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The Unspeakable Policy: Strategic Silence in Central Bank Communication During Quantitative Easing

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Abstract

English

This thesis examines how internal deliberations about quantitative easing translated into external communication strategies at the Federal Reserve, the Bank of England, and the European Central Bank, with a specific focus on the fiscal dimension of large-scale sovereign bond purchases. When central banks purchase government bonds on a large scale, they suppress sovereign borrowing costs and approach the boundary between monetary and fiscal policy. How each institution handled that boundary, both internally and in public communication, is the organising question of this study.

Drawing on the concept of strategic silence developed by Braun and Düsterhöft (2025), the study applies a document-layer methodology to trace how the fiscal consequences of asset purchases were omitted, displaced, or actively managed across each institution's communication record. Three analytical modes of strategic silence (omission, displacement, and active management) are applied consistently across all three cases, while the methodology is adapted to the specific documentary architecture of each institution. For the Federal Reserve, verbatim transcripts allow direct comparison against minutes and public statements. For the Bank of England, the absence of transcripts means the analysis draws on interview-based scholarship and primary documents. For the European Central Bank, the analysis relies on the accounts of Governing Council meetings, secondary literature, and legal proceedings.

The analysis shows that all three central banks kept the fiscal dimension of QE out of their public records, though through fundamentally different mechanisms. At the Federal Reserve, strategic silence was communicative: the fiscal dimension was acknowledged internally and then deliberately removed at the point of translation from transcript to public statement. At the Bank of England, silence operated at a deeper epistemic level: before MPC meetings began, the Monetarist frame had already closed off any discussion of the fiscal consequences of gilt purchases. At the European Central Bank, the evidence is thinner and the mechanism less clear. The legal prohibition on monetary financing in Article 123 TFEU provides the most plausible explanation for the pattern observed, though without access to internal deliberations this remains an inference.

Despite these institutional differences, all three central banks were protecting the same boundary: the insistence that their operations were monetary rather than fiscal, regardless of their economic effects. The mechanisms through which that boundary was maintained differed. The underlying imperative driving them did not.

German

Diese Masterarbeit untersucht, wie interne Beratungen über quantitative Lockerung in externe Kommunikationsstrategien bei der Federal Reserve, der Bank of England und der Europäischen Zentralbank übersetzt wurden, mit besonderem Fokus auf die fiskalischen Aspekte großangelegter Staatsanleihekäufe. Wenn Zentralbanken Staatsanleihen in großem Umfang kaufen, senken sie die Finanzierungskosten der Regierung und nähern sich der Grenze zwischen Geldpolitik und Fiskalpolitik. Wie jede Institution mit dieser Grenze umging, intern und in der öffentlichen Kommunikation, ist die leitende Frage dieser Arbeit.

Ausgehend vom Konzept des strategischen Schweigens nach Braun und Düsterhöft (2025) wird eine dokumentenbasierte Methodik angewandt, um nachzuvollziehen, wie die fiskalischen Konsequenzen von Anleihekäufen in der institutionellen Kommunikation ausgelassen, verdrängt oder aktiv gesteuert wurden. Drei analytische Modi des strategischen Schweigens (Auslassung, Verdrängung und aktives Management) werden einheitlich auf alle drei Fälle angewandt, während die Methodik jeweils an die spezifischen dokumentarischen Strukturen jeder Institution angepasst wird. Bei der Federal Reserve ermöglichen wörtliche Transkripte einen direkten Vergleich mit Protokollen und öffentlichen Erklärungen. Bei der Bank of England stützt sich die Analyse auf interviewbasierte Forschung und Primärquellen. Bei der Europäischen Zentralbank beruht die Analyse auf den Sitzungsberichten des EZB-Rats, Sekundärliteratur und rechtlichen Quellen.

Die Analyse zeigt, dass alle drei Zentralbanken die fiskalischen Aspekte von QE aus ihren öffentlichen Aufzeichnungen ausgeschlossen haben, jedoch durch grundlegend unterschiedliche Mechanismen. Bei der Federal Reserve war das strategische Schweigen kommunikativer Natur: Der fiskalische Aspekt wurde intern anerkannt und dann beim Übergang vom Transkript zur öffentlichen Erklärung gezielt entfernt. Bei der Bank of England operierte das Schweigen auf einer tieferen epistemischen Ebene: Noch bevor die MPC-Sitzungen begannen, hatte der monetaristische Rahmen jede Diskussion über die fiskalischen Folgen der Anleihekäufe bereits unterbunden. Bei der Europäischen Zentralbank ist die Quellenlage dünner und der Mechanismus weniger klar. Das rechtliche Verbot der Staatsfinanzierung in Artikel 123 AEUV bietet die plausibelste Erklärung für das beobachtete Muster, bleibt jedoch mangels Zugang zu internen Beratungsunterlagen eine Schlussfolgerung.

Trotz dieser institutionellen Unterschiede schützten alle drei Zentralbanken dieselbe Grenze: das Beharren darauf, dass ihre Operationen geldpolitischer und nicht fiskalpolitischer Natur waren, ungeachtet ihrer wirtschaftlichen Auswirkungen. Die Mechanismen, durch die diese Grenze aufrechterhalten wurde, unterschieden sich. Der zugrunde liegende Antrieb war derselbe.

Table of contents

Abstract.....	iii
Introduction	1
1. An introduction to and the debate around QE	3
1.1 Labelling QE	3
1.2 How QE works.....	4
2. Literature study.....	9
2.1 Walking a tightrope: central bank external communication.....	9
2.2 External communication during QE: the three central banks	10
2.3 Internal communication during QE: the three central banks	12
2.4 Bank to bank: comparative analysis	14
2.5 Methodology	15
3. A history of QE	16
3.1 The Japanese experience and the start of the Global Financial Crisis	16
3.2 The start of QE as a crisis management tool	17
3.3 The Sovereign Debt Crisis and the arrival of the ECB to QE	18
4. The internal and external communication	21
4.1 Institutional differences	21
4.1.1 The Federal Reserve	21
4.1.2 The Bank of England.....	26
4.1.3 The European Central Bank.....	30
4.2 The Federal Reserve: layers of strategic silence.....	34
4.2.1 Confirming strategic silence in the Fed.....	34
4.2.2 The fiscal nature of the Fed's operations.....	35
4.2.3 Treasury action as the assumed macroeconomic backdrop.....	37

4.2.4 The political economy of fiscal intervention	38
4.2.5 The active management of communication	39
4.2.6 The gap in summary	41
4.3 The Bank of England: layers of communication.....	42
4.3.1 Confirming strategic silence at the BoE	42
4.3.2 The frame before the meeting: how the agenda was set.....	43
4.3.3 The fiscal consequence of the Monetarist frame	44
4.3.4 What the external record reveals	46
4.3.5 The gap in summary	47
4.4 The European Central Bank: layers of communication.....	49
4.4.1 The source problem.....	49
4.4.2 Internal dynamics: what can be reconstructed.....	50
4.4.3 The fiscal dimension through programme design	51
4.4.4 External communication and the management of the fiscal dimension	52
4.4.5 The gap in summary	54
4.5 Strategic silence across three institutions: a comparative synthesis.....	55
5. Conclusion.....	58
6. Bibliography	60

Figure 1: transmission mechanisms of QE; based on Joyce and Tong (2011).....	5
Figure 2: transmission mechanisms of QE; based on Eggertsson & Woodford (2003)	6
Figure 3: transmission mechanisms of QE; based on Friedman and Schwartz (1963)	7
Figure 4: timeline of QE	20
Figure 5: communication layers of the Federal Reserve	24
Figure 6: communication layers at the BoE	28
Figure 7: the ECB's communication layer.....	33
Figure 8: frequency of key terms across FOMC communication layers, September– December 2008.....	35

Introduction

When Ben Bernanke addressed the American Economic Association in California in 2004 as Governor of the Federal Reserve, he referred to the words “Never explain, never excuse” by Montagu Norman, Governor of the Bank of England in the 1920s. (Bernanke, 2004) Going against Norman’s doctrine on central banking, Bernanke argued for transparency, openness and a strong focus on communication by central banks in the 21st century, both within the Federal Reserve and to the public. Rather than flooding the world with information, he concluded, the Federal Reserve should try to ‘improve the public's understanding of the Fed's objectives, economic assessments, and analytical framework’. (Bernanke, 2004) Only a few years later, however, Bernanke led the Federal Reserve as Chairman through the aftermath of the Global Financial Crisis, and along with other central bankers contradicted the practice he had fought for. Reaching the limits of conventional monetary policy tools in response to the crisis, central banks resorted to unconventional tools, of which quantitative easing (QE) became the most prominent one, not least because of the mystery and contestation surrounding this policy. This study looks at the way in which the Federal Reserve, the Bank of England and the European Central Bank approached internal and external communication at the beginning of their respective QE programmes. Drawing on transcripts, meeting minutes, speeches, statements and relevant literature, a clear picture emerges on the limits of central bank transparency on economic assessments and analytical frameworks. The Fed, the BoE, and the ECB each withheld from the public certain aspects of what QE involved and what it entailed. The purpose of this study is to analyse how each institution did so, and where their approaches diverge.

