

What does it really change? The impact of the 2008 financial crisis on the political game of the European Central Bank.

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Abstract

This paper aims at highlighting my PhD thesis' subject on "The transfer of ideas and policy models in the EU: the case of the European Central bank" with the specific example of the financial crisis which started in Fall 2008¹. The following questions are addressed: 1) How does the ECB's discourse legitimize its presence in other areas than the strict missions defined in the Maastricht Treaty and 2) how does the Bank try to promote its own model of structural reforms amongst the other actors involved in the EU debate. Two other questions highlight the first ones with the example of the crisis: 3) Does the crisis impact on the rhetoric of the ECB's discourse? 4) Does it undermine the authority and credibility of the Bank towards the other EU institutions?

In order to answer to these questions, the paper is divided in three main parts: the first takes stock of the current literature analyzing the role of ideas and discourses in the ECB and/or the EMU's creation; the second analyses the ECB's official discourses and the impact of the crisis on them, the third aims at giving research perspectives to put the discourse back in its context.

¹ The bankrupt of Lehman Brothers the 15th of September 2008 is considered as the start of the crisis

Introduction

Contextualization

Following the European Monetary Union (EMU)'s three steps development², domestic monetary competences have been transferred to a supra-national institution: the ECB. The Bank has been designed to be fully independent from any national or supranational political power³ and its missions are clearly defined: to keep the prices stable and to back up the EU policies⁴. This design has been the subject of an intense political debate, mainly about the lack of democratic control on the Bank. Following a rationalist point of view, the European integration is the outcome of a wanted and controlled delegation of competences from the member states to supra-national institutions. What is really at stake is thus the control's mechanisms of the States members on the new institutions. The principal-agent theory⁵ focuses on this delegation and can be an interesting approach to question whether there is a democratic deficit in the ECB's design. The inquiry is the potential gap between the missions that have been delegated by the principal (here the Eurozone countries) and the way the agent carry them out (here the ECB). Few studies have been conducted on this problematic and they focus essentially on the issue of compliance towards the price stability's mission, the back-up of EU policies⁶ or on the role of the Parliament as the new principal⁷. The principal-agent theory has been inspired by works in the realm of economy. The delegation's motivations for the principal are based upon a reduction of the costs of management of a certain mission. The choice of the delegate is motivated by information's asymmetry and moral hazard. Consequently, the whole delegation's process is rational and can be thus rationally deducted. However, such crude translations of basic economic theories (that are not even academically checked) into the realm of politics have to be seriously put into perspective. Indeed, notions such as "moral hazard" dismiss one of the main assumptions of political sciences, that is to

² Cf First part of the analysis

³ Art. 108, ECT

⁴ Art. 104, ECT

⁵ POLLACK, Mark A. "Delegation, agency, and agenda-setting in the European Community", *International Organization*, vol. 51, 1997

⁶ ELGIE Robert. "The Politics of the European Central Bank: Principal-Agent theory and the Democratic Deficit". *Journal Of European Public Policy*, Vol. 9, No. 2, 2002

⁷ TORRES Francisco « EMU and EU governance », 1st EUI Alumni Conference: Governing EMU: Political, Economic, Legal and Historical Perspectives, October 2003

provide an understanding of the people action's thanks to the analysis of the effects of power upon people's relation. This paper claims that people's interactions cannot be understood from the rationalist method of the "costs-benefices" calculation.

Research questions

No studies have been conducted yet on the ECB's attempts to extend its field of competencies and its legitimacy to speak in other areas than its strict missions defined in the Maastricht treaty. As the ECB does not have any formal power outside the monetary sphere, the role of ideas and discourses is crucial to analyze, in order to understand the Bank's attempts to extend its influence. More precisely, the Bank has built an argumentation based on the neo-classical economic theories to legitimize its intervention in the debate concerning the structural reforms in the labor markets of EU countries⁸. This paper aims thus at addressing the following questions : 1) How does the ECB's discourse legitimize its presence in other areas than the strict missions defined in the Maastricht Treaty and 2) how does the Bank try to promote its own model of structural reforms amongst other actors involved in the EU debate.

Moreover, the impact of the 2008 financial crisis on the Bank's discourses and credibility is an interesting phenomenon to observe. Indeed, the crisis challenged some of the neo-classical economy theories which are the bases of the Bank's argumentation. Two other questions can thus be addressed to deepen the two first ones: 3) How does the crisis impact on the ECB discourse? 4) Does it undermine the authority and credibility of the Bank towards the other EU institutions?

Scientific relevance

The paper's scientific relevance is three-folded. First, it aims at understanding how the Bank is reacting towards a crisis situation that is challenging its discourse coherence. Moreover, it consists at analyzing, through this example, the policy transfer's potency of the ECB, since, as in the European Communities Court of Justice's case⁹, there is a global lack of

⁸ FITOUSSI J-P, « The ECB' monetary policy strategy and structural reforms », European Parliament, Briefing paper n° 2, 30 Mai 2003

⁹ BULMER S., PADGETT S., « Policy Transfer in the European Union: An Institutionalist Perspective », *British Journal of Political Science*, 2004, No.35, p. 103-126

study on this institution in the policy transfer's field. Lastly, some researches on the EMU have confirmed that the Union plays a role in changing the political models and paradigms through a new use of certain concepts and the diffusion of new systems of collective representations¹⁰. The long-term perspective of this research is thus to investigate the role the Bank could play in this diffusion.

Paper layout

In order to answer to the four research questions, the paper is divided in three main parts. The first one takes stock of the current literature which is analyzing the role of ideas and discourses in the ECB and/or the EMU's creation. The main theoretical approaches and the methodology used in the researches are summarized critically in the aim of pointing out the research's obstacles experienced in the field.

