



# How do the media scrutinise central banking? Evidence from the Bank of England

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## ABSTRACT

Central bank independence has raised questions of accountability ever since its global diffusion in the 1990s, and especially since the financial crisis. Yet, whilst the literature on central banks' legislative oversight has expanded, the role of the media as account holders has been left largely unexplored. We assess media scrutiny by using an original dataset of news articles about the Bank of England published between 1997 and 2020, and by analysing the relationship between central banking outcomes and scrutiny in the form of evaluative and negative coverage of the Bank. We find that the variation in such coverage can be traced back to policy outcomes, but the association is largely confined to the post-crisis period. The findings support a view of the media as instrumental in central bank oversight, but also show the limits of this form of accountability.

## 1. Introduction

Since the 1990s, independent central banks have been a core feature of economic governance in countries around the world. Their insulation from politics and elections<sup>2</sup> is associated with long term focused policy decisions and better economic outcomes, especially in terms of price stability (e.g., Cukierman 2008, Klomp and De Haan 2010, Bodea and Hicks 2015). Yet, as the organisations are neither part of ministerial hierarchies nor subject to elections, they have always raised questions of accountability (e.g., Elster, 1994; Berman and McNamara, 1999). These have attracted renewed interest since the global financial crisis, with concern centring on central banks' role in the crisis, the distributive impact of their post-crisis measures, and the increased scope of their mandate (e.g., Fernández-Albertos, 2015; McPhilemy and Moschella, 2019; Van 't Klooster, 2020).

Recent studies of central bank accountability have, on the one hand, pointed to deficiencies in legislative oversight, whether because of a lack of formal requirements, political disincentives, or limited information (e.g., Best, 2016; Jacobs and King, 2016; Tucker, 2018). On the other hand, they have identified a gap in our knowledge of what central bank accountability actually looks like, which has given rise to a growing interest in account holding by parliamentary committees (e.g., Schonhardt-Bailey, 2013; Collignon and Diessner, 2016; Ferrara et al., 2021) and transparency and (voluntary) account giving by central banks (e.g., Crowe and Meade, 2008; Moschella and Pinto, 2019; Gardt et al., 2021).

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<sup>2</sup> Like other non-majoritarian institutions, independent central banks are characterised by organisational separation from government departments, by leadership that is appointed rather than elected, and by operational independence, with decisions being exempted from political reversal (cf. Thatcher and Stone Sweet, 2002, 2). Compared with other types of non-majoritarian institutions, they also have exceptionally high levels of financial independence since their income is derived from their monetary operations rather than determined in the (political) budgetary process (Jacobs and King, 2016).

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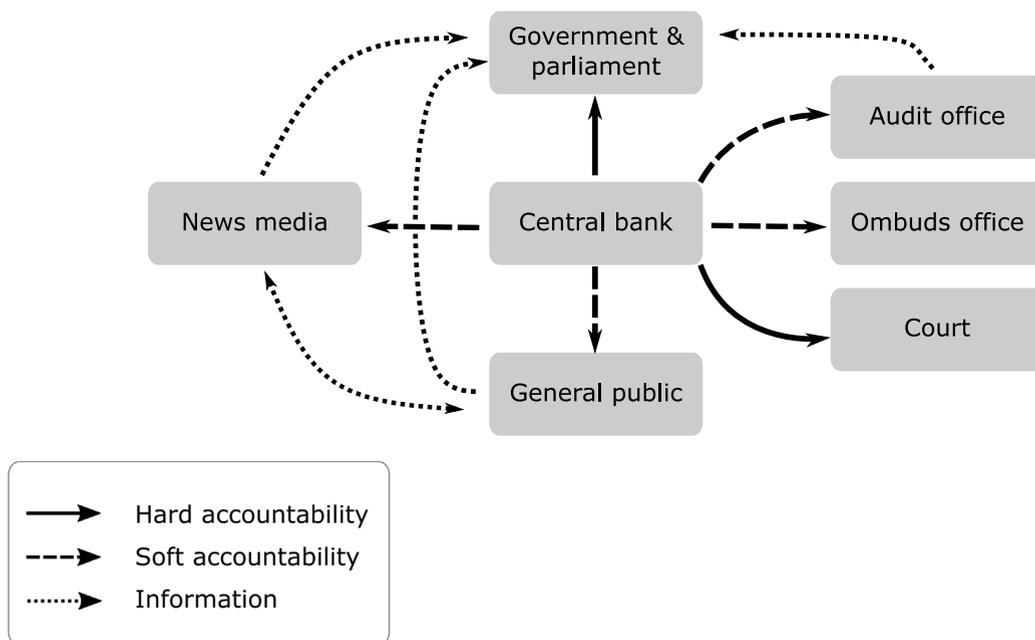


Fig. 1. Central banks' accountability landscape.

Yet, as Fig. 1 shows, the accountability landscape of central banks involves more actors than those analysed so far. Though many account holders have limited mandates (e.g., courts have authority over financial regulation only), and most cannot impose any formal sanctions (i.e., their account holding is 'soft'), they all play a part in the process since they can cause reputational damage, and may enhance other forms of oversight by providing information.

In this context, the media deserve particular attention. Despite their account holding being soft, they can exercise oversight over all aspects of central banking, and they have the potential to be key actors in the overall landscape. That is, they can not only shape and give voice to societal concerns, but may also contribute to legislative oversight by raising 'fire alarms' (McCubbins and Schwartz 1984; see Section 2). Moreover, because of their societal and political reach, their judgment can do serious reputational damage to central banks. Finally, journalists are often subject specialists who work on particular topics throughout their career; hence, their scrutiny is less likely to suffer from a lack of technical expertise than legislative oversight (on the latter, see Schonhardt-Bailey, 2013).

We seek to contribute to a better understanding of central bank accountability by examining the role of media scrutiny. We argue that to the extent that the media play an actual part in such accountability, we should observe more scrutiny when policy outcomes are further removed from central banks' statutory objectives. We examine this relationship by applying automated text analysis to news articles about the Bank of England published in the period from 6 May 1997 – when it was granted operational independence by the incoming Labour government – to the end of 2020. We collect data from articles published in three major, non-specialist UK newspapers with different profiles (*The Times*, *The Guardian*, and the *Daily Mail*), and analyse the link between outcomes and two operationalisations of media scrutiny: evaluative and negative coverage.

Two observations from our analysis stand out. First, media scrutiny does take place in the way that we would expect. In particular, levels of evaluative and negative coverage of the Bank can be traced back to its performance on inflation and other outcomes. Second, the link between policy outcomes and scrutiny is largely confined to the post-crisis period – a period in which the Bank and its activities were particularly salient. This is, on the one hand, reassuring, but it also suggests that other accountability channels need to be strengthened to compensate for blind spots in media scrutiny.

Our paper proceeds as follows. In Section 2, we review the literature on central bank accountability, and elaborate on our contribution. In Section 3, we develop our argument on media scrutiny, building on the literatures on news value and accountability in non-majoritarian governance. Section 4 introduces our new dataset and discuss the operationalisation of our main and control variables. Section 5 presents the results of our analysis. In the final section, we conclude and discuss the wider implications of our findings.

## 2. Central bank independence and accountability

Decision making by independent central banks has always raised questions of accountability.<sup>3</sup> The organisations are, by definition, positioned at arm's length of politics and the electoral process, whether for reasons of credible commitment to monetary stability, expertise building, political expediency, or normative appropriateness (e.g., Rogoff, 1985; Blinder, 1999; McNamara, 2002; Dellepiane-Avellaneda, 2013). They are, therefore, not part of the traditional chain of delegation in democracies, and are largely exempted from the hierarchical accountability built into it — that is, from accountability to their (political) principals (Strøm et al., 2003). Hence, all else equal, it is easier for them to shirk and misuse the powers delegated to them.