Although the mechanisms of QE remain elusive, scholarship on its economic impact has risen steadily since the deployment of QE. (Borio & Disyatat, 2009; Hausken & Ncube, 2013; Joyce & Tong, 2011; Kapetanios et al., 2012; Woodford, 2016) The internal deliberations and external communications of the central banks involved in QE have attracted growing scholarly attention as well, with studies emerging for the Federal Reserve (Bateman, 2025; Ronkainen & Sorsa, 2018), the Bank of England (Acosta et al., 2023; Cassar, 2024) and the European Central Bank (Braun, 2016; van ’t Klooster, 2022). Yet no study has examined all three institutions together within a single analytical framework, which leaves the comparative and cross-institutional dimension of these communicative dimensions largely unexplored.

The main missing element is a comparative study for the three central banks, connecting the internal dynamics and external communication. This study addresses that gap by examining how internal arguments about QE translated into external communication in each case. Drawing on the concept of strategic silence as developed by Braun and Düsterhöft (2025), this study examines how each institution navigated the tension between what was said internally and what was communicated publicly, how each institution selectively framed, displaced, or omitted aspects of QE that were politically sensitive, legally contested, or ideologically uncomfortable. Neither the ECB, the Fed nor the BoE had recent experience with large-scale asset purchases, meaning political, ideological, legal and symbolic thresholds had to be navigated, both internally and to the public. A framework for external communication had to be developed to justify these interventions to the outside world. These questions converge into the following research question: How did internal deliberations about quantitative easing translate into external communication strategies in the European Central Bank, the Federal Reserve and the Bank of England, and what does a comparative analysis reveal about the role of strategic silence across these institutions?

1. An introduction to and the debate around QE

1.1 Labelling QE

Before turning to communication, interpretation, and evaluation, it is necessary to understand what QE is and why it has attracted such contestation. In this study, quantitative easing will be defined according to the definition of Fawley and Neely (2013), who state that “QE policies are those that unusually increase the monetary base, including asset purchases and lending programs”. This policy is often labelled unconventional because it is usually deployed when the lower bound of interest rates is reached and inflation refuses to rise, sometimes even posing a threat of deflation. Interest rates cannot go (far) into negative territory without damaging the economy because it would lead to cash hoarding, which has a nominal zero return. (Eggertsson & Woodford, 2003) Therefore, the Zero Lower Bound (ZLB) constitutes the limit for monetary policy in conventional terms and explains why central bankers are forced to resort to other measures. Within unconventional monetary policy, however, many options are theoretically possible. Lending facilities such as the Long Term Refinancing Operations (LTROs) provide liquidity to banks against collateral but do not directly expand the monetary base through asset purchases. Similarly, forward guidance – a central bank communicating its commitment to low interest rates for an extended period – operates purely through expectation management without any balance sheet intervention. (Eggertsson & Woodford, 2003) Both large scale lending facilities and forward guidance were deployed parallel to QE programmes. Other ideas such as helicopter money – direct money transfers to government and households, bypassing the banking system entirely – or going into negative interest rate territory did not see daylight, at least not as a substantial means to raise inflation. Among the range of unconventional monetary policy options available, central banks and especially those in liberal democracies which are studied here, mainly opted for quantitative easing, sometimes in combination with other policy elements. Despite the Bank of Japan, the Federal Reserve, the Bank of England and then the European Central Bank all effectively deploying QE through asset purchases on a large scale, the institutions were wary to label their policies “quantitative easing”. This is itself significant. The term carried associations with monetisation, fiscal effects and socially uneven distributions, potentially igniting criticism about credibility and political neutrality. (Fawley & Neely, 2013; van 't Klooster & Fontan, 2020) Avoiding the term QE was therefore not mere

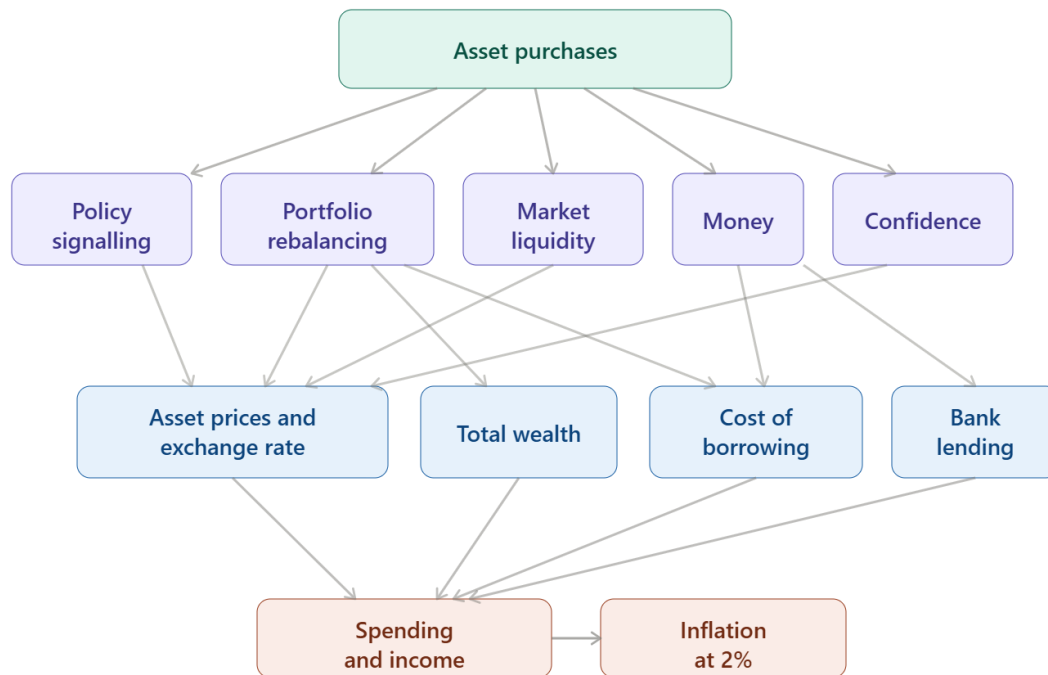
semantics but a deliberate communicative choice and presents an early illustration of the strategic silence this study examines more closely in later sections.

1.2 How QE works

Increasing the monetary base via asset purchases impacts an economy through various mechanisms. They are contested because it is difficult to measure which ones have the largest effect on the economy, and because their consequences are not uniformly desirable. What follows is a brief overview of some clashing views on asset purchases and its transmission processes, together with potential side effects.

