development.  
*International Journal of Quality and Service Sciences*, 6(2/3), 124–133.

<https://doi.org/10.1108/IJQSS-01-2014-0007>

Falkheimer, J., & Heide, M. (2018). *Strategic Communication: An Introduction*. Routledge.

Ferguson, S. D. (1993). Strategic Planning for Issues Management: The Communicator as Environmental Analyst. *Canadian Journal of Communication*, 18(1).  
<https://doi.org/10.22230/cjc.1993v18n1a716>

Ferrara, F. M., & Angino, S. (2022). Does clarity make central banks more engaging? Lessons from ECB communications. *European Journal of Political Economy*, 74, 102146.  
<https://doi.org/10.1016/j.ejpoleco.2021.102146>

*Financial System Hub*. (n.d.). Retrieved May 9, 2023, from  
<https://www.bankofcanada.ca/core-functions/financial-system/financial-system-hub/>

*Flesch Reading Ease and the Flesch Kincaid Grade Level*. (n.d.). Readable. Retrieved May 9, 2023, from  
<https://readable.com/readability/flesch-reading-ease-flesch-kincaid-grade-level/>

Fountain, J. (2001). *Building the virtual state: Information technology and institutional change*.  
[https://www.academia.edu/646758/Building\\_the\\_virtual\\_state\\_Information\\_technology\\_and\\_institutional\\_change](https://www.academia.edu/646758/Building_the_virtual_state_Information_technology_and_institutional_change)

Frandsen, F., & Johansen, W. (2017). Strategic Communication. In *The International Encyclopedia of Organizational Communication* (pp. 1–9). American Cancer Society.  
<https://doi.org/10.1002/9781118955567.wbieoc194>

Fry, M. J., Julius, D., Mahadeva, L., Roger, S., & Sterne, G. (2000). Key issues in the choice of monetary policy framework. *Monetary Policy Frameworks in a Global Context*.

Gao, J., Rivadeneyra, F., & Rondon, G. R. (2018). *The Government of Canada Debt Securities Data Set* (No. 112; Technical Reports). Bank of Canada.

- <https://ideas.repec.org/p/bca/bocatr/112.html>
- Geraats, P. (2005). Transparency of Monetary Policy: Theory and Practice. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.869207>
- Gerring, J. (2004). What Is a Case Study and What Is It Good for? *The American Political Science Review*, 98(2), 341–354.
- Glenn, T. (2014). The management and administration of government communications in Canada. *Canadian Public Administration*, 57(1), 3–25. <https://doi.org/10.1111/capa.12057>
- Government of Canada. (2018, February 28). *Communications Community Office* [Navigation page]. <https://www.canada.ca/en/privy-council/services/communications-community-office.html>
- Government of Canada, P. S. and P. C. (2002, July 1). *Communications: BT52-6/4 - Government of Canada Publications* - [Canada.ca](https://publications.gc.ca/site/eng/9.518390/publication.html). <https://publications.gc.ca/site/eng/9.518390/publication.html>
- Gramsci, A., Hoare, Q., & Nowell-Smith, G. (2007). *Selections from the prison notebooks of Antonio Gramsci* (Reprinted). Lawrence and Wishart.
- Greider, W. (1989). *Secrets of the temple: How the Federal Reserve runs the country* (1st Touchstone ed). Simon & Schuster.
- Griswold, G., & Griswold, D. (1948). *Your public relations*. New York: Funk and Wagnalls.
- Hagan, S. (2020, November 26). Bank of Canada chief defends bond purchases from political attacks. *Bloomberg News*. <https://www.bnnbloomberg.ca/bank-of-canada-chief-defends-bond-purchases-from-political-attacks-1.1528294>

- Haldane, A. G. (2018). *Climbing the Public Engagement Ladder*. Bank of England.  
<https://www.bankofengland.co.uk/-/media/boe/files/speech/2018/climbing-the-public-engagement-ladder.pdf>
- Haldane, A., & McMahon, M. (2018). Central Bank Communications and the General Public. *AEA Papers and Proceedings*, 108, 578–583. <https://doi.org/10.1257/pandp.20181082>
- Hallahan, K., Holtzhausen, D., van Ruler, B., Verčič, D., & Sriramesh, K. (2007). Defining Strategic Communication. *International Journal of Strategic Communication*, 1(1), 3–35.  
<https://doi.org/10.1080/15531180701285244>
- Hancock, D. R., Algozzine, B., & Lim, J. H. (2021). *Doing Case Study Research: A Practical Guide for Beginning Researchers*. Teachers College Press.
- Heide, M., Platen, S. von, Simonsson, C., & Falkheimer, J. (2018). Expanding the Scope of Strategic Communication: Towards a Holistic Understanding of Organizational Complexity. *International Journal of Strategic Communication*, 12(4), 452–468.  
<https://doi.org/10.1080/1553118X.2018.1456434>
- Holtzhausen, D., & Zerfass, A. (2014). *The Strategic Turn in Communication Science*. Routledge Handbooks Online. <https://doi.org/10.4324/9780203094440.ch3>
- IMF. (2022). *Canada: Central Bank Transparency Code Review* (No. 22/318; p. 100). IMF.  
<https://www.imf.org/en/Publications/CR/Issues/2022/09/27/Canada-Central-Bank-Transparency-Code-Review-523935>
- Issing, O. (2019). *The Long Journey of Central Bank Communication*.
- Jansen, D.-J. (2011). Does the Clarity of Central Bank Communication Affect Volatility in Financial Markets? Evidence from Humphrey-Hawkins Testimonies. *Contemporary Economic Policy*, 29(4), 494–509. <https://doi.org/10.1111/j.1465-7287.2010.00238.x>