Concerns about accountability are partially seen as the price to pay for better policy decisions and outcomes. They are also partially addressed by imposing alternative accountability mechanism on independent central banks. For instance, the organisations are often required to publish their policy decisions and annual reports and accounts, and their governors are regularly asked to explain their actions in parliament (see Masciandaro et al., 2008). Finally, accountability is considered less of an issue for organisations with narrow mandates, and with responsibilities over matters that involve little inter group conflict of interest (Drazen 2002; cf. Tucker 2018).

Yet, in the aftermath of the financial crisis, the question attracted renewed interest. First, central banks were criticised for their contribution to the crisis. Financial institutions and designated financial regulators bore the brunt of the blame, but the role of central banks did not go unchallenged: the organisations had misdiagnosed the key problem facing financial markets (e.g., Fligstein et al., 2017), and had interpreted their mandates too narrowly, focusing almost exclusively on price stability and, thereby, allowing for the development of financial imbalances (Borio and Zhu, 2012). In the UK, this had been facilitated by the delegation of financial supervisory competences to a separate agency — the Financial Services Authority. The critique of central banks put pressure on their reputation for performance, and reopened the debate about the risks associated with non-majoritarian governance (on the latter, see Elster, 1994).

Second, with interest rates at the zero lower bound, and politicians unable or unwilling to rely on aggressive fiscal policy to stimulate the economy, central banks expanded the monetary toolset they used (Cukierman 2019, 178; Fernández-Albertos 2015, 228).<sup>4</sup> Yet, the measure many of them turned to – quantitative easing (QE) or the outright purchase of bonds and other financial assets – had more obvious distributive implications (Braun, 2017; Jones and Matthijs, 2019; Dietsch, 2020). To be sure, the tools used to set interest rates have never been politically neutral, with savers and debtors being affected differently. Still, QE produces more immediate winners and losers since it is more targetable than interest rate interventions (e.g., Fernández-Albertos, 2015; Di Maggio et al., 2020). For example, the Bank of England's QE programmes boosted demand in (stock and) housing markets, with increases in property prices outpacing wage growth (Hale, 2018; David, 2019). As the first time buyers and renters who lost out are more likely to be young, this has drawn attention to intergenerational (un)fairness.<sup>5</sup> More generally, the use of QE revived questions of how political technocratic decisions can be, and what sort of scrutiny is to accompany the decision making.

Third, though central banks were criticised for their role in the financial crisis, they neither lost their authority nor their independence (e.g., De Haan et al., 2018). Instead, they saw their mandates and formal powers being expanded. Their objectives came to include (more explicitly) financial stability, and new tools were introduced to achieve this objective (Balls et al., 2018). For instance, many central banks were granted powers in the field of crisis management, the monitoring of systemic risk, micro prudential supervision, and even financial conduct regulation. Moreover, they tend to have become the supervisors of all parts of the financial sector (banking, insurance, and securities markets) (Masciandaro and Romelli, 2018). These changes made the organisations still more powerful and enhanced their goal independence. Elected politicians may still set the goals, but by granting central banks multiple objectives, the latter are able to choose between goals whenever there are trade offs (cf. Fernández-Albertos 2015, 228; Jones and Matthijs 2019, 135).<sup>6</sup> Such expansion of powers and discretion is normally associated with an increase in levels of accountability (e.g., Dewatripont et al., 1999).

These developments have led observers to call for more accountability. For instance, Jacobs and King (2016, 16) point to the need for more regular and direct legislative oversight, whilst Best (2016) proposes that more political debate take place about the performance and standards of central banks. Jones and Matthijs (2019, 139-140) even suggest that in times of crisis, elected officials be empowered to overrule central bank decisions.

Meanwhile, scholars have identified and addressed the gap in our knowledge of how central bank accountability works in practice. First, various studies have looked at the role of parliaments, especially in the US and EU. Legislative oversight of the Fed has been shown to leave much to be desired, mostly because of a lack of congressional expertise and incentives to compete for sound bites rather than in-depth scrutiny (Schonhardt-Bailey, 2013). Similarly, the effectiveness of European Parliament (EP)

<sup>3</sup> By accountability, we mean the degree to which an actor (mandatorily or voluntarily) provides information on, and explanation of, their conduct to other actors, and may be sanctioned or rewarded for this conduct (cf. Bovens, 2007, 450). Accountability is not incompatible with independence: non-majoritarian institutions may (be required to) render account for decisions that they took independently, outside departmental hierarchies and without ex ante interference (e.g., Hüpkens et al., 2005). Moreover, independence is found to work more effectively when complemented by transparency and accountability (De Haan et al., 2008).

<sup>4</sup> The expansion at least pushed the limits of their formal powers, and raised questions of interpretation (e.g., Jacobs and King, 2016). Moreover, in the case of the European Central Bank (ECB), the lawfulness of its 'recommendations' to indebted member states during the European debt crisis is seen as doubtful (e.g., Braun, 2017; Sánchez-Cuenca, 2017).

<sup>5</sup> Central banks seem to be fully aware of the political consequences of these outcomes: they stay silent on issues that have become controversial in their own context; for instance, house prices in the UK and US (Braun and Düsterhöft, 2022).

<sup>6</sup> Central banks with a 'dual mandate' (price stability and maximum employment) had already been faced with trade offs, but the inclusion of a (more explicit) financial stability objective added discretion.

oversight over the ECB is limited because of a lack of sanctioning powers and of focus on key responsibilities (Amténbrink and Van Duin, 2009). In addition, partisanship – and positions on European integration in particular – matter for the way in which EP members speak to the ECB (Fraccaroli et al., 2022). At the same time, there is variation across polities, with the quality of oversight being higher in the UK than in the US (Schonhardt-Bailey et al., 2022). Moreover, in the UK, the US and the EU, there is a link between central banks' performance and the topics covered in hearings, with uncertainty driving up the negativity that is expressed (Fraccaroli et al., 2020). In line with this, the EP tends to hold the ECB accountable for price stability and its secondary and ancillary objectives, but there is more 'parliamentary silence' on price stability when national level unemployment is higher (Ferrara et al., 2021). Finally, even if legislative scrutiny has its limits, it may leave legislators more informed and engaged (Collignon and Diessner, 2016).

Second, there is a growing literature on central banks' own account giving activities or 'voluntary accountability' (on the latter, see Koop, 2014). Though less consequential than mandatory or hard forms of accountability such as legislative oversight, the voluntary provision of information on, and explanation of, activities facilitates scrutiny by other actors and engenders intra-organisational learning. Central banks' communication and transparency have primarily been studied as tools that shape economic expectations (see Blinder et al., 2008), but they also serve as account giving tools (Blinder et al. 2008, 912; Crowe and Meade 2008; Gardt et al. 2021). This may help the organisations cultivate their reputation and legitimacy (Busuioc and Lodge, 2016). Several studies have analysed how central banks use their communication strategically, showing that the Fed spends more words on its weaker competencies when facing policy uncertainty (Moschella and Pinto, 2019), that the ECB uses its communication in a similar way when facing public pressure (Moschella and Diodati, 2020), and that the same ECB communicates more promptly when its weaker competencies are being questioned (Müller and Braun, 2021).<sup>7</sup>

By contrast, the role of the media has been largely neglected, with a few notable exceptions. First, Berger et al. (2011) report that media responses to ECB decisions are more negative when inflation is higher, and more positive when the central bank provides more information on its decisions. Second, Binder (2017) demonstrates that the Fed attracts more media attention when it gives speeches, testimonies and press conferences, and when there is Fed-related congressional activity or economic news. Third, Ferrara and Angino (2021) analyse the complexity of the ECB's communications, and show that when the organisation uses clearer language, levels of media coverage are higher. We aim to contribute to this nascent literature in two main ways. First, we seek to go beyond the immediate responses of the media to central banks' policy signals by focusing on sustained account holding patterns. Thus, we take more of a 'demand side' perspective, including 'non-invited' scrutiny of central banking (see Section 3). Second, relying on the concept of accountability, we argue that for scrutiny to exist, the media need to evaluate – and not just report on – central banking (cf. Ettema, 2007). Accordingly, we create two outcome measures: evaluative and negative coverage. Empirically, we focus on the Bank of England, which is among the most influential central banks, but has not been studied as extensively as the ECB and the Fed. In the next section, we develop our argument on the shape of media scrutiny.