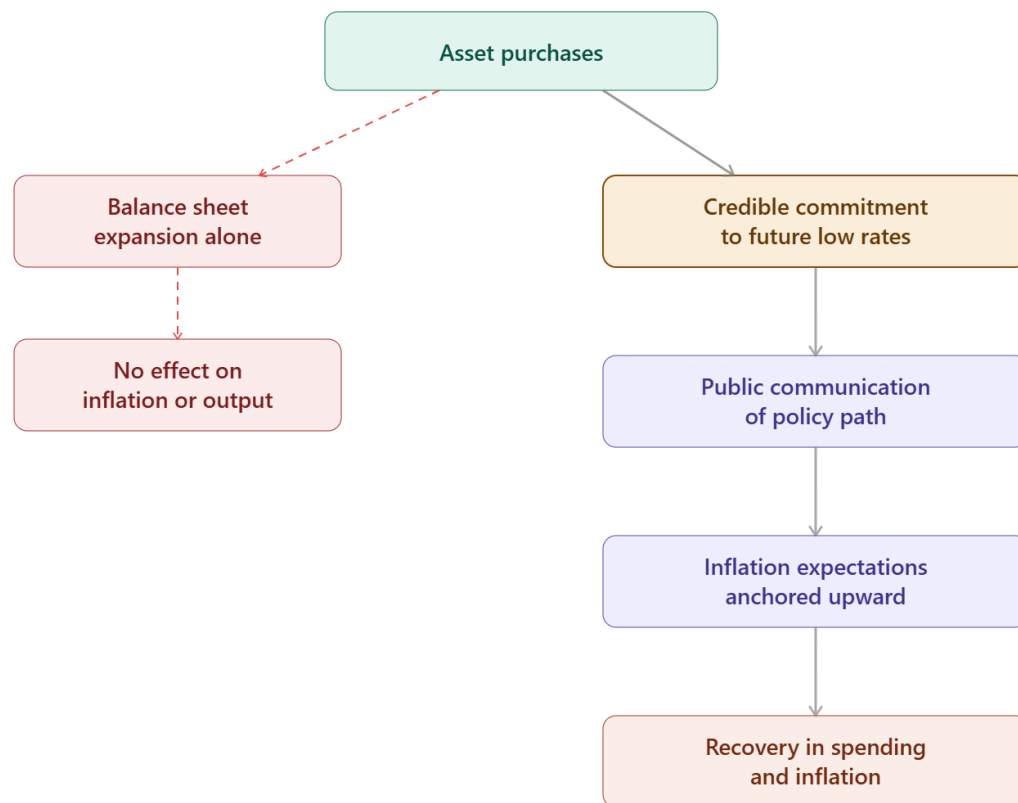
When a central bank opts for QE as policy – be it to fight structural economic issues or to answer a crisis – it creates new central bank reserves and pumps it into the economy by purchasing debt, public or private, on the secondary market. Following the portfolio rebalancing model, this has two effects. First, it provides the original buyer of the bond with a high amount of new reserves, allowing them to reinvest. Second, these purchases create a surge in demand for those bonds, driving down the yields and borrowing costs for the issuer. Portfolio rebalancing occurs as holders reinvest this new cash into other assets, driving down yields more broadly. In other words, the borrowing costs throughout the economy decrease, which again stimulates consumption and investment, which increases inflation. The second effect of the central bank purchases, however, has to be looked at closely. Essentially, driving down borrowing costs for the government constitutes a fiscal intervention in the market, potentially affecting the relationship between the government and financial markets. Because central banks are monetary institutions, this creates a fundamental tension. Sometimes this tension is legal – when a central bank is legally bound by a mandate to monetary policy – or reputational, because a central bank's credibility largely rests on its independence from government. Both lead to questions on whether and how to communicate this uncomfortable truth. This tension is the central concern of the analysis in chapter four. Focussing on the first effect of large scale asset purchases, Vayanos and Vila (2021) modelled the preferred habit term structure, which provides the underlying theory for portfolio rebalancing mechanisms, and states that through QE central banks push investors who would usually buy long term bonds to other assets by purchasing the long term bonds and suppressing the yields.

Figure 1: transmission mechanisms of QE; based on Joyce and Tong (2011)



Against this portfolio rebalancing mechanism, some scholars claimed that the signalling or communication by central banks exceeds the actual purchases as a transmission mechanism. Eggertsson and Woodford (2003) argue that the purchase of bonds alone might not move inflation unless it is accompanied by the right change in expectations, and that the asset purchases mainly assist in raising expected inflation and therefore actual inflation by confirming the commitments of the central bank. In this sense, the market interventions come secondary to the communication itself.

Figure 2: transmission mechanisms of QE; based on Eggertsson & Woodford (2003)

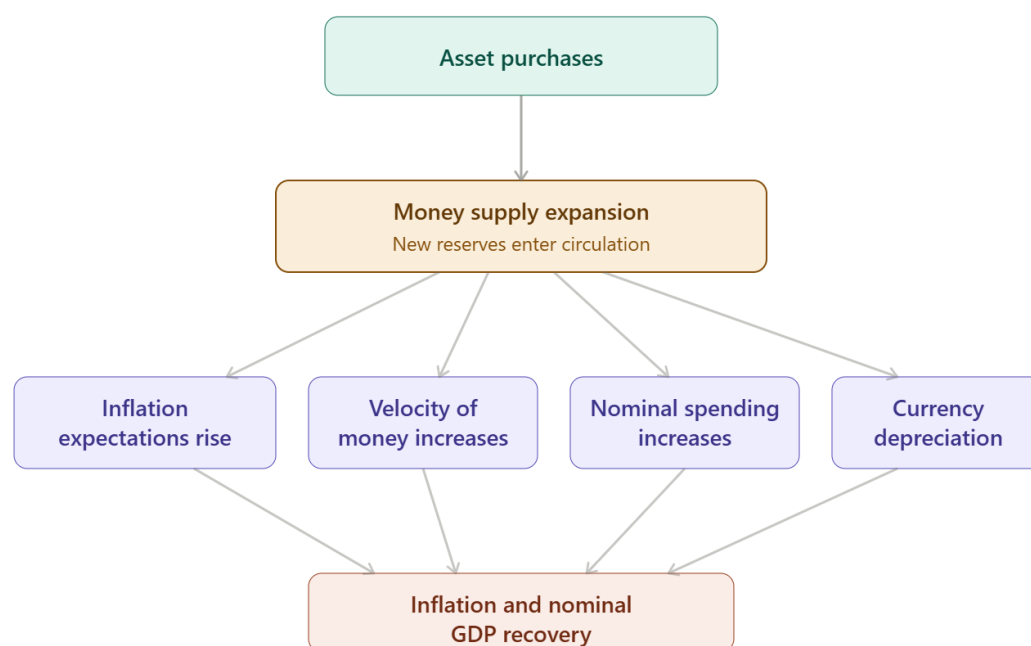


This lack of consensus creates a tension when a central bank deploys QE and deliberates on its strategy for purchases and communication. A central bank could emphasise portfolio rebalancing as a market operation with predictable financial effects. An alternative framing could focus on signalling and expectation management, which acknowledges that the intervention works mainly through psychology and commitment. Each framing carries different implications for institutional credibility, political accountability and public trust.

Turning back to the transmission mechanisms of asset purchases, certain questions automatically arise when deciding which assets to buy and how much of those assets. One specific view on this question draws on the Monetarist tradition associated with Friedman and Schwartz (1963). From this perspective, what matters is not which assets the central bank purchases or what expectations it signals, but how much money it injects into the economy. By expanding the monetary base, the central bank mechanistically increases the broader money

supply, which raises nominal spending and, in turn, inflation. Under this framework, the composition of purchases is irrelevant. 10 billion dollars, pounds or euros of government bonds and 10 billion of corporate bonds in the same currency produce the same effect: by increasing the supply of money, the value of existing money decreases.

Figure 3: transmission mechanisms of QE; based on Friedman and Schwartz (1963)



This monetarist framework remains, however, not unchallenged. Borio and Disyatat (2009) argue that the composition of the central bank's balance sheet matters more than its overall size, meaning that targeted interventions in specific markets work better than broad-based asset purchases. For asset purchases, this translates to specific purchases of different assets instead of a raise-the-quantity-of-money story. A second implication is that a central bank therefore makes deliberate choices on which assets it buys and which not, which in light of the yield suppressing effects of those purchases has fiscal consequences for governments or substantial liquidity consequences for some firms in the private sector.

This brings us to the third debated aspect of QE: distributional consequences. The previously mentioned consequences of asset purchases – lower borrowing costs for the issuers of the purchased bond – culminate in the conclusion that quantitative easing is not market neutral. (van 't Klooster & Fontan, 2020) Two aspects of QE cause an uneven distribution: bank lending and the wealth effect. The bank lending channel operates through the reserves that commercial banks receive when the central bank purchases assets from them. These commercial banks are

incentivised to lend money to firms and households, which stimulates the economy. The wealth effect, on the other hand, primarily works through the portfolio mechanism: as QE drives up the value of bonds and assets, those holding such assets feel wealthier and tend to increase spending. (Joyce & Tong, 2011) This affects different social classes differently and enriches those who possess the assets, whose value increases by the artificial rise in demand for them. This uncomfortable truth for an institution that prides itself on political neutrality constitutes a key challenge in the legitimisation of QE. How central bankers understood and prioritised these competing mechanisms, and how that understanding shaped what they chose to say publicly, is the question that runs through the analysis in this study.

2. Literature study

2.1 Walking a tightrope: central bank external communication

Central bank communication rests on a few pillars, most notably credibility and the reachability of the population. Mario Draghi's "whatever it takes" speech in 2012 remains to this day a prime example of how a central banker's credibility and capacity to reach broad layers of society can move entire markets and change sentiments. Stating to the public that a central bank will do whatever it takes to save the euro, however, is not the same as explaining a complicated, unconventional monetary policy such as QE, especially when consensus about the mechanisms of the policy tool is absent. Until the 1990s, central banks even purposefully avoided the public eye. Over the last three decades, however, monetary policy institutions have transformed into institutions recognising the importance and potential traps of public communication. (Blinder et al., 2008) The GFC and the following central bank response was therefore somewhat new ground for the guardians of monetary policy, who had to manage the biggest financial crisis since the Great Depression under the increasingly watchful eye of public scrutiny.