- Jenkins, P. (2004). Communication: A Vital Tool in the Implementation of Monetary Policy. *Bank of Canada Review Spring 2005*, 59–64.
- Jenkins, P. (2007, October 20). *Modern Central Banking: A Canadian Perspective*. <https://www.bankofcanada.ca/2007/10/modern-central-banking-canadian-perspective/>
- Kaarbo, J., & Beasley, R. K. (1999). A Practical Guide to the Comparative Case Study Method in Political Psychology. *Political Psychology*, 20(2), 369–391. <https://doi.org/10.1111/0162-895X.00149>
- Kirby, J. (2019, March 12). What 25 Canadian websites looked like when they launched. *Macleans.Ca*. <https://www.macleans.ca/economy/business/how-25-canadian-websites-looked-in-the-internets-early-days/>
- Kiss, S. J. (2014). Responding to the “New Public”: The arrival of strategic communications and managed participation in Alberta. *Canadian Public Administration*, 57(1), 26–48. <https://doi.org/10.1111/capa.12053>
- Knobe, J. (2006). The Concept of Intentional Action: A Case Study in the Uses of Folk Psychology. *Philosophical Studies*, 130(2), 203–231. <https://doi.org/10.1007/s11098-004-4510-0>
- Kozicki, S., & Vardy, J. (2017). Communicating Uncertainty in Monetary Policy. *The Bank of Canada*. <https://doi.org/10.34989/sdp-2017-14>
- Kozolanka, K. (2006). *The Sponsorship Scandal as Communication: The Rise of Politicized and Strategic Communications in the Federal Government*. <https://doi.org/10.22230/CJC.2006V31N2A1745>
- Legislative Services Branch. (2020, January 31). *Consolidated federal laws of Canada, Bank of*

*Canada Act*. <https://laws-lois.justice.gc.ca/eng/acts/b-2/>

- Likely, F. (2013). Managing strategically: Canadian federal government communication branches evaluated against five of the Generic Principles of Public Relations. *Journal of Professional Communication*, 3(1). <https://doi.org/10.15173/jpc.v3i1.142>
- Little, B. (2002, April 25). Central bank's rate plans reach transparency. *The Globe and Mail*. <https://www.theglobeandmail.com/report-on-business/central-banks-rate-plans-reach-transparency/article754301/>
- Lovari, A., D'Ambrosi, L., & Bowen, S. A. (2020). *Re-Connecting Voices. The (New) Strategic Role of Public Sector Communication After Covid-19 Crisis* [Data set]. University of Salento. <https://doi.org/10.1285/I20356609V13I2P970>
- Lukes, S. (2004). *Power: A radical view* (2nd ed). Palgrave Macmillan.
- Montes, G. C., & Nicolay, R. T. F. (2017). Does clarity of central bank communication affect credibility? Evidences considering governor-specific effects. *Applied Economics*, 49(32), 3163–3180. <https://doi.org/10.1080/00036846.2016.1254346>
- Montes, G. C., Oliveira, L. V., Curi, A., & Nicolay, R. T. F. (2016). Effects of transparency, monetary policy signalling and clarity of central bank communication on disagreement about inflation expectations. *Applied Economics*, 48(7), 590–607. <https://doi.org/10.1080/00036846.2015.1083091>
- Mostwin, D. (1993). Thomas and Znaniecki's "The Polish Peasant in Europe and America": Survival of the Book. *Polish American Studies*, 50(1), 75–84.
- Nankivell, N. (2010). *By all accounts: Outside perspectives on the Bank of Canada*. Bank of Canada = Banque du Canada. [https://www.bankofcanada.ca/wp-content/uploads/2010/07/by\\_all\\_accounts.pdf](https://www.bankofcanada.ca/wp-content/uploads/2010/07/by_all_accounts.pdf)