The second part analyses the ECB's official discourses. Two corpuses of texts are compared: the first one includes the Bank's monthly bulletins from January 2006 to December 2007; the second one consists of the same bulletins from September 2008 to January 2009. The methods of comparison and analysis of the corpus are presented through a brief introduction to the lexicometrical analysis. The main characteristics of the discourse and the differences between the corpuses are then summarized.

The third part aims at giving research perspectives to complement the discourse's analysis. Indeed, one has to understand the power's nexus in which the institution is embedded to grasp the very meaning of its discourse. The agents of an institution act *in relation* to the perceived action of other agents: the formulation of a discourse is thus dependant of the positioning of the agents in a specific field. Consequently, a theoretical layout is proposed to link the notions of agent, field and discourse. Finally, three research hypotheses are suggested to operationalize this attempt of bringing the discourse back into its context by providing a theoretical layout linking the notions of ideas and politics.

¹⁰ GOBIN C. Communication in the colloquium « La représentation économique de l'acteur au travail », USTL, 20 et 23 novembre 2003, Lille, DUFRESNE A. « Le discours de la BCE concernant les aspects sociaux » in Purnelle G. Fairon C. et Dister A. (éds). *Le poids des mots. Actes des 7e journées internationales d'analyse des données textuelles*. Presses Universitaires de Louvain, 2004.

The articulation between these parts can be understood with these elements:

- It is important to prove that ideas matter and why a polity system such as the EMU is justified with a very technical and “rationalist-like” explanation whereas it is the outcome of power relations in a political game (part 1).
- Consequently, the analysis seeks to understand what are the ideas embedded in the ECB’s discourse (part 2). It is often argued that two different categories of works fit the heading “discursive approaches”: either they consider discourse as a theory of European integration or not¹¹. The study of the ECB’s discourse aims both at providing a part of a structure of meaning (what is acceptable to say in a given political area) and indicators to investigate agents’ behavior¹².
- The relationship between actors and discourses is thus complicated. It is argued in this paper that these two notions are contingent. On the one hand, words are politics; they are acts that change reality and not only comment on it¹³. On the other hand, discourse does not stand apart from the reality of power struggles in a given area (part3), its meaning is thus influenced by politics of the field. In order to understand the structure of the field in which ideas and discourses are embedded, the part 3 focuses on a methodology centered on agents and elites. The hypotheses developed in this part are only concerning this problematic and not the interaction between actors and discourses. Part 2 and 3 constitute thus each other and have both to be taken seriously in order to understand how ideas (and more specifically polity-ideas) transfer.

I) The role of ideas and discourses in the EMU’s and ECB’s creation.

Many political sciences’ researches have analyzed the creation of the EMU with an extended variety of approaches: the classic International Relations’ theories such as realism or regime theory; the first European Studies’ approaches such as the inter-governmentalism or

¹¹ WOEVER Ole, “Discursive Approaches”, Book Chapter from Wiener Antje and Diez Thomas, *European Integration Theory*, Oxford University Press, 2004

¹² Ibid, p.199

¹³ Ibid, p.212

the neo-functionalism; the different schools of neo-institutionalism¹⁴. However, it is Kathleen McNamara in her seminal book¹⁵, who clearly defines the most important factors explaining the unlikely creation of the EMU. She first analyzes the economic theories that influenced the EMU design¹⁶ and concludes that there was no obvious scientific reason which could justify the chosen configuration. The analysis of the rational economic theories help to understand the reasons invoked by the experts and the political leaders in the decision-making process but not the particular choice they made. The role of the ideas in the choices of the decision-makers is thus relevant to observe, since uncertainty is very high in the monetary sphere and there is no real consensus on what should be a “good” macro-economic decision. The key-moment on the road to EMU was the *ideational consensus* towards the goals and the instruments of the monetary policy, at the end of the European monetary system in 1979. The success of this experience led to a convergence amongst the States’ elites on the importance of “sound money”, in other words, price stability. Even more important, in a recent article she assesses that “the consensus on the virtues of monetary stability among a relatively narrow set of technocratic policy elites has endured, has become institutionalized in the ECB and is providing a foundation for the operation of EMU¹⁷”. Therefore, material and rational explanations cannot explain the actual design of EMU and its institutionalization in the ECB, the shift in the policy makers’ minds should be considered as socially or ideologically constructed.

There is still a need of clarification for the specific role that ideas play. More precisely, the role of politics and its relation to the ideational explanation has to be investigated. This link is an uneasy theoretical question that researchers try to solve by considering the nature of ideas. Most of the researchers agree on the fact that there is a discrepancy between *strategic* and *cognitive* ideas. The former is close to the role of ideas in the rational choice’s approach

¹⁴ For an account of these approaches, see HOWART D. et LOEDEL P. *The European Central Bank, The new European Leviathan*, Palgrave MacMillan, 2005

¹⁵ MCNAMARA K. *The currency of ideas : monetary politics in the European Union*, Cornell University Press, 1998

¹⁶ The Mundell-Felming triangle was the theoretical basis of the EMU. It explains that between the three following economic situations, only two can be applied at the same time : Fixed change rates, autonomy of the monetary policy, freedom of the capital’s moves. The EMU implies that there is no autonomy of the monetary policy, however other configurations were as coherent as this one.