### 3. What to expect from media scrutiny?

Why should we expect the media to engage in sustained account holding of central banks? The answer to this question is not straightforward since central banking is not clearly newsworthy. The literature on news value emphasises that the media have incentives to select and prioritise stories that are one way or another salient to readers. In particular, news organisations will seek to publish about issues that are entertaining, surprising, relevant, impactful, exclusive, and shareable; furthermore, they will focus on the power elite, celebrities, and particularly good, bad, controversial and dramatic stories (Harcup and O'Neill 2017; cf. Eilders 2006, Galtung and Ruge 1965). Stories about central banking rarely tick a sufficient number of these boxes, except when the economy is doing poorly (on the negativity bias in economic news, see Soroka, 2006; Kayser and Peress, 2021).<sup>8</sup> Moreover, as financial markets are highly sensitive to monetary and financial decisions and communications, central banks themselves have an interest in downplaying surprise, conflict and drama.

There are nonetheless good reasons for the media to cover central banking on a regular basis. First, since the 1990s, central banks have provided news organisations with extensive information about their own work (Baerg, 2020). This serves as an 'indirect subsidy' for the media (Fengler and Ruß-Mohl, 2008, 669) – and one that is highly relevant in an era of declining newspaper readership and revenue. Indeed, as described in Section 2, previous research on this 'supply side' has shown that central banks' communicative output – including its amount, tone and complexity – has a clear impact on media coverage. Second, there is a 'demand side' to the accountability relationship, with the media having incentives to cover central banking regardless of whether they are 'invited'. News organisations can gain (long term) benefits from upholding their reputation as watch dogs (Fengler and Ruß-Mohl, 2008), especially vis-à-vis the state and its constitutive bodies. In the case of central banks – with their relatively narrow mandates and measurable objectives – media scrutiny is also facilitated by the availability of yardsticks and 'objective' data. As Lippmann (2012(1922, Ch. 13) pointed out a century ago, the latter make the production of stories cheaper, both in terms of data gathering and interpretation.

<sup>7</sup> Though these studies use topic models that cannot tell us exactly how central banks speak about their competencies, we can assume that they use their words to provide further information on their actions and decisions in these areas.

<sup>8</sup> Another, more idiosyncratic exception was the story about the 1993 lawsuit that Deloitte & Touche filed against the Bank of England for its handling of the Bank of Credit and Commerce International (BCCI), which had collapsed two years earlier. It was the first time in its history that the central bank was sued, and it would take twelve years – and significant sums of money – for the legal battle to end, with Deloitte dropping its £1bn claim. The story attracted considerable newspaper attention throughout the years.

Focusing on the demand side, we expect the news media to have an interest in assessing central banks' performance as measured against their objectives. Compared to other features of central banking – including the processes that are followed – it is the outcomes that have most (visible) impact on readers. They are also most easily detectable and interpretable for journalists — and thus less expensive to scrutinise (Lippmann, 2012(1922)). Finally, it is their performance on outcomes that is most relevant for non-majoritarian institutions like independent central banks. As these organisations are deliberately exempted from the democratic expectation that policy decisions reflect the preferences of citizens and political majorities, 'accountability for input' is less relevant (cf. Majone, 1996). Instead, their legitimacy relies on what they produce, with their activities being seen as legitimate "if and because they effectively promote the common welfare of the constituency in question" (Scharpf, 1999, 6). Thus, accountability for performance is essential because it constitutes the key means by which the legitimacy of central banking can be identified and forged. This should also make it a focal point for news organisations with an interest in maintaining their reputation as watchdogs.

Hence, to the extent that the news media want to be seen as watchdogs, we should expect them to focus on central banking outcomes. More specifically, we expect them to evaluate those policy outcomes that relate to statutory objectives, which tend to be formulated in terms of outcomes such as price stability.<sup>9</sup> This is indeed what Berger et al. (2011) report in their study: in the immediate aftermath of ECB decisions, media responses are more negative when inflation exceeds the target. In the same vein, parliamentary hearings have been shown to centre on central banks' missions, even if the latter are broadly conceived (Amentbrink and Van Duin, 2009; Fraccaroli et al., 2020; Ferrara et al., 2021). Translated into wider patterns of account holding by the media, we expect to observe more scrutiny when central banks perform less well against their objectives. Hence, we submit the following hypothesis:

**Hypothesis 1.** The worse policy outcomes are in relation to a central bank's objectives, the more media scrutiny we will see.

In the next sections, we operationalise 'performance against objectives' for the Bank of England and assess its importance for media scrutiny (1997–2020). We also use our analysis to explore whether there are differences in media scrutiny before and after the financial crisis.

#### 4. Data and methods

We used a two-pronged approach to collect data for our analysis of Bank of England media scrutiny. First, we built a dataset of newspaper articles to create (monthly) measures of evaluative and negative coverage.<sup>10</sup> Second, we constructed a dataset that includes these measures of media scrutiny, measures of central banking outcomes, and control variables.

##### 4.1. Newspaper articles about the Bank of England

We relied on Factiva's global news database to collect newspaper articles about the Bank of England, and focused on three major daily newspapers: *The Times*, *The Guardian*, and the *Daily Mail*. These papers have different profiles, but all publish political and economic news, and are available for our data collection period (6 May 1997–31 December 2020) (see Appendix A). Moreover, they have a non-specialist readership. Business newspapers like the *Financial Times* pay more attention to the Bank and its activities, but as their readership is more narrow and elite, they are less relevant for the overall accountability landscape. More specifically, compared to the major newspapers, they have a smaller impact on the general public and – as citizens are the principals of elected politicians – are unlikely to trigger the same amount of governmental and parliamentary scrutiny. Business newspapers are, by contrast, highly relevant as mediators of the impact of central banks on financial markets (see, e.g., Lamla and Sturm, 2013; Bennani, 2018).

We selected articles by applying the search term 'Bank of England' to the headline and lead paragraph. We used the full name rather than an acronym or nickname of the Bank based on the assumption that journalists will mention its full name at least once at the start of the article. We excluded those pieces that Factiva identified as duplicates, but as this was far from comprehensive, we further excluded articles that had (i) the same date and title, and (ii) the same first 150 main text characters and publication month (see Appendix A on 'Duplicates').

This still left us with articles that did not actually cover the Bank. We therefore imposed two additional conditions. First, as pieces with fewer than 100 words do not have space for discussion, we excluded these. Second, as articles may mention the Bank only in passing, we required them to mention the organisation (or its constitutive bodies) at least twice. In addition, after careful inspection of the data, we excluded some news categories that were unlikely to pay attention to the Bank's activities (see Appendix A). Our final dataset consists of 13,986 news articles. This new dataset formed the starting point for the operationalisation of media scrutiny in terms of evaluative and negative coverage.

<sup>9</sup> News organisations may have somewhat different levels of tolerance of poor performance on objectives, whether for ideological or private interest based reasons. Nonetheless, in their capacity as watchdogs, they will want to take seriously the statutory objectives and their own role in accountability for performance. Moreover, to the extent that newspapers' preferences towards central banking vary, it is associated more with the use of monetary tools than the appropriateness of the objectives. Finally, when it comes to conflicting objectives, the media do not face the trade offs that central banks face: even if there is a conflict, the media can hold central banks accountable for their performance on all the objectives.