- Neustadt, R. E., & Fineberg, H. V. (1978). *The Swine Flu Affair: Decision-Making on a Slippery Disease*. National Academies Press (US).  
<http://www.ncbi.nlm.nih.gov/books/NBK219606/>
- Oltmanns, T. F., Martin, M. T., & Neale, J. M. (2011). *Case Studies in Abnormal Psychology*. John Wiley & Sons.
- Parent, N., Munro, P., & Parker, R. (2003). An Evaluation of Fixed Announcement Dates. *Bank of Canada Review*, 2003(Autumn), 3–11.
- Parkinson, D. (2020). Whatever we may think of modern monetary theory, its day in the sun has arrived. *The Globe and Mail*.  
<https://www.theglobeandmail.com/business/article-whatever-we-may-think-of-modern-monetary-theory-its-day-in-the-sun-has/>
- Parkinson, D. (2022, February 14). Opinion: Conservative private member's bill takes Bank of Canada attacks to next level. *The Globe and Mail*.  
<https://www.theglobeandmail.com/business/commentary/article-conservative-private-members-bill-takes-bank-of-canada-attacks-to-next/>
- Paulin, G. (2000). The Changing Face of Central Banking in the 1990s. *Undefined*.  
<https://www.semanticscholar.org/paper/The-Changing-Face-of-Central-Banking-in-the-1990s-Paulin/23f4d93dce48970973234e40215c40cd2270301d>
- Pigeon, M. A. J. (2009). *Conflict, consensus, convention: The depoliticization of Canada's macroeconomic discourse* [Text, Carleton University].  
<https://curve.carleton.ca/16426d90-3d84-4101-8c0d-766f48fccd78>
- Poilievre, P. (2020, December 9). Pierre Poilievre: It's time to move beyond Canada's credit-card economy. *National Post*.

[https://www.standard-freeholder.com/opinion/pierre-poilievre-its-time-to-move-beyond-c-anadas-credit-card-economy/wcm/9ac2acc1-5d59-4c3a-be56-bc5309806454?video\\_auto\\_play=true](https://www.standard-freeholder.com/opinion/pierre-poilievre-its-time-to-move-beyond-c-anadas-credit-card-economy/wcm/9ac2acc1-5d59-4c3a-be56-bc5309806454?video_auto_play=true)

Portelance, A. (2021). *Measuring and Evaluating Strategic Communications at the Bank of Canada*. The Bank of Canada.

<https://www.bankofcanada.ca/wp-content/uploads/2021/06/sdp2021-9.pdf>

*Privacy Act*. (1985). <https://laws-lois.justice.gc.ca/eng/acts/p-21/fulltext.html>

Privy Council Office. (2018, February 28). *Communications Community Office* [Navigation page].

<https://www.canada.ca/en/privy-council/services/communications-community-office.html>

Rashid, Y., Rashid, A., Warraich, M. A., Sabir, S. S., & Waseem, A. (2019). Case Study Method: A Step-by-Step Guide for Business Researchers. *International Journal of Qualitative Methods*, 18, 160940691986242. <https://doi.org/10.1177/1609406919862424>

Rudd, J. B. (2021). *Why Do We Think That Inflation Expectations Matter for Inflation? (And Should We?)*.

<https://www.federalreserve.gov/econres/feds/why-do-we-think-that-inflation-expectations-matter-for-Inflation-and-should-we.htm>

Russell, E. (2010). The Case for Constructive Ambiguity in a Regulated System: Canadian Banks and the “Too Big To Fail” Problem. *Political Economy Research Institute of University of Massachusetts Amherst*, 14.

Savoie, D. (2022). *Governing from the Centre: The Concentration of Power in Canadian Politics*. University of Toronto Press.

Siklos, P. L. (2003). Assessing the Impact of Changes in Transparency and Accountability at the