¹⁷ MCNAMARA K, “Economic Governance, Ideas, and EMU: What Currency Does Policy Consensus Have Today?” Special Issue of *Journal of Common Market Studies*, “The Theory and Practice of Economic Governance in EMU Revisited”, Vol. 44, Num. 4, November 2006. p.804

as in Shepsle: they are considered as strategic weapons or “hooks” on which actors puts their objectives and interests¹⁸. It is also similar to the notion of “second-order belief” developed by Sabatier and Jenkins-Smith¹⁹. The latter consider that ideas play a more passive and structural role. Ideas are embodied in agents, they framed their visions of the world and its problems, and they are deeply rooted and implemented throughout the agent’s life’s time: in other words, it is part of the “deep-core” of belief system²⁰. Finally this consideration about the Janus-faced nature of ideas is summarized by McNamara : “[The] actors are strategic and self-interested, but as humans, they cannot escape the process of interpreting and giving meaning to their environment and this is the process of ideational creation and diffusion that interests me²¹”.

The distinction made here on the nature of ideas is crucial since it explains the different views in the literature on the role that ideational factors played in the EMU and ECB’s creation. A first group of authors insist on the *interpretative* role that ideas are playing in the world’s perception of the agents; it is close to the notion of problem-framing in the public policy field. The agents have thus a common actions’ grammar, what they do is understandable according to the *perceived* field of possibility of action. In Vivian Schmidt’s works on the notion of discursive institutionalism²², discourses can explain change since they help the agents to interpret the world differently. Mark Blyth argues in the same way when he considers that “ideas matter because they can actually alter people’s conception of their own self-interest²³”. It is even more relevant for the EMU creation since economic agents are often unsure of what are really their interests. In this context, ideas provide a scientific and normative account to a specific, socially-built solution (such as money stability). Parsons²⁴ goes even further when he claims that ideas are a powerful causal explanation since it is not

¹⁸ Quoted in PEDERSEN L.H. « Ideas are transformed as they transfer : a comparative study of eco-taxation in Scandinavia », *Journal of European Public Policy*, vol 14 (1), 2007

¹⁹ SABATIER P. et JENKINS-SMITH H.C (eds). *Policy Change and Learning: An Advocacy Coalition Approach*. Boulder, 1993

²⁰ Ibid.

²¹ MCNAMARA K, “Economic Governance, Ideas, and EMU: What Currency Does Policy Consensus Have Today?” p.812

²² SCHMIDT V.A. « The explanatory power of ideas and discourse », *Annual review of political sciences*, Vol 11, 2008

²³ BLYTH Mark, *Great transformations, economic ideas and institutional change in the twentieth century*. Cambridge University Press, 2002, preface

²⁴ PARSONS Craig, *How to map arguments in political sciences*, Oxford university press, 2007

the agents' position that explains its action but the perception that the agent has of its own position. This perception is heavily influenced by the set of ideas that frame the agent's vision of the world.

A second group of authors consider that ideas are important since they help to build actors' coalition and help them to agree on a set of objectives and ways of acting for a specific problem. McNamara's works are part of this group and Amy Verdun's study on the role of epistemic communities²⁵ in EMU's building is completing her studies. Nicolas Jabko is the one who is trying to link the role of ideas and politics in the EMU's design in the most systematic way²⁶. He considers that market ideas have been used by strategic actors since they did not have enough power resources. The Commission built a wide coalition including actors with very diverse opinions since market ideas have been used to legitimize the EMU in such a flexible way that everybody could find something on which she agrees on.

Finally, diverse opinions exist on the specific role that ideas have played in the EMU's, and consequently, ECB's creation, according to the vision that each author has on the nature of ideas. I argue that these works are very convincing to prove that ideas matter but there is still a theoretical lack in defining how and why ideas and politics are contingent and constitute each other. Indeed, McNamara and Jabko insist on the specific role that neo-classical economic theories played in building up wide coalitions of actors but they do not provide an *ideational* factor to explain why such strategic ideas have been chosen more than others. This paper proposes to analyze the field's structure in which ideas are embedded, not only from a political point of view but with a regard to the ideological preferences of the actors who matter. It is both the micro-politics of a given field and the macro "regime of truth" that have to be taken into account to understand the link between ideas and politics.

I argue that the first research step is to detect which ideas are embodied in each actor's discourse and to unveil the attempts of political legitimization that are often hidden between the lines of technical discourse. I suggest thus to do a lexicometrical analysis on the ECB's

²⁵ VERDUN A. « The role of the Delors Committee in the creation of EMU : an epistemic community? », European University Institute, Working Paper RSC No 98/44, 1998

²⁶ JABKO Nicolas, *Playing the market, a political strategy for uniting Europe, 1985-2005*, Cornell University Press, Ithaca, 2006

discourse corpus to reveal its argumentation's structure. This paper focuses more specifically on the impact of the 2008 financial crisis on the Bank's discourse and the changes it may have provoked in its structure and rhetoric. The second research step is then to comprehend the Bank's position in the EU field in order to put the discourse back into its context.

II) Does the crisis really matter? An analysis of the ECB's discourse

This section analyzes the ECB's official discourse through a lexicometrical analysis. The first part aims at explaining the methodology of corpus' selection and quantitative textual analysis method; the second part focuses on the main characteristics of the ECB discourse and the third part investigates the impact of the crisis on the ECB's discourse.

Methodology

The corpus of texts is constituted with a selection of official ECB's monthly bulletins. Since 1999, the Bank is publishing every month a bulletin summarizing both its monetary and economic analyses and decisions, its layout did not change since its first edition. The parts of the bulletins that are included in the corpus are:

- The introduction: it is the basis of the ECB's monthly press conference which is its main communication targeting a broad public. It summarizes the Bank's principal arguments on money stability and the economic reforms that should be implemented to achieve this goal.
- The section 3 ("Prices and costs). It is a global analysis of the variables that could stimulate inflation. Amongst these ones are the wages' levels and the influence of the social and economic models. It develops thus the rhetorical link between price stability and structural reforms.
- The section 4.2. ("Labour market). In this section, the Bank analyses the mechanisms of wages' fixations and discuss the structural reforms that are considered as necessary in order to keep a low inflation.
- The section 4.3 ("The outlook for economic activity"). The analysis of the future economic development in the Eurosystem emphasizes the risks existing on the monetary

stability. The Bank then lists the decisions in the economic sphere, regarding the monetary stability, which should be taken by the Euro countries.