<sup>10</sup> For two main reasons, we rely on observations at the monthly level rather than, for instance, only for the days on which performance data are published: (i) we seek to capture broader patterns of scrutiny and not only the immediate media 'responses' to newly published data, and (ii) the media themselves do not limit their coverage of central banking outcomes to the days on which data are published. As Figures B1 and B2 in the Appendix show, the days on which the ONS publishes inflation and unemployment data are characterised by peaks in the number of references to, respectively, inflation and unemployment, but the topics continue to be covered in the weeks after the publication dates (with lower level of coverage on Sundays).

#### 4.2. Media scrutiny

In accountability relationships, the key responsibility of account holders is to evaluate the conduct of account givers (e.g., Bovens, 2007).<sup>11</sup> When accountability is ‘hard’, such evaluation is accompanied by potential sanctions (see Section 1). By contrast, when accountability is ‘soft’ – as in the case of media scrutiny –, the evaluation may still embody positive or negative consequences for the account giver; more specifically, positive (negative) news coverage can boost (damage) an organisation’s reputation. Moreover, the media’s evaluations serve as an input for other forms of account holding; in particular, legislative oversight (on such ‘fire alarms’, see McCubbins and Schwartz, 1984).

Our first measure of media scrutiny seeks to capture this evaluative dimension. Like our measure of negative coverage, it builds on a dictionary approach to news sentiment. Such an approach is commonly used to gauge the overall tone of a text, but we applied it to sentences about the Bank of England in order to operationalise evaluative (and negative) coverage (cf. Kayser and Peress, 2021). News articles about the Bank of England often include information on, and analysis of, adjacent but different topics and actors. As we aim to capture journalists’ evaluations of the Bank and its performance – rather than evaluations of other topics and actors in the same article – we consider a focus on sentences most appropriate. Nonetheless, we also run our analyses on, respectively, the full text and paragraphs mentioning the Bank.

We relied on the widely used Lexicoder Sentiment Dictionary (LSD) developed by Young and Soroka (2012), which addresses two main challenges that sentiment dictionaries face: (i) they do not perform well when they are generic in terms of domain and genre, and (ii) they perform better when combined rather than used individually (see Boukes et al., 2020; Rauh, 2018). First, the LSD was built to measure the tone of political texts such as media articles, and was in fact validated on economic news. Second, it was created by merging and standardising three often used sentiment dictionaries, thus constituting a composite dictionary. Also, and importantly, the LSD controls for negation.

As we aimed to capture the evaluation of the Bank and its activities, we calculated our measure of evaluative coverage at the sentence level.<sup>12</sup> First, we counted, for each article, the number of positive and negative words in sentences that refer to the Bank or its key decision makers. These are sentences that include a reference to the MPC, the FPC, or the Bank (including with nicknames like ‘the Old Lady of Threadneedle St’), or sentences that refer to the members of the decision making bodies. We used the R package *quanteda* to generate these dictionary based counts (Benoit et al., 2018). Second, we created monthly scores by (i) dividing, for each newspaper-month observation, the total number of negative and positive words by the total number of words in the sentences considered, and (ii) adding up the positive and negative proportions.<sup>13</sup> We multiplied the values by 100 to facilitate the interpretation. The summary statistics for the measure – as well as for all other variables – are included in Table B1 in the Appendix, whilst the correlation matrix is presented in Table B4. In addition, Appendix A provides examples of sentences that illustrate the ways in which the Bank is scrutinised.

We created a separate but related measure to capture the observation in the literature that negative news coverage – because of its stronger association with sanctions and punishment – carries more ‘account holding weight’ than positive coverage (cf. Maggetti, 2012). Our measure of negative coverage builds on the same two components as evaluative coverage: the proportion of positive and negative words in sentences that refer to the Bank or its key decision making bodies. Yet, rather than adding up the proportions, we subtracted the positive from the negative proportion to calculate (net) negativity (cf. Kayser and Peress, 2021). Again, we multiplied the values by 100 to facilitate the interpretation.

Fig. 2 plots the trends of the two measures of media scrutiny, by newspaper.<sup>14</sup> A few observations are worth making. First, though there are differences between the newspapers, the measures ‘move’ in a similar way. Indeed, the correlation between them – though not very strong – is always positive and significant (see Table B2 in the Appendix). Second, whilst no clear overall trend can be detected in negativity, levels of evaluative coverage are somewhat higher in the post-crisis period, and highest during the crisis. Third, levels of negative coverage tend to be highest in the *Mail*; more generally, negative coverage outweighs positive coverage, much in line with previous research on the negativity bias in economic news (e.g., Soroka 2006, Berger et al. 2013, Kayser and Peress 2021; cf. Berger et al. 2013).<sup>15</sup>

<sup>11</sup> It is in this respect that media scrutiny is distinct from, and more than, coverage volume. Though levels of news coverage at particular points in time may suggest higher levels of scrutiny, this does not need to be the case since news articles may report in a factual manner on central bank-related events, without evaluating them. The difference between the two is reflected in the correlation between coverage volume and our outcome variables. The correlation is weak for evaluative coverage, and even weaker (and non-significant) for negativity (see Table B3 in the Appendix).

<sup>12</sup> The object of the evaluation in the sentence may be the central bank itself, but may also be an economic outcome that is (implicitly or explicitly) associated with the organisation (see Appendix A on ‘Illustrations of media scrutiny’).

<sup>13</sup> Newspaper-months with fewer than three articles were excluded; this applied only to a total of five month observations, all in the *Daily Mail*.

<sup>14</sup> Early months for the *Daily Mail* were excluded from the figure because of a lack of news coverage. More specifically, 11 of the 20 months from May 1997 until the end of 1998 did not have any articles about the Bank (and 14 months in total from 1997 to 2020). We include the remaining observations in our analysis, but excluded the entire period from the Fig. 2 – with its five-point moving averages – so as to avoid (wrongly) suggesting that the tone of the coverage was extremely volatile.

<sup>15</sup> Whilst we cannot exclude the possibility that the newspapers sometimes ‘borrow’ central banking news from specialist, business newspapers, the figures suggest that the newspapers have different styles of scrutiny, with the *Mail* being particularly (evaluative and) negative.