- Bank of Canada. *Canadian Public Policy*, 29(3), 279–299.
- Siklos, P. L., Amand, S. St., & Wajda, J. (2018). The Evolving Scope and Content of Central Bank Speeches. *CIGI Papers* No. 202. [https://www.cigionline.org/static/documents/documents/Paper%20No.202web\\_0.pdf](https://www.cigionline.org/static/documents/documents/Paper%20No.202web_0.pdf)
- Smales, L. A., & Apergis, N. (2017). Does more complex language in FOMC decisions impact financial markets? *Journal of International Financial Markets, Institutions and Money*, 51, 171–189. <https://doi.org/10.1016/j.intfin.2017.08.003>
- Stake, R. E. (2006). *Multiple case study analysis*. The Guilford Press.
- Taylor, S. (2022, September 1). Pierre Poilievre promises new law against government jargon. *The Globe and Mail*. <https://www.theglobeandmail.com/politics/article-pierre-poilievre-promises-new-law-against-government-jargon/>
- The Canadian Press. (2022, August 31). *Bank of Canada refutes “printing money” misinformation on Twitter* | CBC News. CBC. <https://www.cbc.ca/news/business/bank-canada-twitter-printing-money-1.6568466>
- The Economy, Plain and Simple*. (n.d.). Retrieved May 9, 2023, from <https://www.bankofcanada.ca/publications/the-economy-plain-and-simple/>
- Thiessen, G. (2000a). *Accountability and Transparency in Canada’s Monetary Policy*. <https://www.bankofcanada.ca/2000/01/accountability-transparency-canadas-monetary-policy/>
- Thiessen, G. (2000b, October 17). *Can a Bank Change? The Evolution of Monetary Policy at the Bank of Canada 1935–2000*. <https://www.bankofcanada.ca/2000/10/can-a-bank-change/>
- Thomas, P. G. (2010). Who Is Getting the Message? Communications at the Centre of

- Government. In *Public Policy Issues and the Oliphant Commission* (pp. 77–133). Commission of Inquiry into Certain Allegations Respecting Business and Financial Dealings Between Karlheinz Schreiber and the Right Honourable Brian Mulroney. [file:///Users/oleksiivasylevskyi/Downloads/cn000037949806-eng.pdf%20\(1\).pdf](file:///Users/oleksiivasylevskyi/Downloads/cn000037949806-eng.pdf%20(1).pdf)
- Treasury Board of Canada Secretariat. (2016, March 8). *Policy on Communications and Federal Identity*. <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=30683>
- V. Koepl, T., & Kronick, J. (2020, September 15). Opinion: Helicopter money from the Bank of Canada is a bad idea. *Financial Post*. <https://financialpost.com/opinion/opinion-helicopter-money-from-the-bank-of-canada-is-a-bad-idea>
- van der Crujssen, C. A. B., Eijffinger, S. C. W., & Hoogduin, L. H. (2010). Optimal central bank transparency. *Journal of International Money and Finance*, 29(8), 1482–1507. <https://doi.org/10.1016/j.jimonfin.2010.06.003>
- Vardy, J. (2005). *The Bank of Canada: An illustrated history = La Banque du Canada: une histoire en images*. Bank of Canada = Banque du Canada. <https://www.bankofcanada.ca/wp-content/uploads/2010/07/illustrated-history.pdf>
- Vayid, I. (2013). Central Bank Communications Before, During and After the Crisis: From Open-Market Operations to Open-Mouth Policy. *Undefined*. <https://www.semanticscholar.org/paper/Central-Bank-Communications-Before%2C-During-and-the-Vayid/124d3de9899c72bc83d92fc01de7d1aad9927f6e>
- Vinogradov, D. (2012). Destructive effects of constructive ambiguity in risky times. *Journal of International Money and Finance*, 31(6), 1459–1481. <https://doi.org/10.1016/j.jimonfin.2012.02.011>

- Watson, T. (2012). The evolution of public relations measurement and evaluation. *Public Relations Review*, 38(3), 390–398. <https://doi.org/10.1016/j.pubrev.2011.12.018>
- Winkler, B. (2000). Which Kind of Transparency? On the Need for Clarity in Monetary Policy-Making. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.355587>
- Woodford, M. (2001). *Monetary Policy in the Information Economy* (Working Paper No. 8674). National Bureau of Economic Research. <https://doi.org/10.3386/w8674>
- Woodford, M. (2005). *Central Bank Communication and Policy Effectiveness* (No. w11898; p. w11898). National Bureau of Economic Research. <https://doi.org/10.3386/w11898>
- Wrigley Kelly, N. E., Murray, K. E., McCarthy, C., & O’Shea, D. B. (2021). An objective analysis of quality and readability of online information on COVID-19. *Health and Technology*, 11(5), 1093–1099. <https://doi.org/10.1007/s12553-021-00574-2>
- Yalnizyan, A. (2022, December 8). Opinion | In an exclusive sit-down with the Star, Bank of Canada head explains why jobs must be lost to tame the inflation beast. *Toronto Star*. <https://www.thestar.com/business/2022/12/08/soaring-inflation-another-rate-hike-in-a-rare-interview-bank-of-canada-governor-tiff-macklem-wants-canadians-to-know-the-plan-to-save-the-economy-will-work-it-always-works.html>
- Yazan, B. (2015). Three Approaches to Case Study Methods in Education: Yin, Merriam, and Stake. *The Qualitative Report*, 20(2), 134–152. <https://doi.org/10.46743/2160-3715/2015.2102>
- Yin, R. K. (2018). *Case study research and applications: Design and methods* (Sixth edition). SAGE.
- Zhang, Y., Lin, N., & Jiang, S. (2019). A Study on Syntactic Complexity and Text Readability of ASEAN English News. *2019 International Conference on Asian Language Processing*