- The section 5 (“Fiscal developments)

Two periods of times are included in the corpus: the first one takes place from January 2006 to December 2007, the second one integrates the bulletins from September 2008 to January 2009. The global length of the corpuses (209 899 and 47 954 words) is sufficient to compare them and to do a quantitative lexical analysis. As this analysis is partly taken from my PhD thesis researches, the language of the corpus is in French (the original monthly bulletins are officially translated by the French National Bank).

The aim of the analysis is to demonstrate how the ECB is extending its sphere of influence from the monetary sphere. The selection is then justified by the systematic inclusion of all the Bank’s developments when not related to strict monetary issues and decisions. Other quantitative studies exist on the ECB’s unofficial discourses²⁷. It is interesting to notice that the main conclusions of both of the works (neutralization of political and social aspects of economic policies, importance of structural reforms), as well as the structure of the discourse, are similar. It already reveals a main characteristic of the ECB discourse: its stability and homogeneity.

The corpus is then “normalized” in the aim of preparing it for the lexicometrical analysis. Such normalization techniques include²⁸ : Markers (temporal tags are included before each bulletins), orthographic corrections, delimitations for each sentences. Next, the corpus is “lemmatized”. It means that each word of the corpus is linked to a dictionary’s entry. Verbs, words and adjectives are separated to provide a precise analysis.

Main characteristics of the ECB discourse

First, the focus is put on the number of occurrences in the ECB discourse. The most present substantives identify the two dominant themes of the ECB discourse: “price” and

²⁷ BARBAS J. « La communication de la Banque Centrale Européenne, entre technicité économique et impératif de justification », *Terrains et travaux*, Vol 8(1), 2005

²⁸ For a more extended account of this methodology, LABBE D. « Normes de saisie et de dépouillement des textes politiques », *Cahier du CERAT*, Grenoble, 1990

“growth”. This is confirmed by the analysis of the syntagmes (most frequent words’ combinations): “Euro zone”, “Labour market” and “price stability” reach the top three positions. Other characteristics revealed by this first analysis are:

- The first position in the verbs’ list of “should”. It is not used in the context of the moral obligation but it expresses a probability or a mark of prudence.
- The impersonality of the discourse. It is characterized by an over-utilization of the reflexive verbal form.
- The amount of negotiation forms.
- The weight of the demonstrative form, sign of a pedagogic tone.

The syntagme’s analysis shows that when the ECB is considering other themes that monetary ones, it focuses essentially on the labour market. This is put forward with an analysis of the meaning of the words.

There are two methods of calculation measuring the meaning of words²⁹: the analysis of the “universes” of the tokens (what are the other tokens which are over- or under-used in the surroundings of the studied token in comparison with the normal distribution in the rest of the corpus) and the most representative sentences (the sentences where the studied token is surrounded by the most over-used tokens of its universe). The latter is a kind of mathematic form of the quotation used to highlight an actors’ discourse.

The universes of “price”, “growth” and “unemployment” are first studied in order to show how these three key economic notions are articulated in the ECB’s discourse. The Bank adopts a three steps reasoning: 1) The monetary policy has to be stable in order to help the financial agents to do better anticipations and then trust the reliability of the Bank, 2) This trust triggers an optimal resources’ allocation on different markets which create the conditions for a sustainable growth, 3) This sustainable growth is the only possibility to achieve a full employment. It is obvious here that this reasoning is heavily influenced by the neo-classical theories, notably the importance of “sound money” notion and the impossibility to act on any market but to provide the optimal fluctuation’s conditions for the balance of the offer and

²⁹ LABBE C. et LABBE D. « How to measure the meanings of words ? Amour in Corneille's work », *Language Resources Evaluation*, Vol 39, 2005, pp 335-351.

demand³⁰. This reasoning is characterized by two main points: 1) the importance of time since the sequential order of economic links put the objective of employment in the last position, 2) the complete lack of debate on the relevance of these links: the neo-classical theories are dominant in the economic field but are still under a intense academic debate which is never mentioned in the ECB discourse, offering thus no other alternative thinking. This analysis is confirmed by a scrutinizing of the universes of the three tokens.

The sentences in which the token “price” is included are longer than average sentences which means that they are under more attention and more thought about. They contain however fewer numbers than in usual sentences, showing a lack of quantity and time indicators. Universes of “employment” and “growth” are characterized by an under-representation of action verbs and a strong presence of the syntagme “structural reforms” and the lexical universes of “flexibility” and “sustainability”. The notions of sustainability and flexibility seem thus to be two mechanisms of the “rise in generalities” that the ECB uses in order to legitimate its discourse outside the monetary sphere.

Here, sustainability is referred to public finances (73% of the token is linked to the syntagme “public finances”). As the European population is ageing, the Bank estimates that the lack of sustainability of public finances could be a risk for the stability of the prices. It thus proposes a vast list of possible reforms of the pension systems and stresses the urgency of their implementation. It is interesting to notice that there is an obvious gap between the link demographic changes-price stability (even the Bank states that this link is unsure), and the great accuracy of list of proposed reforms.