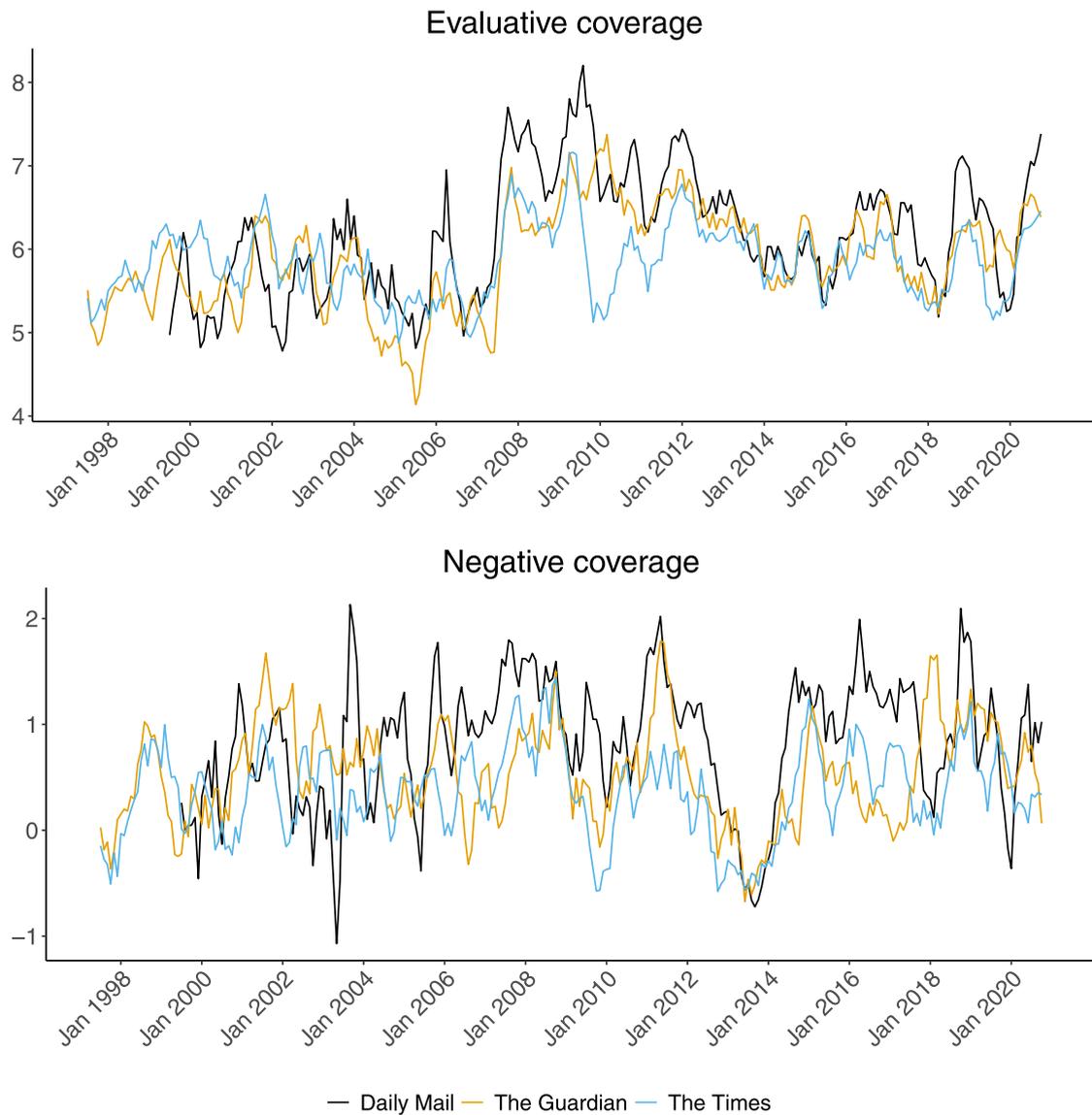


Fig. 2. Five-point moving average of evaluative and negative Bank of England coverage, by newspaper (1997–2020).

#### 4.3. Central banking outcomes

As set out in the previous section, for an accountability relationship to be present, media scrutiny should at least be ‘responsive’ to the performance of central banks against their statutory objectives. For the Bank of England, these objectives come in the form of price and financial stability.<sup>16</sup>

First, the Bank is required to maintain price stability. To capture this, we measured the (absolute) distance of the inflation level from the target set by the Chancellor of the Exchequer. This measure is closest to the Bank’s objective of price stability, and we prefer it over the level of inflation because the Bank is meant to avoid both over and under shooting.<sup>17</sup> Nonetheless, in Appendix Table C1, we present models that include inflation levels rather than the distance from the target (cf. Berger et al., 2011). Additionally, in

<sup>16</sup> Central banks also affect outcomes like house prices and mortgage rates. Yet, there are – in contrast to price and financial stability – no clear expectations as to what outcomes should be pursued (or avoided). This also means that accountability for performance is less straightforward. Our study therefore focuses on outcomes that can be measured against statutory objectives.

<sup>17</sup> In June 1997, then Chancellor Gordon Brown clarified that the target was symmetrical, with deviations in either direction deemed undesirable. Indeed, the Bank’s governor is required to write an explanatory letter to the Chancellor whenever inflation deviates more than 1 percent from the target.

Appendix Table C2, we report models using a dummy taking the value of 1 if an explanatory letter has been written by the governor and 0 otherwise, so as to capture months with bigger deviations for the target. The Bank's target has hardly changed over time: in the period up to early December 2003 – when the relevant inflation index was the retail price index excluding mortgage interest payments (RPIX) –, the target was 2.5 percent; in December 2003, when the consumer price index (CPI) came to be preferred, the target switched to 2 percent, and has remained at that level since. To calculate the absolute (monthly) distance from the target, we used RPIX and CPI data provided by the Office for National Statistics (ONS). As inflation levels are calculated and published in the following month, we lag the variable by one period.

As price stability is also linked to (the stability of) the value of the currency, we include a measure of the (absolute) level of change in the pound-dollar exchange rate, using monthly averages provided by the ONS. We compare the pound to the dollar rather than the euro as the latter was launched after the start of our time series, whilst the dollar has been relevant – not least as anchor currency – throughout the period. We multiplied the (small) change values by 100 and log transformed it to cope with the positive skewness of the measure. As exchange rates are updated in real time, we do not use a lag.

Second, subject to maintaining price stability, the Bank is meant to “support the economic policy of [...] [g]overnment, including its objectives for growth and employment”. As these outcomes are closely related, and as maximising employment is seen as a key central banking objective even when not statutorily required, we include, in our main analysis, an ONS measure of the monthly change in unemployment rate. Table C5 in the Appendix presents the main results with month-on-month GDP growth instead. We again lag the variable by one period to take into account the time it takes for aggregate economic information to be become available.

Our last outcome measure captures financial stability, the Bank's second main objective. Financial stability is notoriously difficult to operationalise, and proxy measures include even generic economic outcomes like GDP growth (see [Gadanez and Jayaram, 2009](#)). We add to our analysis a more targeted measure that captures systemic financial stress in the UK (calculated till June 2020). This composite index – recently introduced and validated by [Chatterjee et al. \(2021\)](#) – takes higher values in months characterised by “higher volatilities, valuation losses and a widening of risk spreads that occur simultaneously across a wide range of asset markets (the equity, government bond, foreign exchange, corporate bond and money markets)”. The measure is novel in terms of its constitutive components as well as its weighting of the different markets by their cross correlation with the others.<sup>18</sup> In the Appendix, we estimate our models with an alternative, and more institution centred, measure of financial stability: the change in average share price of five main commercial banks based in the UK (Table C6).

#### 4.4. The post-crisis period

As described before, the global financial crisis fundamentally changed the role of central banks. The changes were both formal and informal. In Britain, new competences were delegated to the Bank, and decision making structures were adapted to accommodate the expansion of competences. Meanwhile, informal agreement was reached with government on the Bank's use of QE. As these changes took place in a relatively short period of time, it is difficult if not impossible to disentangle individual effects. Yet, as the changes may have affected media scrutiny beyond any change in our explanatory and control variables, we include in our models a dummy for the post-crisis period. Deciding where this period starts is difficult, but as we are interested in the expanded role of the Bank, we regarded March 2009 as the first month of the post-crisis period. In this month, the Bank started using QE; moreover, it was just after the introduction of QE that the UK economy started expanding after five quarters of contraction. In addition to the use of this dummy, we explore – in models run on subsets of the data – whether the impact of any of the explanatory variables is different in the pre- and post-crisis period.

#### 4.5. Control variables

Our analyses include several controls. As media scrutiny may be affected by decisions and publications of central banks themselves (cf. [Binder, 2017](#)), we include several measures of such output. First, the key decisions of the Bank's MPC have traditionally been those on interest rates. These decisions are, for instance, highly relevant for savers and those with household debt, including homeowners with mortgages. Therefore, we created a measure of the (absolute) percentage point change in the bank (or discount/interest) rate, using Bank data. Changes are announced shortly after MPC meetings and are, therefore, not lagged. We multiplied the (very small) values by 100 to facilitate interpretation. In Appendix Table C7, we present models with a rate change dummy instead of the amount of change.