(*IALP*), 313–318. <https://doi.org/10.1109/IALP48816.2019.9037695>



## APPENDIX A

### List of Questions to Bank of Canada Official №1 and 2

#### *General Questions*

1. Tell me a bit about yourself – how did you end up working in a communications role at the Bank of Canada and how did your educational background prepare you (or not) for this role?
2. What is your work experience prior to coming to the Bank of Canada (sector)? Please describe your role at the Bank of Canada?

#### *Communication Structure and Communication Policy*

3. The Bank of Canada is a creature of legislation, and in particular, the Bank of Canada Act. Does this legislative framework have any bearing on the way the Bank of Canada communicates and/or your day-to-day work? If so, how?
4. Practically speaking, from an outside perspective, it looks like the Bank's communication practices are largely structured by a governance document called *the Communication Policy 2018*. Is that correct?
5. Can you help me understand what precipitated the creation of this governance document in 2018? How were communications practices governed before 2018?
6. Could you please tell me about the development of that document? What does it help you do?
7. Is there any other formal document or guideline that structures your communications practices?

#### *Communication Personnel*

8. I want to ask a bit about the people who work in the communications section of the Bank Canada. Do you have a sense of what kind of education and work experience most communicators have when they started working there? Did education and work experience matter?
9. What are 3 things/qualifications you look at by hiring entry-, mid-, and senior-level communicators?
10. Is having previous experience in a government organization an asset for central bank communicators?
11. How would you describe the role of communicators in the interest-rate policy decision-making process in the Bank of Canada? How important are communications personnel in that part of the Bank's policy-making process?

12. From everything I have read, you would have been hard pressed to find anyone who defined themselves as a professional communications person at the Bank of Canada 40 years ago. Today, there are 101 people who fit in that category. What explains that change? Do you expect that category to grow over time and if so, why?
13. Can you describe the relationship between communications personnel at the Bank of Canada and the Department of Finance? How often do they talk? Are they purely formal conversations? Informal?
14. Does the Bank and Department of Finance discuss the Bank's communications, like what you will post in the Blackout Guidelines, Monetary Reports, or Financial System Reviews next quartal?
15. Over the last thirty years, governments have invited outside consultants to help with short-term needs or training around the communications function. Does the Bank of Canada make occasional use of outside consultants and if so, how? What did they bring to the conversation? How did they change the way you did things?

### ***Bank Reports and other stuff***

16. How important are the Communication Department reports compared with reports from other departments during weekly, monthly, and board meetings? How do they contribute to the conversation?
17. By reading the Bank's publications, documents and media advisories, I have noticed their evolution in terms of narrative – it seems to have shifted from a more technocratic to a somewhat more accessible style. Does that seem right to you? Or do you think they have changed in some other way or are basically the same?
18. The Bank of Canada publishes a large amount of information in the form of reports, explanatory videos, Q&As, etc. Which of these is the most read, listened to, or watched? Which are the most important?
19. Having read a lot of the Bank's reports and reviews, it seems like while the Bank has made strides to be less technocratic in its writing, it is still attempting to reach a generally knowledgeable audience. Am I right in saying that the Bank does that because the professional audience has a greater impact on the economy or, at least, on shaping the narrative that plays out in the economy?
20. A couple of years ago the Bank organized the Canadian Fixed-Income Forum (CFIF). From an outside perspective, this seems like a bit of an anomaly but maybe it isn't.
  - a. Can you tell me a bit more about the CFIF – is it unique (do you have other forums like this)? Why this audience?
  - b. What is the objective behind this forum (and other forums if there are any)? Is consistent dialogue and cooperation with big Canadian and US financial actors two big objectives of the CFIF? Are those members also members of the primary auction? Is FSS the same thing?

## ***Twitter***

21. How has the Bank's view of Twitter as an information tool – or channel – changed over time?
22. Some see Twitter as a way for the Bank to be more empathetic and in touch with the general public. Is that how the Bank sees Twitter and other social media?
23. Do you see a potential risk for the Bank's credibility and independence of going into Twitter? Is there a risk that it might challenge the Bank's independence by bringing it closer to the political sphere?

## ***Training Courses***

24. The Communication Policy 2018 says that “*All Communications Department employees are committed to ongoing learning and skills development to keep pace with developments in their field and bring best professional practices to their work*”. What are the kinds of skills that training aims at improving?
25. What kind of support does the Communications Department make available to employees to invest in education? How does that compare to what happens elsewhere in the organization?