Before QE and arguably even more after, scholars and central bankers have tried to identify some rules of thumb when it comes to central bank communication. Haldane et al. (2020) formalised three important characteristics – called the three E's – of good central bank communication in the modern era. The first, explanation, states that central banks can publish as much documents and sources as they want (speeches, papers, press releases...) but in the end, the capacity to turn technical and complicated decisions into understandable language for the public is what matters. Emphasising the effects of decisions on households while leaving behind macroeconomic jargon constitutes the first key to gaining the trust of the population. The second E stands for engagement. The increase in debates around the role of central banks does not necessarily constitute a danger to this institution, but only if the central bankers leave their ivory tower and keep in touch with the population. When a central bank is estranged from its target audience, important messages are less likely to find their way to broad layers of society. The third and last E stands for education, and concerns the development of some basic monetary knowledge under broad layers of society. The idea is that the better an audience is

equipped to understand the language of central bankers, the higher the chances on successful communication.

In reality, however, central bank communication stands relatively far away from this golden hill. A first constraint is informational. Empirical literature shows that households and firms generally have little knowledge about inflation, the central bank's mandate and the mechanisms of monetary policy. On top of this, successful monetary policy is defined by stability and a lack of dramatic headlines in newspapers, meaning people remain in the dark even when central banks perform well. (Dräger, 2023; Haldane et al., 2020) For a central bank to draw on public trust at the outset of a crisis, it must have generated that trust during calmer times. During QE especially, this gap between the idealised transparency and communication mechanisms on the one hand, and the struggles of central banks to explain QE on the other highlighted this discrepancy. Van 't Klooster (2022) also argued that the technocratic nature of central banks leads them to obscure their communication with a layer of mystery to purposefully avoid scrutiny from broader society. These studies highlight both standard good practices and barriers to achieving them. They do not, however, look at the internal decision making process leading to the external communication, both of which are a product of their own set of dynamics.

2.2 External communication during QE: the three central banks

Given the rising importance of strategic communication before and during the QE programmes, many scholars identified differences, developments and some particularities in the strategic communication of central banks during QE. For the Federal Reserve, Moschella and Pinto (2019), through an analysis of its communication strategy for the period 2006-2016, found that the concern for reputational damage was the driving factor of the Fed's public communication, rather than the actual policy decisions themselves. They also found that fiscal topics became more pronounced in times of economic uncertainty, because criticism on fiscal policy could be directed towards the Treasury Secretary. Bateman (2025) on the other hand, found the opposite, stating that the Fed purposefully omitted talk about fiscal consequences of QE. These competing analyses stem from the respective different classifications of bond purchases as being a part of fiscal policy or not. Bateman, classifying the bond purchases as part of fiscal policy, argues that the Fed was scared to engage in discussions about debt monetisation through QE, even though it was internally recognised. The fiscal dimension presented the Board of Governors with a particularly difficult communicative challenge during QE. Ronkainen and

Sorsa (2018) found that the Fed generally used two tactics to complete that task. First, scientisation, trying to present the entire context and policy response as an objectively logical string of facts. Second, transparency, to avoid criticism on the mysterious shadow process of decision making in the Fed. They equally found that public communication was tailored to audiences, focusing on the Zero Lower Bound and the risk of deflation in statements to the American Congress and the broader public, while emphasising the role of portfolio rebalancing to the financial markets.

The Bank of England's public communication during QE contains similar features, but differs on some fundamental aspects. Just like the Fed, the BoE adapted its communication to its audience, ranging from financial markets to the broader public. (Braun, 2016) These developments were in their own way predictable because of the general unpreparedness of the central bank to act in the zero-lower-bound territory. The BoE's interpretation of the very foundations of QE and the transmission mechanisms was heavily contested internally, and that contestation translated to the external record. Because the Bank's executive leadership had settled on a single interpretive framework before MPC deliberation began, the early communication was uniform, and cracks only began to appear when that interpretative framework was challenged by individual MPC members. (Acosta et al., 2023; Cassar, 2024) As mistrust in the banking sector continued, the idea arose that commercial banks – flooded by newly created reserves – would multiply those reserves into runaway inflation, which was difficult to handle for the BoE, given its monetarist framework. In response, the Bank shifted toward a myth-busting communication strategy, publicly refuting the intuition that the central bank directly controls the money supply in an attempt to recover legitimacy. (Braun, 2016)

Beyond the uncertainty surrounding QE transmission mechanisms, the ECB had to worry about legitimacy more than its British and American counterpart. The relative youth of the central bank and especially the eurozone structure with many national sensitivities increased the necessity for legitimising unconventional monetary policy. The QE structure also differed inherently, since the ECB could only buy bonds according to the capital key, which presents the relative ownership by each eurozone country of the ECB and legally has to be reflected by the amount of purchases the ECB makes in each national economy. Hence the ECB's communication framed the bond purchases as a technocratic surgery in the market instead of a deliberate policy with fiscal implications. (Diessner & Lisi, 2020; van 't Klooster, 2022)

Between 2008 and 2014, ECB officials often mentioned fiscal reform and the broader institutional framework. This ground to a complete halt at the start of QE. (Braun, 2016) Expanding on the technocratic elements of QE, while leaving the fiscal dimension unaddressed, became the ECB's standard practice. The trade-off here is between “the three Es of central bank communication” and the risk that clearer communication launches an entirely different debate about the political choices of the ECB. Yet, the practice of “strategic silence” about potentially sensitive and political topics related to monetary policy was already widespread among central banks. (Braun & Dürsterhöft, 2025) Overall, the need for dynamic and new ways of communicating with the public increased throughout the QE programs. (Braun, 2016) All of the central banks were confronted with mistrust by the population and the uncertain consequences of their own actions, especially when it came down to transmission mechanisms and fiscal impacts. Nevertheless, the external communications only came together after an internal decision was made. This process, too, has been studied carefully.

2.3 Internal communication during QE: the three central banks

Inside the central banks, QE also led to shifting dynamics. The unknown monetary territory combined with the existing knowledge about central bank communication at the time created internal debates and specific outcomes.

Internal communication at the Federal Reserve – the first institution to deploy large-scale asset purchases in response to the GFC – evolved throughout the QE programmes. This led to a changing conception of QE itself. Conti-Brown (2016) argues that internal power dynamics in the Fed played an important role in the debate on unconventional tools. The risks associated with debt monetization were overall very present in the Fed. (Bateman, 2025) The literature describes QE in the Fed not necessarily as inherently contested, but that consensus about the need for intervention itself was lacking. This was partially due to the lack of previous theorising or conceptualisation about unconventional monetary policies in the years leading up to the crisis. Analysing the transcripts of FOMC meetings between 2000 and 2008, Fligstein et al. (2017) find that macroeconomic theory in the form of a mix between classical laissez-faire and Keynesian approaches constituted the main internal framework at the FOMC. This produced a focus on headline parameters such as GDP, inflation, employment, productivity, and consumption, while leaving the financial sector largely out of view. According to the authors, this same framework also laid the conceptual foundation for how QE was later understood,

implemented, and communicated. The paper further documents a pattern of "positive asymmetry" in FOMC deliberations: members consistently interpreted discomfiting signals from the financial sector more positively, leaving them unprepared for a crisis originating from the financial sector. Most of the FOMC members were still worried about inflation right after the fall of Lehman in September 2008, not suspecting the broader risks for the economy.

The overall conception of QE within the BoE happened in a very short period of time, in which the executive part of the team essentially put forward QE as the only viable option at the MPC meeting in 2009, when the decision had to be taken instantly. According to Acosta et al. (2023), this was the result of a heavy reliance on the experience by the BoJ. The context, however, differed in the need for fast, decisive and relatively large scale actions in the UK. Analysis of internal debates also showed that the MPC members clashed over what exactly QE does and how it operates. (Cassar, 2024) The Monetarist framework – built on Friedman and Schwartz (1963) - was held strongly by then Governor Mervyn King and perceived the quantity of money as the single most important factor for inflation. For QE, this means quantity over quality and the assumption that a large enough money injection will do the work by itself. This was reflected in the MPC meetings by the predetermined decision to implement QE as the only possible response to the crisis and the quantity of the programme remaining the only question left. The Keynesian framework, on the other hand, supports the portfolio rebalancing theory, and only emerged later as a challenger to the Monetarist framework. According to Cassar (2024), who interviewed former MPC members, the BoE constructed an internal consensus, which should be acceptable to different parties. Gradually, this consensus developed from a Monetarist dominated framework to a more balanced one that also accommodated the Keynesian perspective, in order to be communicated successfully to the outside world.