Second, over the past decade, central bank decisions on liquidity and financial injections have been prominent. To capture these, we created two dummy variables: the first takes the value of 1 in months when the MPC decided to change the total amount of assets included in its QE programmes (the period till the end of 2020 only saw increases); the second takes the value of 1 in those months in which UK banks were bailed out. We should note that the bank rescues were not the sole product of the Bank: they were designed in collaboration with the government, and the Treasury in particular.

Third, it has become increasingly common for central banks to provide information on, and explanation of, their activities to broad audiences (e.g., [Baerg, 2020](#); [Dinçer et al., 2019](#); [Moschella and Pinto, 2019](#)). The speeches of individual central bankers are of particular relevance here. Though their focus may depend somewhat on the occasion, what they have in common is that they

<sup>18</sup> We should note that the foreign exchange indicators in the index bear little resemblance to the second price stability measure we use.

elaborate on, and explain, individual and organisational policy positions and activities. As the news media do cover these speeches, especially when their language is clear (Ferrara and Angino, 2021), we counted their monthly number, using data provided on the Bank's website. Our final measure was log transformed to deal with positive skewness. In Table C8 in the Appendix, we replace the number of speeches of the Bank with the number of news releases.

In addition to these output measures, we include controls for events and decisions that affect the Bank, but that take place outside the organisation. First, parliamentary committees regularly hold central bankers to account in hearings (e.g., Fraccaroli et al., 2020), and at least in the US, these events attract media attention (Binder, 2017). In parliamentary hearings, members ask heads and other central bank officials to give evidence on their activities. In the UK, it is the Treasury Select Committee that examines the Bank's activities and reports. The committee also holds pre-appointment hearings in which those individuals that are to be appointed or reappointed are questioned about their knowledge, views and integrity.<sup>19</sup> We consulted the formal minutes of the Treasury Committee and other parliamentary archival sources, and created a count measure of the monthly number of hearings.

Second, announcements of (new or renewed) appointments of central bankers by politicians may affect media scrutiny (cf. Binder, 2017). In the UK, appointments to the Bank's committees are made by the chancellor<sup>20</sup> or the governor of the Bank after consultation of the chancellor. We collected data on the announcement of decisions to appoint and reappoint members of the Bank's decision making committees, and created a (log transformed) monthly measure of the number of announcements.<sup>21</sup>

Finally, events related to the electoral cycle and the UK's withdrawal process from the EU may have affected scrutiny of the Bank. Considering the peculiarities of these periods is even more important given that Bank officials, like civil servants in other UK non-departmental public bodies, follow Cabinet Office's guidelines on communication during election and referendum campaign periods ('purdah'). For instance, a 2016 letter outlining the principles for public communication to be followed during the Brexit referendum campaign emphasised that "the Bank should exercise discretion in all its communication activities" and forbade bank officials, among other things, to deliver public speeches and appear in events where campaigning politicians were present, and discouraged them from conducting regional visits (Carney, 2016). We added two dummy variables to our analysis, one for the various general elections and another for key Brexit related events (see, for the operationalisation, Table B5 in the Appendix). As purdah normally applies to the six weeks before an election (or referendum), our dummies take the value of 1 in the month of the event and the month before.

## 5. Results

Is media scrutiny responsive to central banking outcomes? In this section, we report the results of our analyses of evaluative and negative coverage. We present two models for each outcome of interest. The first estimates the effect of the relevant policy outcomes, including also newspaper and month fixed effects. The month fixed effects take into account the annual central banking 'cycle', which includes the periodical publication of (inflation and financial stability) reports, and policy meetings in most but not all months.<sup>22</sup> The second model adds the controls. All models cluster (robust) standard errors by newspaper. Also, all models include a lagged outcome variable to account for the fact that media coverage of events is not narrowly contained within months, and may spill over into the next month. We should note that panel unit root tests suggest that our two time series do not present issues with non-stationarity (see Appendix Tables B6–B8).

### 5.1. Evaluative coverage

Models E1 and E2 in Table 1 present the results for evaluative coverage. To recall, this monthly measure takes higher values when sentences about the Bank in news articles include (relatively) more 'sentiment'. The models show that the level of evaluative coverage in the previous month is a consistent predictor of the outcome. Moreover, coverage can be traced back to central banking outcomes. We will elaborate on this.

First, in line with expectations, levels of evaluative coverage are higher when reported inflation is further removed from the target set by the chancellor. Table C1 in the Appendix shows that the same cannot be said for the level of inflation, which suggests that newspapers do take seriously both over and under shooting. The latter may in part be driven by the requirement for the Bank's governor to write a letter to the chancellor whenever inflation levels deviates more than one percent from the target; a requirement that makes both over and under shooting more 'eventful'. Indeed, when replacing the (more detailed) distance from the target with a dummy for the months in which the governor wrote a letter, the effect is robust across model specifications (Table C2 in the Appendix). As the robustness of this result raises the question of whether the effect is linear or potentially quadratic, we added the squared term in Table C4 in the Appendix but did not find an effect (but see Section 5.2). In contrast to our inflation measure,

<sup>19</sup> These pre-appointment hearings take place *after* the (re)appointment announcements, but (usually) *before* members take up their position. Unlike in the US, appointments cannot be vetoed, but the hearings are important events, with negative evaluations causing considerably damage to the reputation of appointees (Matthews, 2020).

<sup>20</sup> In statutory terms, some appointments are made by the head of state (i.e., the British monarch) on the advice of the prime minister (e.g., the appointment of the governor); in practice, they are made by the chancellor.

<sup>21</sup> We focused on the MPC, the Financial Policy Committee (FPC) and the Prudential Regulation Committee (PRC). We excluded the Bank of England's Court (and its subcommittees) because it serves as a supervisor rather than a decision maker.

<sup>22</sup> As the Bank's inflation report (now monetary policy report) can be seen as the main publication, we also ran our models with inflation report dummies instead of month fixed effects (Table C3 in the Appendix). The results do not change substantively.

**Table 1**  
Models of Bank of England evaluative and negative coverage.

|  | Evaluative        |                    | Negative           |                    |
|--|-------------------|--------------------|--------------------|--------------------|
|  | E1                | E2                 | N1                 | N2                 |
| Outcome <sub>t-1</sub>                   | 0.21***<br>(0.05) | 0.20***<br>(0.05)  | 0.11***<br>(0.01)  | 0.09***<br>(0.00)  |
| Distance inflation target <sub>t-1</sub> | 0.04*<br>(0.02)   | 0.05***<br>(0.02)  | 0.19***<br>(0.03)  | 0.23***<br>(0.03)  |
| Abs. Δ exchange rate (logged)            | -0.00<br>(0.02)   | 0.01<br>(0.02)     | 0.01<br>(0.05)     | 0.03<br>(0.04)     |
| Δ unemployment rate <sub>t-1</sub>       | 0.32<br>(0.22)    | 0.39<br>(0.28)     | 0.41***<br>(0.06)  | 0.33***<br>(0.12)  |
| Financial stress                         | 1.24***<br>(0.36) | 1.37***<br>(0.42)  | 0.16**<br>(0.06)   | 0.34***<br>(0.11)  |
| Post crisis                              | 0.34**<br>(0.15)  | 0.30*<br>(0.16)    | -0.12***<br>(0.03) | -0.23***<br>(0.03) |
| Abs. %Δ bank rate                        |                   | -0.46***<br>(0.15) |                    | -0.06<br>(0.18)    |
| QE announcement                          |                   | -0.06<br>(0.16)    |                    | -0.16<br>(0.12)    |
| Bank bailout                             |                   | 0.17<br>(0.16)     |                    | -0.41***<br>(0.12) |
| # of speeches (logged)                   |                   | 0.04<br>(0.03)     |                    | 0.07**<br>(0.03)   |
| # of hearings                            |                   | 0.00<br>(0.04)     |                    | -0.01<br>(0.02)    |
| # of appointments (logged)               |                   | -0.10<br>(0.08)    |                    | -0.07<br>(0.05)    |
| Elections dummy                          |                   | -0.38**<br>(0.16)  |                    | -0.18<br>(0.12)    |
| Brexit dummy                             |                   | -0.00<br>(0.06)    |                    | 0.48***<br>(0.04)  |
| (Intercept)                              | 4.59***<br>(0.38) | 4.64***<br>(0.43)  | 0.64***<br>(0.10)  | 0.53***<br>(0.13)  |
| Num. obs.                                | 809               | 809                | 809                | 809                |
| Month dummy                              | ✓                 | ✓                  | ✓                  | ✓                  |
| Newspaper dummy                          | ✓                 | ✓                  | ✓                  | ✓                  |
| R <sup>2</sup>                           | 0.25              | 0.27               | 0.11               | 0.13               |
| Adj. R <sup>2</sup>                      | 0.24              | 0.24               | 0.09               | 0.10               |

Note: OLS models, robust standard errors clustered by newspaper.