## **List of Questions to Bank of Canada Official №3**

### ***General Questions***

1. Tell me a bit about yourself – what does your work path at the Bank look like?
2. Before Poloz, the governor was the only person whose words had weight. After that, deputy governors began getting more time in the media. Given that, the governor is accountable for the monetary policy, hence why the increasing engagement of the deputy governors in communications is important? How would you explain that?

### ***The Canadian Fixed Income Forum or Canadian Alternative Reference Rate Working Group***

1. The objective of the CFIF. Given that, the Bank has a whole bunch of reports, reviews that target diverse audiences. Why is the Canadian Fixed Income Forum and Canadian Alternative Reference Rate Working Group important? Why did the Bank organize those events?
2. Speaking practically, can you tell me more about how you manage the CFIF? Why isn't the Communications department doing this?
3. What are the criteria defining the success of the CFIF and CARR?

### ***The Bank of Canada Communication***

1. Do you find the present Bank's communication effective?
2. From the Bank's perspective, what are the risks of transparency?
3. Can greater transparency backfire and undermine credibility?

### ***Additional Question***

1. Is there anything that the IMF has missed in their report that you wanted to add regarding the Bank's transparency?
2. Would it be beneficial for the Bank to give its regional offices the same rights as Federal Reserve Banks have?

## **List of Questions to Bank of Canada Official №4 and 5**

### ***General Questions***

1. Tell me a bit about yourself.
2. How did your educational background prepare you (or not) for this role?
3. How did your work experience prepare you for your position at the Bank of Canada?

### ***Communication Structure and Communication Policy***

4. The Bank of Canada is a creature of legislation, and in particular, the Bank of Canada Act. Did this legislative framework have any bearing on the way the Bank of Canada communicates and/or your day-to-day work? If so, how?
5. Back in the 90s, was there any other formal document or guideline that structured your communications practices?
6. Were the Codes sort of a response to the financial crisis 2008?

### ***Communication Personnel***

7. The reference point in the Bank's communications was the establishment of the Communications Department in 1995. Unfortunately, the number of communication personnel for that period is unavailable, and I want to know if you remember how many people worked in the Communications Department in the first years (1995 and 2000)?
8. Do you remember what kind of education and work experience most communicators had when they started working there? Did education and work experience matter at that time?
9. I want to ask a bit about the people who worked in the communications section of the Bank of Canada in the 1990s. I got a chance to speak with an official in the PCO who managed their communications in the 90s. And he told me that at that time there were only a few people in communications and their task was to set everything up. Usually those people who did that were from the private sector. Hence I am wondering if initially the Communications Department contained only people with substantial communication experience and whose job was just to arrange all communications?

### ***Outside Consultants***

10. Over the last thirty years, governments have invited outside consultants to help with short-term needs or training around the communications function. Does the Bank of Canada make occasional use of outside consultants and if so, how? What did they bring to the conversation? How did they change the way you did things?

### ***Training Courses***

11. From the Bank people I know that there are a whole bunch of training courses offered to the Bank's employees. Do you remember a particular moment when the Bank started suggesting more training courses?

### ***Role of the Communications Department***

12. How would you describe the role of communicators in the interest-rate policy decision-making process in the late 1990s and 2000s? How important were communications personnel in that part of the Bank's policy-making process?
13. How important were the Communication Department reports compared with reports from other departments during weekly, monthly, and board meetings in the late 1990s and 2000s? How did they contribute to the conversation?
14. How did the financial crisis of 2008 change the Bank's communications? What communication problems did the crisis reveal?
15. Am I right in assuming that the Communications Department started playing an important role in the Bank's decision making starting from 2010, when Jill Vardy, former journalist and experienced communicator became the Chief of Communications?

### ***Bank of Canada Communications***

1. From my perspective I got a sense that back then communication was just a good thing to have, while now communications and the way the Bank talks about its actions seem to be very important. Did you notice this change?

## **List of Questions to Senior Economists**

### ***General Questions***

1. How often do you monitor the Bank's actions?
2. When did you start paying attention to the way the Bank of Canada communicates? Was there a particular moment or reason?
3. Are you involved in any meetings with the BoC?
4. How do you usually interact with the Bank? How often? Regarding what issues?
5. If you get a chance to read the Bank's documents, reports, or publications, which of them are particularly interesting to you?
6. Do you track other Bank activities like its engagement with the Canadian Fixed Income Forum or Canadian Alternative Reference Rate Working Group?