Within the ECB, QE led to an increase in power for the technocratic elements at the cost of democratic checks and balances, reflecting a broader paradigm shift. (van 't Klooster, 2022) Other than for example the US, EU law explicitly forbids monetary financing, that is the purchase of government debt. The continued economic slump after 2012, however, made the ECB reconsider the option of buying government bonds on a large scale for the purpose of price stability. Crisis management strengthened technocratic authority and a paradigm shift took place as the ECB moved from a more liberal conception of monetary policy toward an

interventionist stance, which increased the internal momentum to start the purchase of public debt on a large scale under the banner of price stability.

2.4 Bank to bank: comparative analysis

The only study that has systematically compared the internal deliberations and external communications of central banks during QE is Bateman (2025). He linked internal and external communication of the BoJ and Fed by using minutes and transcripts of the Bank of Japan's Monetary Policy Board (1997–2002) and the Federal Reserve's FOMC (2007–2013), together with public communication in public policy releases, speeches and research papers from the same periods. Drawing on these, he produced a genealogy tracing how a communication strategy developed in Japan and which aspects migrated to the United States. In both institutions, the fiscal dimension of large-scale government bond purchases was openly acknowledged and accepted internally. Equally, both public communications framed those purchases exclusively in terms of private market stimulus, centred on the portfolio rebalancing effect and leaving out any reference to their consequences for sovereign borrowing costs. From the early discussions in 2001 onwards, the BoJ's Monetary Policy Board explicitly agreed that purchases should not be presented as aimed at government financing. BoJ research papers then also left out this dimension. An internal research team at the Fed produced an internal memoranda in 2013, claiming that large scale bond purchases worth \$500 billion would reduce outstanding federal debt by \$300 billion over a period of twelve years. In a public equivalent of that research paper, this part was omitted completely. Bateman's genealogy documents the active communication strategy through speeches, research publications and policy releases, designed to render the fiscal dimension of QE invisible in public debate.

Bateman's (2025) study is the closest one in terms of methodology to this thesis, but it leaves two gaps that this study addresses. The first is institutional. Bateman covers the BoJ and the Fed but neither the Bank of England nor European Central Bank, although he suggests the ECB as a lane for future research. The legal prohibition of monetary financing is identified as particularly interesting in terms of communication. The second gap is a comparative framework. Bateman's method is genealogical, tracing how communication strategy developed and migrated across time and different institutions. It does not apply a single analytical framework that would allow systematic comparison between central bank communication – both internal and external. This thesis addresses both gaps by extending the institutional scope

to include the BoE and ECB. Second, it applies a consistent document layer methodology across all three institutions to identify where, how and why strategic silence operates at each transition from internal deliberation to public communication.

2.5 Methodology

Building on Braun and Düsterhöft's (2025) concept of strategic silence – institutionally motivated reduction in central bank communication on politically sensitive topics – this study applies a document-layer methodology. This methodology distinguishes three modes through which strategic silence operates in practice. First, omission is the absence of a topic from public documents that is present in internal deliberation. Second, displacement constitutes the substitution of sensitive terminology with neutral or technical alternatives. Third, active management relates to the deliberate construction and editing of a communicative framework with explicit knowledge of its consequences. The goal of this study is identifying these categories of strategic silence in each central bank and locate them in each layer of communication.

The particular dimension of central bank communication this study focuses on is the fiscal consequences of QE. As the literature established in sections 2.2 and 2.3, large-scale asset purchases carried significant fiscal implications, ranging from sovereign borrowing cost reductions to the blurring of the monetary-fiscal boundary. Whether and how that awareness translated into public communication is the organising question of the analysis.

The methodological approach traces this through the specific document architectures of each institution, which provide the context in which documents are produced – or are not. For the Federal Reserve, FOMC transcripts allow a direct comparison against minutes and public statements, making it possible to identify an exact vocabulary gap at each transition. For the Bank of England, the absence of transcripts for the 2009 period means the analysis draws on a variety of sources, which focuses less on the exact difference in wording throughout the layers, but gives insight into the internal dynamics and their impact on communication. For the European Central Bank, the confidentiality of Governing Council deliberations limits the analysis to accounts and external speeches. These institutional differences mean the methodology is adapted for each case, but the analytical framework and the central question remain consistent throughout.

3. A history of QE

3.1 The Japanese experience and the start of the Global Financial Crisis

The first deployment of large scale asset purchases (LSAP) in the 21st century that were later labelled as QE programmes occurred in Japan, in 2001. Because of the economic slump of Japan, the BoJ hit the boundary of 0% interest rate in 1999, leading to the launch of the first QE programme in 2001, which ended in 2006. Other than the Fed, ECB and BoE, however, the BoJ had to revive a structurally weak economy instead of reacting to a crisis. (Okina & Shiratsuka, 2004) Despite these differences, many central bankers around the world closely followed the developments of the Japanese experiment. It made other central bankers around the world such as Ben Bernanke (2002) conceptualise some aspects of QE in case they would ever be needed for their economies.

Only a few years later, that doom scenario was triggered by the Global Financial Crisis. In 2007, the US started noticing defaults on mortgage loans, which spilled over into the financial sector and led banks to a liquidity problem. The Fed, BoE and ECB – with some other European Central Banks – reacted by providing extra liquidity and establishing swap lines in the summer and autumn of 2007. From 2008 onwards, governments also got involved, while the Fed and BoE continuously lowered interest rates. The bankruptcy of the investment bank Lehman Brothers and the issues with AIG insurance in September 2008 triggered the actual crisis. Response mechanisms differed because of institutional structures. Whereas the Fed and BoE could cooperate with their respective Treasuries, European financial institutions were a predominantly national affair, relying heavily on the government for support. (Rhee & Posen, 2013) From autumn 2008 onwards, all three central banks rapidly lowered interest rates and established limitless swap lines to avoid deflation, but conventional monetary policy was reaching its limits. The Federal Reserve started deploying forward guidance, indicating low interest rates over a longer period of time to the market. In retrospect, the initial crisis response of all three central banks was reactive and improvised. It demonstrated the absence of any established playbook for the monetary territory they were entering. This provides the context for the high stakes internal and external communication strategies in this period.

3.2 The start of QE as a crisis management tool

With governments intervening heavily to save the financial sector, their budget deficits worsened. As the issuer of the world's reserve currency, with Treasury bills among the most liquid assets in global markets, the United States held a comparative advantage. In the end, however, the risk of Treasury yields going up too much became part of the reason for the Fed to intervene. (Bateman, 2025) The Federal Reserve was the first central bank to start monetary operations in response to the crisis that could be classified as QE. From November 2008 until the summer of 2009, the Fed operated the first QE program in the US, called QE1. It contained the purchase of government-supported enterprises (GSE) debt worth \$100 billion and mortgage backed securities (MBS) issued by those enterprises worth \$500 billion. In March 2009 another \$100 billion of GSE debt and \$750 billion of MBS was added, along with \$300 billion in long-term Treasuries.

The BoE followed quite soon, with the Asset Purchase Facility (APF). In cooperation with the Chancellor of the Exchequer, the BoE injected around £200 billion into the British economy between March 2009 and January 2010 by purchasing predominantly gilts (UK government debt). After only a year, the BoE neared 30% ownership of British government debt, which would raise concerns about the position of the gilt as investment independent from the central bank. Acosta et al. (2023) showed that the MPC wanted to avoid the scenario of Japan and therefore believed in a quick and severe response. The ECB waited much longer with direct market interventions. Instead, they continued with their open credit lines to the banks, which could continue to borrow from the ECB at a fixed rate instead of bidding for the funds. The conditions for the necessary collateral to borrow were also further loosened to incentivize further investment. (Fawley & Neely, 2013) Investing €60 billion in covered bonds, the ECB intervened on a small scale, in a way that can hardly be identified as QE. From 2011 onwards, the ECB launched Very Long Term Refinancing Operations (VLTROs, 3 years maturity), which extended the already extended lending mechanism of Long Term Refinancing Operations (LTROs), whose original maturity of three months was extended to nine in 2009. These changes already composed a set of drastic changes in the lending facilities of the central bank. The difference between the central banks in early monetary operations was mainly between lending to banks (ECB) and purchasing bonds directly (Fed and BoE). This reflected the bank based

financing structure of the EU compared to the market based financing of the US and the UK. (Fawley & Neely, 2013)