“Flexibility” is strongly linked to the syntagme “labour market”. The Bank calls very repetitively for a greater flexibility on labour markets: the most representative sentence for “flexibility” is “copied and pasted” through all the bulletins, whatever the circumstances. Indeed, according to the Bank, the unemployment’s causes are also linked to wages’ fixation that is not enough flexible on many European labour markets. In order to keep the inflation stable, the ECB asks thus the social partners to “continue to meet their responsibilities” which means that any ask for wage’s augmentation is a risk for the global EU employment’s rate. In

³⁰ BEAUD M. et DOSTALER M. *La pensée économique depuis Keynes*, Editions du Seuil, 1996, p176

May 2007, a slight change occurred in the ECB's argumentation: it stated that wages' rise is a risk for the "purchasing power" of all the Eurozone citizens. The purchasing power was one of the main themes in the electoral campaign of the French President N.Sarkozy which was at its peak at this precise time. The theory of the plot is not proposed here, the interpretation of this fact is that there was an opportunity for the Bank to add an argument, which had at that time a great political salience, to its rhetoric in favor of stable wages.

Finally, three main remarks can be made: 1) the ECB is often referring to a macro-economic reasoning when its discourse is focused on economic facts outside the monetary sphere. It is a crucial point since neo-classical theories are based on a micro-economic reasoning. 2) The blurry links between the notions of price stability, ageing population and labour market's flexibility are contrasting with the precision of the structural reforms proposed for these areas. 3) The Bank's discourse kept on being very stable for the whole period between January 2006 and December 2007, despite all the variations that happened in European economies (such as the 2007 food prices' crisis). The conclusion of the analysis is that the ECB discourse (when not strictly related to monetary analysis) is more dogmatic than analytical and presents many of the features of a political discourse.

The crisis that occurred in September 2008 on the financial markets and which seems to trigger the worst global recession since the 30', has, according to certain commentators, undermined the theoretical foundations of the neo-classical paradigms that were the basis for many of the economic mechanisms and perceptions. It is thus pertinent to observe the impact that this event could have on the structure and the rhetoric of the ECB political discourse.

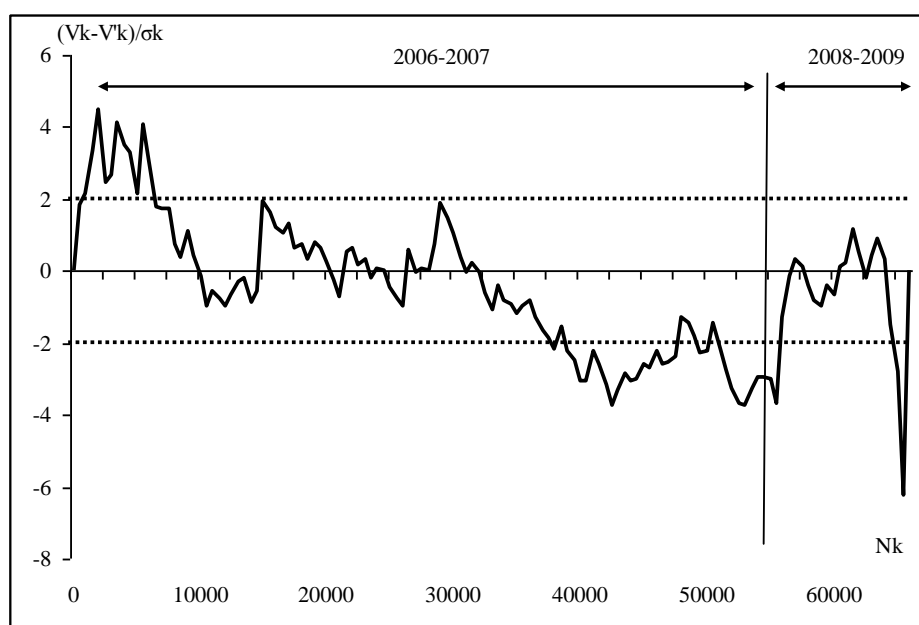
The impact of the 2008 financial crisis

The aim of this section is to compare the two corpuses of monthly bulletins in order to detect the changes that might occur following the crisis. The distance between the two corpuses is measured by the number of different tokens they contain³¹. The inter-textual distance's analysis shows that between 70 and 80% of the used tokens are in common between the two corpuses. It means that there are no changes of the writers and/or the themes

³¹ See LABBE Cyril and LABBE Dominique "Inter-Textual Distance and Authorship Attribution Corneille and Molière". *Journal of Quantitative Linguistics*. No.8, Vol. 3, p. 213-231. 2001

approached. This apparent similarity is then verified by another method which analyses the stylistic breaks on a segmented time-scale³². In the following graph, the variable “vocabulary growth” (V_k : number of new tokens that appeared from the beginning of the text to the n time) is centered on the values of the tendency calculated thanks to the model of “vocabulary fragmentation” (V^*k). It is then divided by the standard deviation at the n time. The values of V^*k form the horizontal axis of the graph. A corridor of “normal fluctuation” is symbolized by the dashed lines ($\pm 1,96$ standard deviation.). The points that are not between these dashed lines are thus considered as an irregularity in vocabulary’s growth or decline.

Table 1: Vocabulary’s growth in the monthly bulletins editorials since January 2006 (slides of 500 tokens)



Two main conclusions can be noticed here: First, there is a global tendency to the rarefaction of new words. It means that the ECB is not developing new themes and is globally focused on the same topics. Second, a notable peak of new words is reached in September 2008 but this one is followed by a phenomenon of stagnation and recession since the Bank used again the “copy-paste” method in the two next bulletins. It is surprising that the ECB did

³² See LABBE Cyril, LABBE Dominique and Hubert Pierre, "Automatic Segmentation of Texts and Corpora". *Journal of Quantitative Linguistics.*, No.11, Vol.3. p. 193-213, December 2004

not adapt at all its discourse to the worst crisis that happened since the 30's (the majority of the points is between the "normal" corridor of the dashed lines). However, another hypothesis can be formulated: did the ECB conserved the same style and vocabulary in its discourse but adapted it by focusing on some themes more than others?