### ***Bank Communications Over 30 Years***

1. I wonder how you would describe the evolution of the Bank of Canada communications practices – style and substance – from Thiessen to Makhlem?
  - a. Positive and negative things about each Governor.
2. Over the past 30 years, the Bank has touted its efforts to be more transparent. How much do you think crisis events – starting from the Mexican crisis, the Asian crisis, and dot-com bubble, to the financial crisis of 2008, Brexit and Covid – have contributed to this change? Which of these world events affected the Bank's communication practices the most do you think?
3. Can we say that FAD were a reference point when the Bank started communicating with the market participants and not only informing them about decisions?
4. Do you think there were any major changes in the way the Bank communicated in and around the 2008 financial crisis versus today? Was the Bank as ambiguous during the financial crisis of 2008 as it is today? What was different back then?

### ***Current Times***

1. How would you assess the Bank's communications around its Government Bond Purchasing Program?
2. Having read Polievre's points and watched some meetings between him and Governor Machlem regarding the Bank bond-purchasing program, I noticed explicit scrutiny in the Governor's words and responses. If we assume that the bond purchasing program is beneficial for the Canadian economy, how would you explain the Bank's unwillingness to talk about it in more detail?
3. Do you find the present Bank's communication efficient? What moments would you choose? If you could change three things about the way the Bank communicates, what would those three things be?

***Future Bank's Communications***

1. From your perspective, how can the Bank regain some of its lost credibility? Is it just a matter of getting inflation back on target or does it need to change the way it talks too? What should it do during the next year?
2. From the Bank's perspective, what are the risks of transparency?
3. Can greater transparency backfire and undermine credibility?



## **List of Questions to Journalists**

### ***General Questions***

1. Tell me a bit about yourself – when did you start paying attention to the way the Bank of Canada communicates? Was there a particular moment or reason for that?
2. How do you prepare when writing or speaking about the Bank and its policy actions? Do you speak with the Bank, some representatives, or some credible economists?
3. If you get a chance to read the Bank's documents, reports, or publications, which of them are particularly interesting to you?
4. Do you monitor the Bank's social media pages and website? Do you have alerts set up? Alternatively, how often do you check them?
5. Do you track other Bank activities like its engagement with the Canadian Fixed Income Forum or Canadian Alternative Reference Rate Working Group?

### ***Bank Communications Over 30 Years***

1. I wonder how you would describe the evolution of the Bank of Canada communications practices – style and substance – from Thiessen to Makhlem?
  - a. Positive and negative things about each Governor.
2. When I was reading and analyzing the Bank's texts, I got a sense that only governors' words are worth attention. Did this situation change and other people, like Senior Deputy Governors.
3. Over the past 30 years, the Bank has touted its efforts to be more transparent. How much do you think crisis events – starting from the Mexican crisis, the Asian crisis, and dot-com bubble, to the financial crisis of 2008, Brexit and Covid – have contributed to this change? Which of these world events affected the Bank's communication practices the most do you think?
4. Do you think there were any major changes in the way the Bank communicated in and around the 2008 financial crisis versus today? Was the Bank as ambiguous during the financial crisis of 2008 as it is today? What was different back then?

### ***Current Times***

1. From the Bank's perspective, what are the risks of transparency ?
2. Can greater transparency backfire and undermine credibility?
3. How would you assess the Bank's communications around its Government Bond Purchasing Program? Was the Bank's communication more clear during the financial crisis in 2008?
4. Having read Polievre's points and watched some meetings between him and Governor Machlem regarding the Bank bond-purchasing program, I noticed explicit obscurity in the Governor's words and responses. If we assume that the bond purchasing program is

beneficial for the Canadian economy, how would you explain the Bank's unwillingness to talk about it in more detail?

5. When I was talking to the Bank's communicators by addressing the question regarding their communication structure, they said we are kinda in the middle between the private and public sector. The Bank's present communication is a result of their unique place - kinda in the middle. Do you think the Bank tries to communicate as a private company while being a public institution and as a result it is under so much criticism?
6. Do you agree with the idea that the Bank should not be too precise (meaning do not say numbers) if it is not sure what is coming or this way of thinking is sort of dangerous because we can apply this logic to everything and the Bank can just become secretive when it was before the 90s?

### ***Future Bank's Communications***

1. From your perspective, how can the Bank regain some of its lost credibility? Is it just a matter of getting inflation back on target or does it need to change the way it talks too? What should it do during the next year?
2. If you could change three things about the way the Bank communicates, what would those three things be?

## **List of Questions to Professors**

### ***General Questions***

1. Tell me a bit about yourself – when did you start paying attention to the Bank of Canada’s actions and the way it communicates? Was there a particular moment or reason?
2. I’m curious about which of the Bank’s documents, reports, or publications you pay most attention to and why?
  - a. Do you monitor the Bank’s social media pages and website? Do you have alerts set up? Alternatively, how often do you check them?
3. Do you track other Bank activities like its engagement with the Canadian Fixed Income Forum or Canadian Alternative Reference Rate Working Group?