3.3 The Sovereign Debt Crisis and the arrival of the ECB to QE

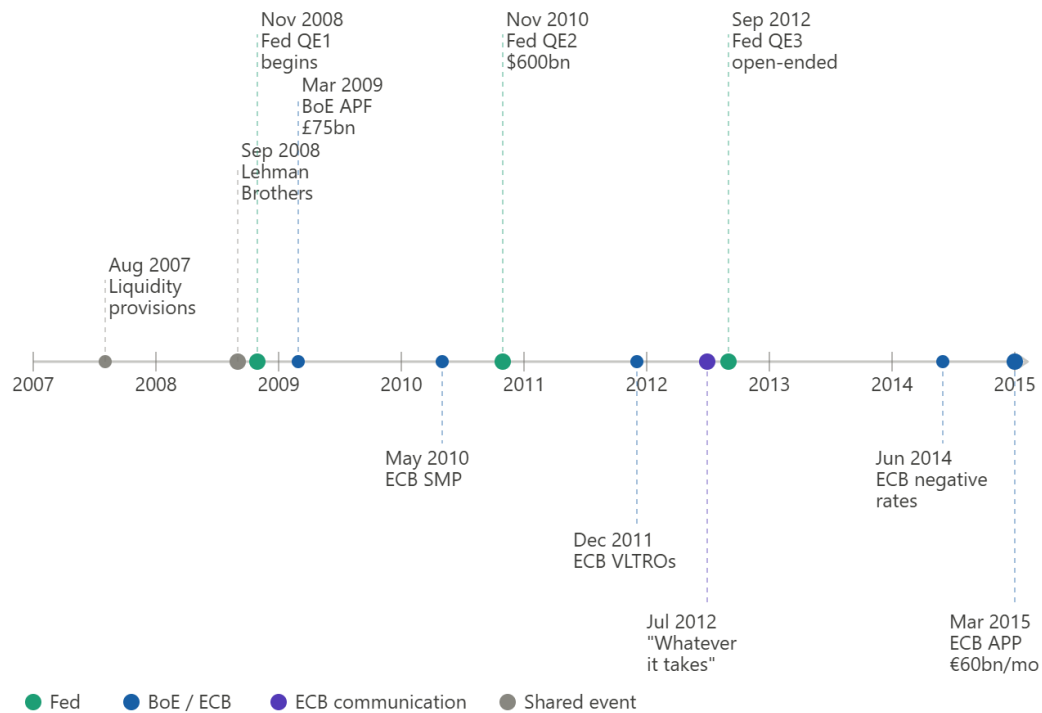
As the banking sector in the world tried to recover from the blows, Europe faced a second impact on its economy, following the discovery of huge national deficit problems in some of the southern economies such as Italy, Portugal, Spain, Ireland and most notably Greece. The doomloop of financial interdependence between unstable banks and highly indebted countries required a European intervention to break it. In May 2010, the ECB started the first government bond purchases through the Securities Market Program (SMP) on the secondary market after Greece, Ireland, Portugal, Spain and Italy witnessed a rise in budgetary problems. This program had a small impact, but the spreads on bond yields in the eurozone kept increasing. (Hartmann & Smets, 2018) By providing virtually unlimited liquidity to banks and lowering the requirements for collaterals from the Greek government even more, the ECB tried to steer the most vulnerable economies away from defaulting on their debt. (Rhee & Posen, 2013) Article 123 of the Treaty of the Functioning of the EU forbade monetary financing, adding an extra layer of complexity to the ECB's options in terms of monetary policy. The tension between this legal boundary and the necessity for interventions by the ECB increased throughout this period.

In the summer of 2010, the US faced a real danger of deflation, to which the Fed decided to reinvest the maturing bonds that were previously purchased and purchase another \$600 billion in long-term Treasuries on top of this. One year later, in June 2011, the Fed stopped this practice and switched strategy with Operation Twist, selling short-term securities whilst purchasing long-term ones to flatten the yield curve without further expanding its balance sheet. A third round followed in September 2012, when the Fed decided to purchase \$85 billion per month in securities, for the first time not placing a ceiling on the programme. The BoE similarly extended its asset purchase programme in 2011 and 2012, eventually reaching £375 billion in total purchases by the end of its initial QE phase. These continued expansions of the balance sheet reflected on the one hand a persistent economic weakness, but on the other also the growing confidence by the central banks that large-scale asset purchases served as an effective and legitimate tool. Both aspects had to be communicated accordingly. In each case, the scale and novelty of these interventions created communicative pressure, requiring institutions to

justify their necessity both internally and to the public, while managing the association with monetary financing.

During these programmes in the UK and US, the ECB deployed other means towards its ends, namely communication. In July 2012, ECB President Mario Draghi announced that the ECB would do "whatever it takes" to preserve the euro, words that, without any accompanying action, calmed the sovereign bond markets across the eurozone. The speech was followed by the announcement of the Outright Monetary Transactions (OMT) programme, containing conditional support by the ECB for sovereign bond markets. This programme never saw actual daylight, since the communication strategy seemed to do its job without any bond purchase taking place. For the discussion about transmission mechanisms, this case demonstrated the importance of communication itself for trust in the market. In June 2014, the ECB announced a negative deposit facility rate of -0,10%. After similar adventures by Sweden's Riksbank and Denmark's Nationalbank, the ECB was the first major central bank to take this step. Years after the other important central banks, the ECB also initiated a QE programme because of the continued risk of deflation. The Asset Purchase Programme (APP) was announced in January 2015, with net purchases beginning in March 2015 at a pace of €60 billion per month. The monthly volume of purchases was adjusted several times, with QE eventually lasting until 2022.

Figure 4: timeline of QE



Across all three central banks, the implementation of QE was a road full of technical and communicative obstacles. Each central bank arrived at large-scale asset purchases in different institutional, economic, legal, and political contexts. The Fed acted first, the BoE followed swiftly but within tighter boundaries, and the ECB arrived last, navigating the most complex legal and political environment of the three. What they shared was the need not only for a technically and economically successful programme, but a language to frame and ideally even enhance the strengths of QE. It is this parallel process of internal deliberation and external framing – and the relationship between the two – that the following section examines.

4. The internal and external communication

4.1 Institutional differences

Building on the methodology outlined in section 2.5, this section examines the institutional frameworks. Understanding how each institution is structured, and how its relationships with other parts of government shape its approach to politically sensitive questions, is essential before turning to the communication record.

4.1.1 The Federal Reserve

In the United States, the Federal Reserve Act of 1913 established a central bank after the banking crisis of 1907, when commercial banks jeopardised the entire American economy and the situation depended heavily on the actions of private individuals. Since its origins, the Federal Reserve consists of twelve regional Federal Reserve banks, spread across the country. The Federal Reserve Board in Washington oversees them all. The Federal Reserve Reform Act in 1977 developed the purpose of the central bank, focusing on economic growth, employment rate and price stability. Until this day, the Federal Reserve has a dual mandate: ensure price stability and promote maximum employment.