\*p<0.1.

\*\*p<0.05.

\*\*\*p<0.01.

absolute change in the exchange rate is not associated with evaluative coverage. To the extent that inflation is the more important measure of price stability, the models provide a first piece of evidence of the Bank's performance on this statutory objective being scrutinised by the news media.

The effect of change in the unemployment rate is positive, but its *p*-value is just above conventional levels. When replacing change in the unemployment rate with GDP growth (Appendix Table C5), the effect's direction is as expected, but not significant. Overall, as far as evaluative coverage is concerned, price stability seems more important than the Bank's auxiliary objectives.

Financial stability is also reflected in the tone of the coverage, with higher levels of systemic financial stress being associated with more evaluative coverage. When replacing financial stress with the change in share price of five main commercial banks in the UK, we find a small, though significant, effect on evaluative coverage (Appendix Table C6).

In line with our expectations and the descriptive trend shown in Fig. 2, levels of evaluative coverage were higher after than before the global financial crisis. We further explore the difference between these two periods in Section 5.3.

Moving to our controls, we note that the evaluative nature of news coverage is affected by only some internal and external decisions and 'events'. First, months in which greater change in the bank rate was announced are characterised by lower levels of evaluative coverage, suggesting that these decisions are presented by newspapers in a rather factual manner. The results are similar when we replace the amount of change with a dummy capturing any change in the bank rate (Appendix Table C7). Second, election months are characterised by lower levels of evaluation, which may mean that central banking output and coverage is less 'outspoken' in periods of purdah.<sup>23</sup>

<sup>23</sup> In Appendix D, we present our main models by newspaper (Table D1 and D2). Whilst the coverage in the *Daily Mail* is generally more evaluative and negative (see Fig. 2), the results of the analysis are not driven by a single newspaper. Yet, there is some variation across newspapers in terms of what drives the tone of the coverage and in the explained variance. In Appendix E, we present models with measures of evaluative and negative coverage generated at,

## 5.2. Negativity

In Models N1 and N2 in Table 1, we report the results for negative coverage of the Bank, a measure that ranges from a strongly positive to a strongly negative tone in sentences about the Bank. Like for evaluative coverage, levels of negativity in the previous month are a consistent predictor. Moreover, despite the differences between our two operationalisations of media scrutiny, we again observe that coverage can be traced back to central banking outcomes.

First, as expected, a greater distance of the inflation level from the target is associated with more negative coverage, and the result is robust across the models. Once again, we do not find the same effect for levels of inflation (Appendix Table C1). By contrast, we do find a strong and robust effect when replacing distance from the target with a dummy variable for months in which the target was missed and the governor had to write a letter (Appendix Table C2). Hence, overall, the negativity of the news coverage appears to be affected by both over and under shooting. Moreover, when adding the squared term to the analysis (Appendix Table C4), we find evidence for a quadratic effect of distance from the target. Hence, negativity increases by deviations from the target at an increasing rate. To recall, no such effect was detected for evaluative coverage, with the analyses suggesting a more linear relationship. By contrast, and in line with our findings for evaluative coverage, we do not find an effect of (absolute) exchange rate change.

Levels of negativity are also higher when the unemployment rate has increased, but are not significantly affected by GDP growth, even though the direction of the effect is as expected (Appendix Table C5). These findings suggest that at least in terms of negative coverage, employment is more easily attributed to central banks than is economic growth.

Next, the effect of financial stability is (again) in line with our hypothesis: coverage of the Bank is more negative when levels of systemic financial stress in the UK are higher. Replacing the measure with change in the share price of five main commercial banks in the country produces similar results (Appendix Table C6).

Interestingly, whilst the post-crisis period has been characterised by more evaluative coverage, it has, with the current model specifications, seen lower levels of negativity. The effect on negative coverage is, however, not significant when estimating a model with only the post-crisis dummy and fixed effects (not reported). This suggests that the other variables in our models disproportionately account for the lower levels of post-crisis negativity.

Like for evaluative coverage, our control variables contribute relatively little to the main analysis. This may partially be accounted for by the fact that aggregated decisions and events cannot easily be characterised as negative or positive. Nonetheless, the (crisis) months in which commercial banks were bailed out are characterised by significantly more positive news, suggesting that these decisions were embraced as good news (in bad economic times). Furthermore, the Bank's own speeches (and its news releases; see Appendix Table C8) are associated with more negative coverage. Finally, news coverage of the Bank was clearly more negative in Brexit months. The latter may capture the negative economic forecasts associated with Brexit; also, it may to some extent gauge the critique – expressed mainly in the *Daily Mail* – of Governor Mark Carney 'interference' in the debate.

## 5.3. Pre- and post-crisis models

As Section 2 set out, the global financial crisis and its aftermath centred our attention on the importance of central banks and the need to hold these organisations to account. Here, we explore whether and how the crisis changed patterns of media scrutiny. We estimate models on two subsets of the data: a pre-crisis subset that includes data from May 1997 to August 2007, and a post-crisis subset with data from March 2009 to December 2020 (with the crisis period itself being excluded). The results are presented in Fig. 3 (and underlying Tables F1 and F2 in the Appendix). As QE was not available in the pre-crisis period, it is only included in the post-crisis models. To facilitate the comparison of the coefficients in the panels, we standardised them by dividing them by two standard deviations (see Gelman, 2008).

One key observation is that the models perform considerably better in the post-crisis period, which is also reflected in the explained variance (see Appendix Tables F1–F2). Importantly, the effect of distance from the inflation target that we observed in the previous subsections is present only for the post-crisis period, with the effect before the crisis even having a negative sign for evaluative coverage. The latter suggests that in the first ten years of Bank of England independence, distances from the target were covered in a relatively more factual manner. As the distances in that period were very low (see Appendix Figure B3) – and as this also meant that letters to the chancellor were a rarity – the finding may not be surprising from a perspective of news value.

Furthermore, whilst absolute changes in the exchange rate – our second measure of price (in)stability – did not drive media scrutiny in our main models, the effect in the post-crisis period is – at least for negativity – more in line with our expectations: the positive effect is significant at the 1 percent level.

At the same time, the results for unemployment and financial stress suggest that it was the crisis years (rather than the post-crisis period) that provided a particular boost for media scrutiny. Both variables – and especially financial stress – took their highest values during the crisis year (see Appendix Figure B3). When these years are omitted – as they are from the models in Fig. 3 –, the link

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respectively, the level of the full article and paragraphs with at least one reference to the Bank. Though many of the main results are still present, the relationship between central banking outcomes and our scrutiny measures is less strong when we include text that is not explicitly and necessarily about the Bank (especially when we look at the full article). Finally, in Appendix G, we run our models with an alternative sentiment dictionary created for accounting and finance by Loughran and McDonald (2011). This dictionary is close to our domain – and has indeed been used in several studies of central bank texts (e.g., Armelius et al., 2020; Shapiro and Wilson, 2021) – but it was created for a different domain and genre, and includes many more negative than positive words (about 2,300 versus 350). In line with this, both the overall trends (Figures G1 and G2) and the results (Tables G1) only partially overlap with ours.