Some changes in the vocabulary and grammatical structure, as well as in the repeated syntagms, are observed. First, some of the syntagms are relatively more used in the second corpus than in the first one. These ones include: "price stability" (+48%), "economic activity" (+45%), "middle term" (+31%). On the contrary, there is a sharp decline for some other ones: "GNP growth" (-76%), "public finances" (-57%) and long term (-44%). The list of the most repeated tokens show important variations as well: the proper names such as countries names (-19%) and the numbers including dates and statistics (-12%). Finally, the extent of the vocabulary used is smaller than in the first corpus and the "copy-paste" style is even more present.

Several important inferences can be made from this analysis. First, the notion of time is changing in the ECB's analysis. Facing the current turmoil and uncertainty of the markets, the Bank is less and less able to do long term projections. It is thus logical that the objectives (GNP growth, public finances) that were following the price stability in the neo-classical reasoning are less and less considered in the discourse. The global coherence of economic links that would lead in the long term to full employment in the ECB discourse is hindered by the current uncertainty and inability of the markets to answer by themselves to their current flaws. Moreover, the bulletins are becoming more abstract (or theoretical) since they are less taking in consideration concrete facts (countries' analysis, numbers). Two main conclusions of the impact of the crisis on the Bank's discourse are thus presented:

- There is no real lexical or thematic break or shift that has been observed in the discourse since the crisis occurs. As the hypothesis of the stability of the discourse has not been analyzed *per se*, it is more correct to say that *no important variations have occurred since 2006 even if few but significant changes are observed since the last months.*

- In his analysis of the 1929 crisis, J-K Galbraith noticed that even if this kind of events is predictable, they always surprise the actors involved³³. As this study was on the five first months of the crisis (the starting point considered here is the bankrupt of Lehman Brothers, The 15th of September 2008), it is possible that the Bank did not integrate yet the outcomes of the turn provoked in fall 2008. However, this conclusion might be hindered by the fact that stereotypes are protective from this kind of turn. The ECB's governing Council seems to have found all the arguments needed in its former rhetoric to justify a real change in its monetary policy (important decrease of the interest rates). The discourse stays basically the same except that the Bank puts more emphasis on the urgency of implementing structural reforms³⁴: it can be inferred from this fact that, facing the crisis, the ECB is becoming more *dogmatic* in its discourse.

From this discursive analysis, this study seeks to investigate the bank's credibility and its influence amongst its other EU partners. Is this discourse's stability a defensive tactic because the Bank's arguments are now under-minded in the EU scene? Is this stability an offensive tactic by which the Bank interprets the actual turn to insist on the urgency of implanting the structural reforms it proposes? It is obvious here, that discourse's analysis does not provide all the explanations for explaining the Bank's actions. At best, it gives clues for investigation of actor's game and of the tactics that it might use. However, it does not help to understand *the very meaning* of the words used in the discourse and the *influence* it might have on other actors. In order to study the reception of the ECB discourse, one has thus to understand the power's relations in which the Bank is evolving with the other actors of the studied field, and then to develop a methodology to be able to measure the influence of the ideas.

III) Bringing the discourse back into its context

33 GALBRAITH John K. (1954). *La crise économique de 1929. Anatomie d'une crise financière*, Payot, 1970

34 In the editorial of the monthly bulletin of December 2008, the Bank states that the actual situation should be considered as a catalyst to push forward the necessary structural reforms.

In this section, theoretical and methodological considerations are developed to provide a coherent research design aiming at giving sense to the ECB's discourse and measuring its influence. It is argued that the understanding of the micro-interactions between the ECB and EU officials and the structure of the field in which they evolve permit to link the notions of ideas and politics. However, no field research has been conducted yet to check the accuracy of the research design. From this point, the paper should be considered as a "work in progress", all the remarks and commentaries are particularly welcome to improve the proposed hypotheses.

How to link the notions of actors and field?

First, the emphasis is put on the importance of developing a *relational* mode of analysis. Indeed, one cannot understand the action of an agent without positioning it towards the other agents evolving in the same field. It is obvious that a discourse does not have the same meaning and the same influence since actors do not have the same place in the decision-making process. It will not be of the same importance (in the meaning or in the extent) whether the ECB states it is important to have a greater wages' flexibility on the labour market or if the German chancellor tells exactly the same thing. It is thus necessary to investigate the relation between the action of an agent and the structure of the field where it evolves: Is there a causal relation between the two concepts? What are the variables that could explain this causality?

In order to answer this question, the notions of "habitus" and "field" developed by Pierre Bourdieu³⁵ are revisited and used in the analysis. The usual definition of field is "a network of objective relations in constant interaction to dominate a given subject"³⁶. However, the notion of domination does not fit so well with our object of inquiry: as the Bank does not have any formal power in the studied field of the EU negotiations around structural reforms, it is more accurate to talk about influence. The operating definition of field proposed is thus: *a network of objective relations in which the agents try to build themselves a*

³⁵ The notions developed by Pierre Bourdieu have recently influenced many researches in the European Studies field. For an account of these ones, see SAURUGGER Sabine (dir), "Les approches sociologiques de l'intégration européenne, Perspectives critiques", *Politique Européenne*, No.25, Spring 2008

³⁶ DEZALAY Yves et MADSEN Mikael Rask, « The power of the legal field, Pierre Bourdieu and the law » in Banakar Reza et Travers Max (ed) *An introduction to Law and Social Theory*, Oxford University Press 2002

legitimacy to influence on a given subject. There is no causal relation between a field and the actions of agents in this one, they are contingent: the field structures the actions and is structured by them. The actors are heavily influenced by their habitus which is “the internalized scheme guiding the agents’ behavior, a practical sense – or socially founded *sense of the game* – which is constructed throughout the agent’s particular and individual trajectory³⁷”. It is then the encounter of this sense of the game and the particular structure of a field which can explain the actions of an agent. The habitus is thus “a structured structure predisposed to structure a specific field³⁸”. As Parsons says³⁹, there are no automatic mechanisms guiding the actions of agents: they are conducted by the *subjective* perception they have of the *objective* range of possibility in the field.