### ***The Bank of Canada Communications***

1. Would you agree with the following statement: “Over the last 40 years, the Bank of Canada has changed the way it interacts with the outside world, from a disposition where it was largely inward looking to one where it is more focused on transparency”?
2. I wonder how you would describe the evolution of the Bank of Canada communications practices – style and substance – from Thiessen to Makhlem. Positive and negative things about each Governor.
3. Over the past 30 years, the Bank has touted its efforts to be more transparent. How much do you think crisis events – starting from the Mexican crisis, the Asian crisis, and the dot-com bubble to the financial crisis of 2008, Brexit, and Covid – have contributed to this change? Which of these world events affected the Bank’s communication practices the most, do you think?
4. Do you think there were any major changes in the way the Bank communicated in and around the 2008 financial crisis versus today? What was different back then?
5. From the Bank’s perspective, what are the risks of transparency?
6. Can greater transparency backfire and undermine credibility?

### ***Current Times***

1. How would you assess the Bank’s communications around its Government Bond Purchasing Program? What worked and what did not?
2. Having read Polievre’s points and watched some meetings between him and Governor Machlem regarding the Bank bond-purchasing program, I noticed explicit scrutiny of the Governor’s words and responses. Polievre seems to argue that the Bank is evasive about what is really going on. What are the challenges associated with communicating something complex like the bond buying program?
3. Do you find the present Bank’s communications effective?

### ***Future of the Bank’s Communications***

1. From your perspective, what would you recommend the Bank to change in the way it talks to people?
2. The Bank's credibility seems to be in question lately. How can the Bank change that conversation? Is it just a matter of getting inflation back on target, or does it need to change the way it talks too?

## **Table 1. Principles for external communication by members of Governing Council**

### **Principles for external communication by members of Governing Council**

To uphold public confidence in the transparency and integrity of its work on behalf of Canadians, the Bank adheres to these principles for Governing Council's external communications.

#### **Introduction**

Clear and transparent communication is essential to the effectiveness of monetary policy, and serves a key role in the Bank's accountability to Canadians. That is why members of the Bank's Governing Council take part in regular communication activities, such as meetings, speeches, interviews and press conferences.

Engaging in two-way communication with the public, businesses, industry associations, academia, labour and other groups is invaluable to the formulation of monetary policy and to the Bank's accountability. Discussions with external groups help Governing Council members better understand prevailing dynamics in the economy and the financial system, as well as structural issues and economic research relevant to the work of the Bank.

To uphold public confidence in the transparency and integrity of its work on behalf of Canadians, the Bank adheres to the following principles for Governing Council's external communications.

#### **Principles for external communication**

1. Communication of policy decisions first takes place via a press release published at each of eight Fixed Announcement Dates. Communication of forecasts for growth and inflation in Canada first takes place via four Monetary Policy Reports per year. The Governor's Monetary Policy Report press conference opening statements provide additional detail about relevant aspects of the Governing Council's policy deliberations.
2. Governing Council members commit to respecting the Bank's Blackout Guidelines, which prohibit all communication activities (speeches, meetings, interviews) on topics related to monetary policy or the economic outlook in the week before the Bank's

regularly-scheduled interest rate announcements. Media interviews given outside the blackout period on these topics should not be published within it.

3. Governing Council takes a consensus-based approach to its monetary policy decisions. Individual members' external communications on monetary policy or the economic outlook will reflect this consensus viewpoint. As such, Governing Council members do not share personal views, nor do they provide detail of the policy deliberations beyond what has been published in the Governor's Monetary Policy Report opening statements. Where they express views about other matters of public interest, Governing Council members consider any potential risk to the integrity and impartiality of the Bank.
4. Governing Council members commit to communicate new information about monetary policy, the economic outlook or the evolution of risks only through venues that are widely accessible to the public – such as scheduled Bank publications, published speeches, media interviews and press conferences.
5. Governing Council members therefore refrain from expressing views about the economic outlook or monetary policy in any private meeting, conversation or address to any company, group or individual, unless those views have already been communicated publicly.<sup>1</sup>
6. In considering invitations to speak at private events or to accept bilateral meetings, Governing Council members weigh carefully the benefits of accepting such an invitation against any risk of perceived informational advantage. As a matter of precaution, and where feasible, a Bank of Canada staff member is present for such encounters.
7. Governing Council members refrain from accepting invitations to speak at events that:
  - a. Purport to sell restricted or privileged access to members of Governing Council;
  - b. Are hosted by a group promoting a specific political affiliation, single private interest, charitable cause or lobby effort;
  - c. Pose a risk of harming the Bank's credibility and reputation.