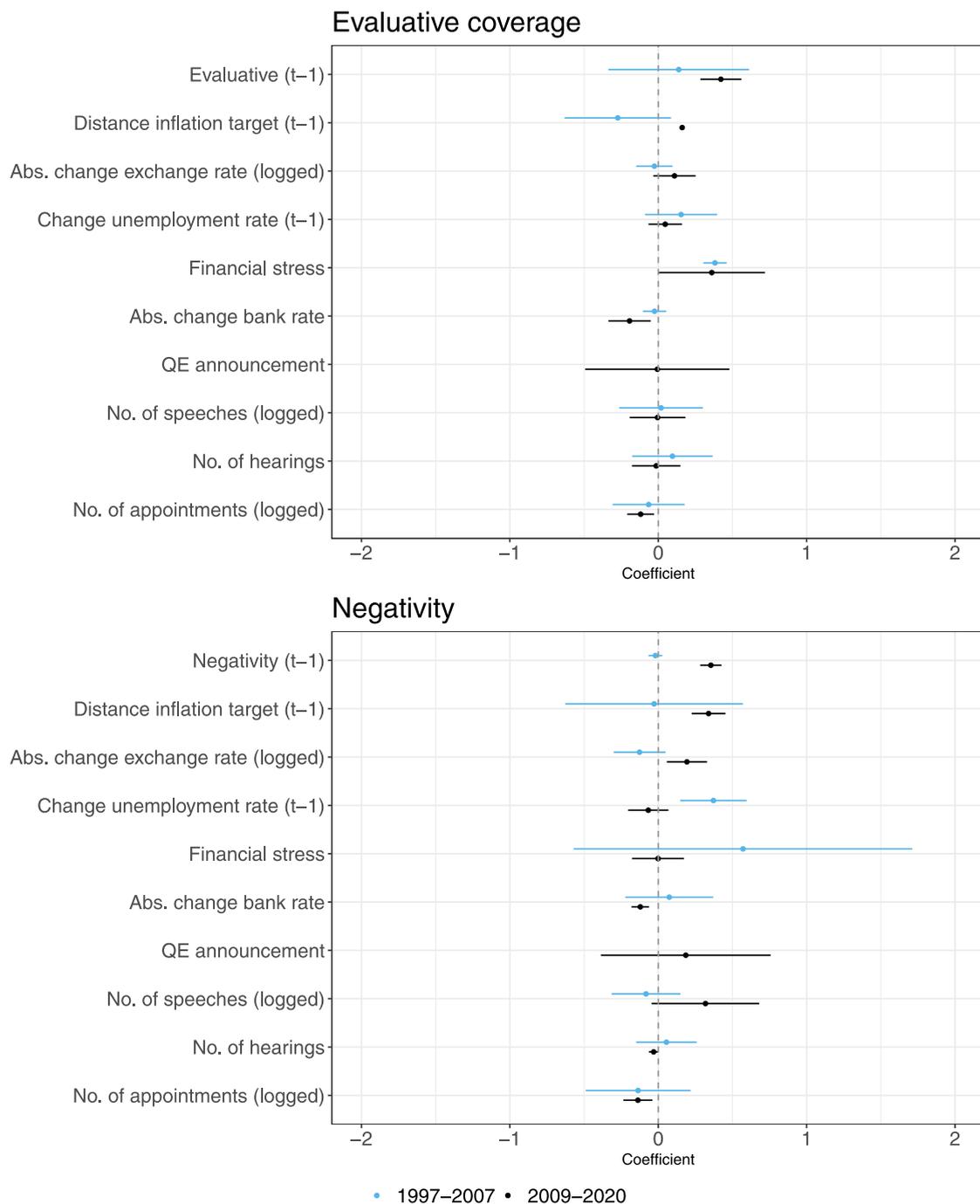


Fig. 3. Coefficient plots comparing pre- and post-crisis models. Note: Models present standardised coefficients with 95 percent confidence intervals.

between unemployment and negativity is only still significant in the pre-crisis period. Similarly, the association between financial stress and negative coverage is absent (though it is still present for evaluative coverage), suggesting that media scrutiny of financial stability was primarily a feature of the crisis period.

Turning to our controls, it is only in the post-crisis period that a relationship can be detected between bank rate changes and media scrutiny, with the (rare) changes that took place in that period (see Appendix Figure B4) being associated with more factual as well as more positive coverage. The number of appointments of central bankers shows a similar pattern: only in the post-crisis period are these associated with more factual and positive coverage. Finally, parliamentary hearings in the post-crisis years – which have

been greater in number in that period (see Appendix Figure B4) – are linked to more positive (but not more evaluative) coverage. Overall, the results for the control variables reiterate the observation that our models perform better for the post-crisis period.

## 6. Conclusions and discussion

Central bank independence has always raised questions of accountability, but since the global financial crisis, these have attracted renewed attention. Though located outside the ministerial hierarchy, independent central banks can be accountable in alternative ways, and this may – at least in principle – compensate for the absence of traditional democratic accountability, and help avoid shirking and misuse of power (Majone, 1996; Scott, 2000). Yet, we still know little about such accountability. In this study, we have aimed to shed light on one particular mechanism – media scrutiny –, with an empirical focus on the newspaper coverage of the Bank of England.

Using a text as data approach, we have shown that the Bank is held to account for its policy outcomes, with media scrutiny being responsive to deviations from the inflation target, increases in the unemployment rate (for negative coverage), and higher levels of systemic financial stress. These results echo recent findings on legislative oversight, which have shown that hearings in parliamentary committees centre on central banks' mandates (e.g., Fraccaroli et al., 2020; Ferrara et al., 2021). Yet, at the same time, we have seen that the patterns of sustained accountability are largely confined to the (crisis and) post-crisis period.

Our findings are, on the one hand, reassuring. They suggest that media scrutiny works best in periods when it matters most from a constitutional perspective; that is, when the powers of central banks are expanded and/or their performance raises questions. On the other hand, they point to the limits of media scrutiny. Because of the incentives they face, the media seem less capable of exercising sustained oversight when central banks and their activities are not salient. Moreover, as the resource constraints facing journalism are increasing in the internet age, these blind spots may still become more prominent. Thus, there is a need for other account holding forums to (be incentivised to) keep an eye on central banks even when their activities are not newsworthy.

Despite these limits, our results suggest that the media should be taken seriously in assessments of central bank accountability. Because of their influence on public perceptions and legislative oversight (via fire alarm oversight), the media are in a good position to keep independent central banks on their toes. This study has shown that at least in the UK, they do also actually make use of this position, even if somewhat conditionally.

Finally, our study has solely looked at scrutiny of the Bank of England. Though the Bank has experienced the same sort of challenges and changes as many other central banks, as well as the same sort of calls for more accountability, there may still be differences in coverage across countries. For instance, the Fed may face a different landscape because of media polarisation in the US, the ECB may have a distinct experience because of its greater distance from domestic audiences and politics, and central banking in authoritarian systems may be different altogether because of a lack of media freedom. Future research should explore and analyse media scrutiny in other institutional contexts.

### Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

### Data availability

Replication data are available from <https://doi.org/10.7910/DVN/ODVJ0Z>.

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### Supplementary material: Appendices A–G

Supplementary material related to this article can be found online at <https://doi.org/10.1016/j.ejpoleco.2022.102296>.

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