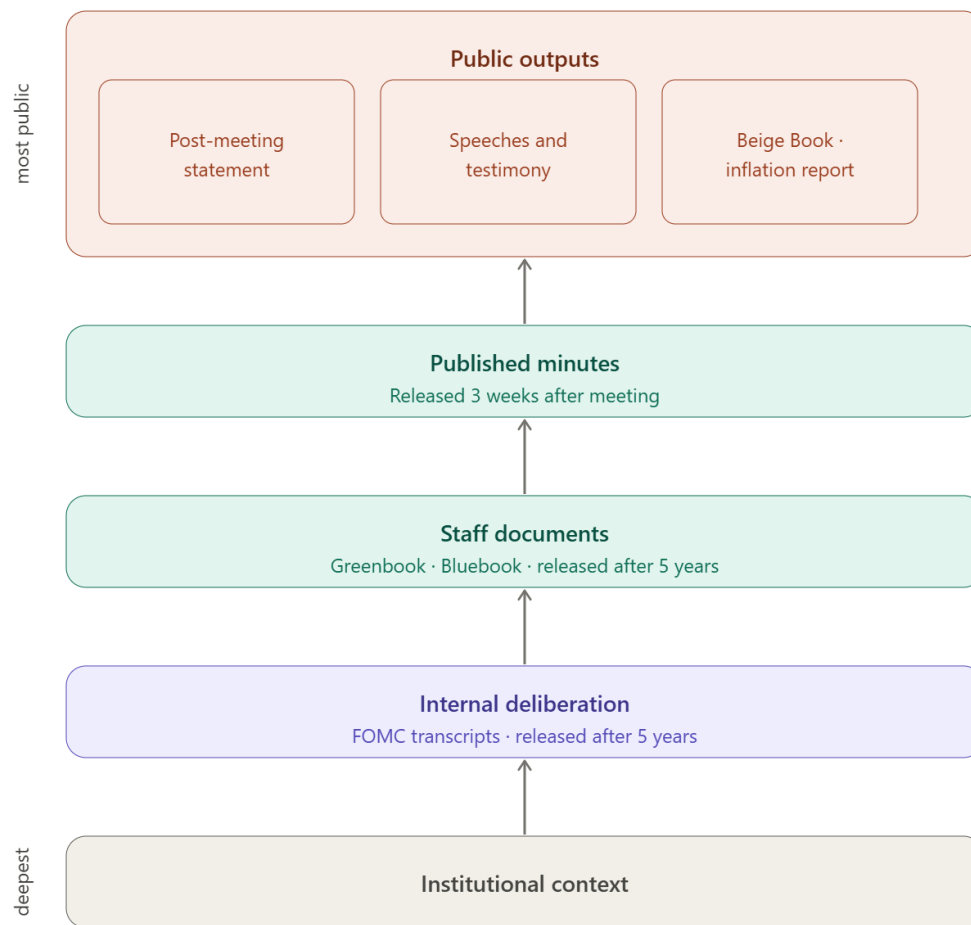
The structure of the Fed builds on two main bodies: the Board of Governors and the Federal Open Market Committee (FOMC). The former consists of seven Governors, appointed by the President. The latter consists of twelve voting members. Seven of them are the members of the Board of Governors, the remaining five voting seats rotate among the twelve regional Federal Reserve Bank presidents, with the President of the New York Fed holding a permanent voting seat and the vice-presidency of the FOMC because of New York's financial position. The other eleven regional presidents participate in meetings but only vote when it is their turn in the rotation. The FOMC is the body responsible for monetary policy decisions, including the asset purchase programmes that constitute QE. Within this structure, the Chairman holds the key position by determining the agenda of the meeting. Ben Bernanke, Chairman during the entire QE period, also became the public face of monetary security in the US and even worldwide, being named Time Magazine's Person of the Year in 2009. This made him the conduit of internal debates into external communication. Both in theory and practice, the Federal Reserve is an independent body in terms of policy. In times of crisis, however, a close cooperation with

the government and especially the Treasury is supposed to create a strong tandem to refuel the economy. Of course this very cooperation could raise alarms if too developed: critiques on debt monetisation are partially grounded in this relationship, where one brings US debt on the market and the other purchases it through QE. On the other hand, producing and implementing an economic plan on a large enough scale could only be done by these institutions together. (Conti-Brown, 2016) The overtake of Bear Stearns, the support for AIG and the creation of support packages was the result of work from Treasury Secretary Paulson, Chairman Bernanke and New York's Federal Reserve President Geithner – who would later become Treasury Secretary himself under the Obama administration. This necessary cooperation and the required formal distance create a tension between what is technocratically perhaps the most desirable methodology for tackling the problems and the risk of losing public confidence, creating a cascade of events potentially resulting in the collapse of value of Treasuries. This tension will constitute one of the main elements in the question of strategic silence. The relationship with US Congress is less tangible in the day-to-day activities at the Fed, but all the more important in its external communication framework. The Chairman testifies every half year in front of the Senate Banking Committee and the House Financial Services Committee, both benchmarks for the Fed's communication strategy and a test for its credibility. It also means that although the Federal Reserve is politically independent, it is not free from political scrutiny and therefore needs to convince national politics of the legitimacy of its actions, besides managing the watchful eye of the public and markets.

The most relevant institutional aspect, with heavy consequences for the second and third part of this chapter, is the way the Federal Reserve creates and publishes documents about internal communication and for external discourse. The first and most internal layer of the previously described layers of communication are the transcripts of each FOMC, containing the exact wording of every FOMC member during the meeting. They are released five years after date, to ensure independence from outside scrutiny at the time of the meeting but also to provide transparency of the decision making process. The second layer of information about internal dynamics – also published five years after date – consists of the Blue Book and Green Book. The Green Book contains the economic forecasts by the Board of Governors. The Blue Book lays out the monetary policy options based on this forecast and analysis.

The third layer is effectively a mix between internal and external communication. The minutes provide an overview of the discussion. Crucially, they are released three weeks after each meeting and inherently made up of chosen elements from the meeting, leaving a window of opportunity to silence certain topics. The minutes also contain the voting record of each voting member of the FOMC, showing the majority vote, who dissented, and why. Because of their timing, they could potentially still impact the market directly, giving an incentive for the Fed to utilise this as external communication rather than internal. From the fourth layer onwards, publications and direct Federal Reserve sources serve the purpose of outside communication. The FOMC statement immediately after the meeting tells the world four things: a brief characterisation of economic conditions, the policy decision itself, the rationale for that decision, and a forward-looking risk assessment. This has the most direct impact on financial markets and is therefore written with extreme care for the selected words. Members of the board can also give speeches, which especially for Chairman Bernanke were followed extensively. Specific post-meeting speeches by the Chairman were only introduced in 2011 to add an extra layer of external communication. The half-yearly testimony of the Chairman for the US Congress and the Senate Banking and the House Financial Services Committees serves as a platform to further develop the formal positions of the Fed and publicly defend its policies when challenged. One more element of public communication, although less relevant for the purposes of this study, is the Beige Book, a document published eight times per year containing an analysis of the economic situation in each Federal Reserve District.

Figure 5: communication layers of the Federal Reserve



This structure reflects both the deepest institutional roots of the Federal Reserve and the operational necessities to successfully implement and especially communicate the monetary policy. For strategic silence, this has some implications. The institutional roots and its parallel mandate create the legal context for every monetary policy decision but also give the Fed the tools to legitimise their actions. (Binder, 2017) Specifically the dual mandate covering employment next to the traditional price stability factor offers an opportunity to legitimise QE by framing the asset purchases not only as necessary to steer away from deflation but also to keep employment rates up through different QE mechanisms. Theoretically, this means the Fed has a bit more leeway in their options to justify its actions, meaning it might have to resort less to strategic silence about certain elements to cover for the lack of legitimacy.

Transcripts give the most accurate depiction of internal dynamics in the central bank during the moment of decision making. It is here that explicitly discussed instances of strategic silence and topics that surface unexpectedly are most likely to appear. These documents do, however, limit the strategic silence in some ways. FOMC members are aware of the fact that their every word is written down and will be published in five years, which might in a very broad way lead to some form of self-censorship. The effect of this is hard to measure since no “more internal” source exists to compare it against, but it is important to keep in the back of our mind.

On top of this, the conversation in the FOMC is guided by several factors and documents, mainly the Green Book and Blue Book, as well as the agenda decided by the Chairman. This means that a substantive part of monetary policy – what to do and say and more importantly what not to do and say – have been predetermined before any sentence is written down in the transcript. The literature also established these easy to overlook imbalances in the creation of policy and led them to the conclusion that monetary policy is often actually developed outside of the FOMC. (Fligstein, Brundage, et al., 2017; Hansen et al., 2018) The Green Book – complemented sometimes by the Beige Book – establishes the basis of information as starting point for policy options and discussions afterwards. The parameters included in this report shape everything that comes after that in the process. The same goes for the Blue Book that presents the FOMC with policy options, accompanying statements and communication strategies. Again, we do not possess open information about the exact internal communication during the creation of this document. Not only does this have implications for the decision making process, it also affects the entire downstream of communication, both internal and external. In the layers of communication, the Green Book and Blue Book come after the transcripts because these documents are internally already validated and checked, therefore they can already contain elements that are strategically silenced, while these aspects could be thrown on the table in the FOMC meeting. On the other hand, it is important to note that these Books also affect the FOMC meeting itself by prioritising certain topics and policy options. The Blue Book also has a specific relevance for communication, as it gives the FOMC members a prepared communication language for each respective policy option. This language can then be altered by the Committee, but guides this discussion either way.

As stated before the meeting minutes fall somewhere in between internal and external communication. Published three weeks after the meeting, they do not possess the sharp edge

to move markets in one or the other direction, but they offer some clarification to the decision and statements made three weeks earlier. They form the link between transcripts and statements and therefore form an important source to find out at which stage the strategic silencing process happens. This can happen in several fields, e.g. dissent, where internal disagreements are not fully disclosed to preserve unity to the outside world, or by the omission of discussed topics, such as fiscal impacts of QE. The statement after the FOMC obviously ranks the highest in external communication, but it serves multiple purposes, although it mainly provides signals to the market. This statement is also a construction of pre-drafted elements from the Blue Book and interventions made by the FOMC members. The exact wording plays an important role here for strategic silence: changing even one word can alter the signal to the market and can end up as silencing.