This theoretical background asks thus to investigate not only the Bank as an institution but the particular sociological features of the individuals it is composed of⁴⁰. As the inquiry of this paper is to look for the influence of ECB’s ideas on the other EU institutions, it is not so much the decision-making process inside the Bank that will be the subject of our attention but more the interactions of its agents with the outside actors: it is thus a sociological study of the *interfaces* of the institution. Indeed, with regard to the EU macro-economic dialog and the terms of the Maastricht treaty⁴¹, the Bank is in constant interaction with other EU institutions as shown in the following scheme:

³⁷ MADSEN Mickael Rask, “From Cold War Instrument to Supreme European Court: The European Court of Human Rights at the Crossroads of International and National Law and Politics”, *Law & Social Inquiry*, Vol.32, No.1, 137–159, Hiver 2007

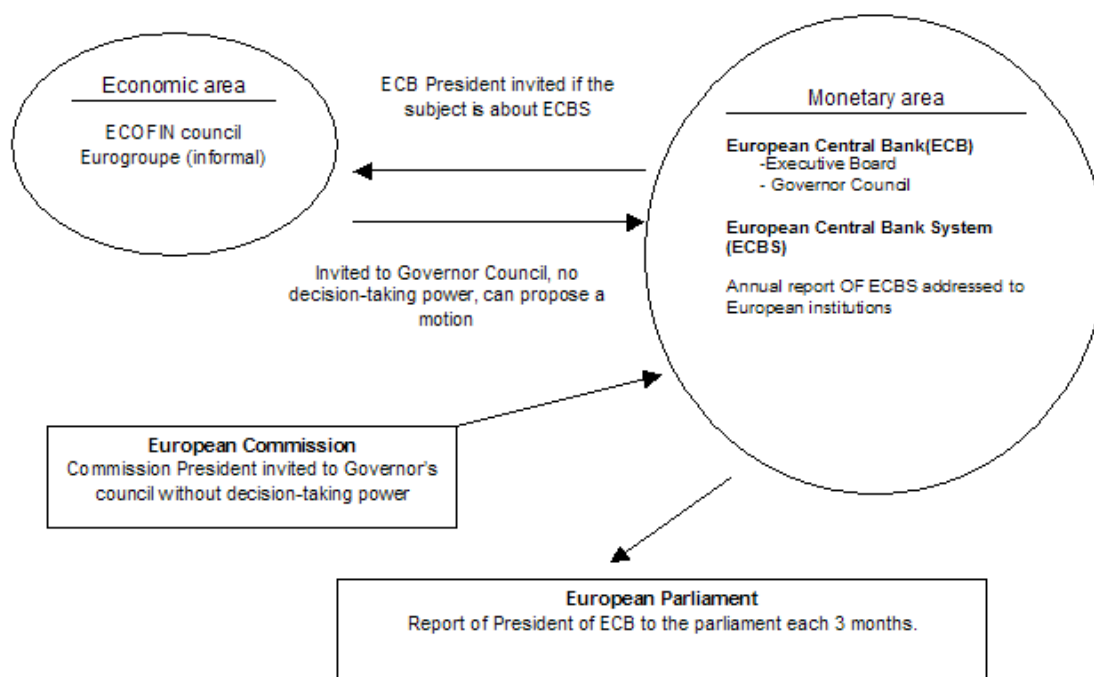
³⁸ BOURDIEU Pierre, *Le sens pratique*, Editions de Minuit, 1980, p.89

³⁹ PARSONS Craig, How to map arguments in political sciences

⁴⁰ This is an answer to the call of MCNAMARA K in “Economic Governance, Ideas, and EMU: What Currency Does Policy Consensus Have Today?” when she states that “a systematic sociological study of the ECB professional staff would be helpful to determine whether consensus is being reinforced by the new bureaucratization of the monetary policy realm and the creation of a professional socialization within the ranks”p.813

⁴¹ Art 113, ECT

Table 2: The interactions of the ECB with other EU institutions.



Source : DUFRESNE Anne, Analyse du discours de la BCE : aspect sociaux, le vieillissement de la population : l'argument pour la privatisation et l'individualisation des retraites, *Mimeo*, novembre 2001, Translated by the author.

The proposed methodology for investigating the interfaces of the Bank is two-folded.

1) In her PhD thesis on the networks of the staff of the European Commission⁴², Semin Suvarierol develops a multivariate analysis combining direct participant observation and questionnaires with both open and close ended questions. This method helps her to distinguish between leisure and official networks: the role of nationality to establish contacts is differentiated in both of them. The mapping out of the networks of the ECB's officials might be enhanced by these methods but they do not take into consideration the structuring power of the field they are embedded in. 2) In order to do so, Dezalay and Madsen⁴³ propose to

⁴² SUVARIEROL Semin, *Beyond the Myth of Nationality, A Study on the Networks of European Commission Officials*, Eburon Academic Publishers, 2007

⁴³ DEZALAY Yves et MADSEN Mikael Rask, « La construction Européenne au carrefour du national et de l'international » in Cohen Antonin, Lacroix Bernard et Riutort Phillipe (dir), *Les formes de l'activité politique*, PUF 2006

elaborate *relational biographies* in which individual trajectories are collected and analyzed through a collective biography of a field of practices (what are the agent's practices that are considered as acceptable in a certain field?). Once that the context in which the actors are evolving is understood, the analysis can move to the problem of measuring the influence of ideas.

How to measure the influence of ideas?

The research conducted on the ideas carried by the ECB's discourse and the context in which the Bank's staff is evolving does not help yet to understand the specific conditions of the potentiality of a transfer of ideas. Indeed, members of an institution can have a specific idea on the way to enhance a political model and be in interaction with the decision-makers but their influence on them can still be very limited. The question of measuring the influence of an idea is problematic since it is very hard to distinguish its effects from other variables. The aim of this paper is not to show that ECB's set of ideas on structural reforms is *the* explanatory variable of the changes that might occur in this area, but *one of the variables*. As the Bank is an actor that should not be involved in this debate, it is already scientifically relevant to show any influence even if it is hard to separate it from other factors: in other words, there is no attempt to measure mathematically the influence of the Bank's ideas. To do so, I propose three main hypotheses that have to be tested on the research's field, with the methods developed in the previous section.

Hypothesis 1: Social features of the ECB's staff are close to the ones of other EU institution's personnel. The methods to test this hypothesis are influenced by the researches conducted in the sociology of elites' field. In his seminal work⁴⁴, Putnam listed four main areas of elites' studies:

- The social origins of the elites. Which echelon of the society does the ECB's staff come from? Even if this process has become less deterministic, it is still the upper classes of the society that are providing the main cohorts of the people attaining

⁴⁴ PUTNAM R.D., *The comparative study of political elites*, Prentice Halls, 1976

elite's positions. A more precise analysis should provide the main regularities of these origins: it could be then compared to the ones of other EU staff.

- The career's evolutions of the elites. What are the necessary skills and attributes to be recruited in the ECB? It is supposed that high qualification is needed in economic and/or monetary issues. An experience in national banking seems to be a prerequisite to attain the highest positions in the Bank's organization chart. However, other conditions are less known. What is the most looked after between a specialist and a generalist profile? Are certain academic backgrounds, such as the Bruges European College, preferred?
- The study of values, activities and attitudes of the elites. Does the supranational context, in which the Bank's personnel is evolving, lead to a shift of values? To what extent the distance from the traditional domestic background can form a new "type" of elites? The literature is divided on this question, some works show a values' shift⁴⁵ when other explain that this change is an outcome of national strategy⁴⁶ or that the socialization logics inside the EU are still following domestic patterns⁴⁷. The relevant question to our study would be whether the great influence of the former German Bundesbank on the ECB's organizational mode, missions and implementation has an impact on its staff.
- The study of the interaction of the elites between them. This issue has already been developed in the section on the link between field and agents.

Hypothesis 2: The closeness of these social characteristics helps the agents to trust each other more easily. Indeed, there is a human tendency to homophily: contacts between similar people occur more often than in case of difference, even more notably in informal networks. This concept has its roots in the experimental literature in social psychology⁴⁸. Consequently, as

⁴⁵ ROSENAU James et al, *On the cutting edge of globalization*, Rowmann and littlefield publishers, 2006

⁴⁶ DEZALAY Yves, « Les courtiers de l'international, Héritiers cosmopolites, mercenaires de l'impérialisme et missionnaires de l'universel », *Actes de la recherche en sciences sociales*, Num.151-152, 2004

⁴⁷ CHECKEL Jeffrey, « International Institutions and Socialization in Europe: Introduction and Framework », *International organization*, No.59, pp. 801-826, Fall 2005

⁴⁸ MCPHERSON M., et al, "Birds of a Feather: Homophily in Social Networks", *Annual Review of Sociology*, No.27, pp. 415-444, 2001, MCGUIRE W.J., « The nature of attitudes and attitude change » in Gardner et Aronson, *The Handbook of social psychology*, Reading, 1968, EVANS F.B., "Selling as a dyadic relationship-A new approach" *American Behavioral Scientist*, Vol. 6, May 1963

staff members are “similar” and share the same beliefs, the Bank’s representatives *are more able to transfer their ideas* to their partners they are interacting with.

Hypothesis 3: The positioning of the agents on a specific field *both influence and is influenced by the transfer of ideas*. Collective biographies methods are developed to test this hypothesis.

To conclude, it could be interesting to focus on some key moments, when situations of changes occur, to test these hypotheses. The case of the 2008 crisis is thus very relevant to study. This paper has analyzed the slight reconfiguration of the Bank’s discourse following the crisis. Studies of the same type should be conducted on other EU institutions to detect whether they still follow their former rhetoric after the crisis or if this one has provoked a radical change. Researches of this kind can be very precise into dating the moments of discourse’s change; this could help to answer to the question: who is influencing who? The question of the reception of the discourse has still to be taken in consideration; the multiplication of researches on the transfer of ideas could greatly improve this “ECB-focused” work by building up a global two-dimension “mapping” of the transfer of ideas between EU institutions.

This paper proposes to take into account works that have already been done on the comparative study of the discourses on Europe at a national level⁴⁹ which show the importance of “polity-ideas”, i.e. normative ideas about a political order. This type of study could be done on EU institutions that are too often considered as apolitical and of a single administrative importance: this idea-marker’s study would constitute the first dimension of the map. The second map’s dimension would represent the individual networks (both formal and informal) that link the staff of the EU institution. The combination of these two dimensions could show both ideas embedded in actors’ discourse and the context in which they are evolving that give sense to their words. Finally, an overview of this map would help to link the micro-politics of the studied field and the global regime of truth which structure them and that is structured back.

⁴⁹ JACHTENFUCHS M., DIEZ T., JUNG S., “Which Europe? Conflicting Models of a legitimate European Political Order”, *European Journal of International relations*, Vol.4, No.4, pp.409-46, 1998

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