4.1.2 The Bank of England

As one of the oldest central banks in the world, the Bank of England went down a long path since 1694 to its structure and operational dynamics at the beginning of the 21st century. To this day, it contains institutional differences compared to the ECB and Fed. From its very origins, the Bank always had a close relationship with the UK government and especially the Chancellor of the Exchequer, who traditionally was an important player in monetary policy and directly set the interest rates. It was not until 1998 that the BoE legally received the mandate to operate independently in its policy, after Chancellor Gordon Brown of the new Labour government initiated the process. The strong relationship with the Chancellor of the Exchequer, however, remains a vital part of the bank's structure to this day. The mandate of the BoE covers one central aspect: price stability. This price stability is, however, not defined by the bank itself but by the Chancellor, contrary to the operative reality of the ECB and Fed. Besides the price stability – but hierarchically placed lower – the BoE aims to achieve the maximum economic growth possible.

Just like the other central banks, the Bank of England is made up of several bodies. The Court of Directors is the most general one, managing the affairs of the Bank when it comes to budget, strategy and internal positioning. It does not, however, decide on monetary policy. That is the exclusive domain of the Monetary Policy Committee (MPC). It consists of a Governor, three Deputies, a Chief Economist and four members appointed directly by the Chancellor. The Governor also runs the executive part of the bank, conducting the day to day operations. During

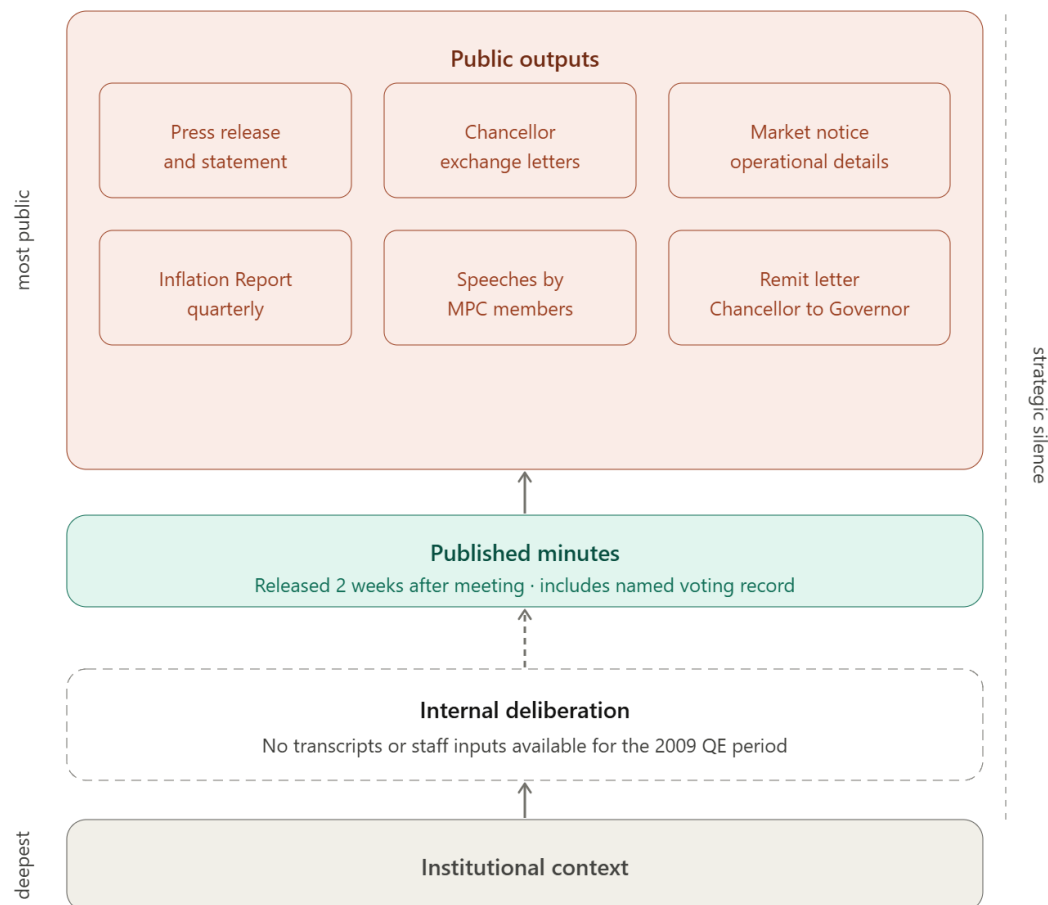
QE, that meant Governor Mervyn King held a central position both in steering the MPC towards decisions and executing them afterwards. This position was further strengthened in 2012 after the GFC, when the BoE created a Financial Policy Committee, responsible for monitoring financial stability. Like the MPC, it is headed by the Governor. Since QE was meant to stabilise the financial world, this institution took up a key role on the BoE's operations from day one. The creation of this body also reflects the realisation that monetary policy cannot act in a vacuum and has to account for the financial situation, not only the economic context.

In terms of the published documents about MPC meetings, the absence of transcripts for the period this study looks at, is the first noticeable aspect. Diving into the exact discussion as recorded on paper is not possible. Only after an internal evaluation in 2014 did the BoE decide to publish transcripts with a delay of eight years. Transcripts and other internal preparation documents – referred to by the Bank as “key staff input” – are not available for the QE period. They frame the options available to the committee before deliberation begins, but because they cannot be openly consulted, a gap in the reconstruction of the internal deliberation process remains. To partially reconstruct this process, this study draws on previous literature that reconstructed it. Cassar (2024) is the main contribution to this end. He reconstructed the internal dynamics of the March 2009 QE decision through interviews with former MPC members, showing that the deliberation was considerably more contested than the published minutes suggest.

In the absence of transcripts and other documents, the minutes are effectively the source published by the Bank itself that is the closest to inner communication. During QE, the Bank published them two weeks after each meeting. Nowadays they are published immediately afterwards. They describe the broad dynamic during the meeting with some of the main topics and arguments, as well as the decisions and the rationale behind them. Crucially, they contain the voting records from the members. Beyond the minutes, the BoE publishes several additional documents that together constitute its public communication framework. The most substantial of these is the quarterly Inflation Report – renamed the Monetary Policy Report in 2019 – which presents the MPC's economic forecasts, the analytical reasoning underpinning its policy, and additional information about the uncertainty around those forecasts. It is the BoE's most developed public communication instrument. Individual speeches by MPC members and the Governor constitute a further communication layer. Finally, the remit letter from the Chancellor

to the Governor, published annually, defines the inflation target and any extra guidance on secondary objectives. The Governor has to respond publicly through a public letter if inflation deviates more than one percentage point from the target in either direction. Together these documents form the public layer of the BoE's communication hierarchy.

Figure 6: communication layers at the BoE



In the case of the BoE's framework and its implications for studying strategic silence, the institutional context tells us a lot by way of not having many published sources in the first place. The absence of transcripts has direct consequences for the study of strategic silence at the BoE. The most internal layer of the BoE's documentary record is already a curated summary, unlike the raw transcripts of the Federal Reserve. What the minutes capture is not the deliberation itself but a processed version of it, deliberately smoothed into a consensual narrative. This reflects a deeper degree of institutionalised opacity than at the Fed, and reinforces the argument that strategic silence at the BoE is already present on a structural level.

The voting record partially compensates for this – knowing that a member voted for a larger asset purchase programme than the majority agreed to reveals something about the distribution of internal opinion – but it does not reveal the arguments made. It also does not present the framings of the decisions, both the ones that were made and the ones that were rejected, nor does it shine a light on the topics that were completely left unspoken. This has a structural implication for how strategic silence operates at the BoE relative to the Fed. At the Fed, strategic silence is most visible in the gap between the transcript and the public statement, which can be documented directly by comparing the two layers. At the BoE, that gap is absent because of the institutional design: the minutes already perform the translation from internal deliberation to public narrative that at the Fed happens only at the statement stage. Strategic silence is in this sense built into the BoE's publication framework and institutional context. In a way, this institutional context makes it much easier for the MPC to present a unified front that cannot be deconstructed, even five years after date.

The institutional context has another implication for the use of strategic silence, especially on the topic of fiscal consequences of QE. Because the Chancellor defines the inflation target annually in writing, and because the Governor must respond publicly if that target is missed by more than one percentage point, the BoE's relationship with the Treasury is not just historically close. It is structured into the Bank's framework and institutional context in a way that makes the boundary between monetary and fiscal policy more openly acknowledged. Whereas the Fed might need to keep a healthy distance to the Treasury to avoid talk of monetisation, this cooperation is embedded in the institutional framework of the BoE. This may have made it easier to avoid discussing the fiscal implications of gilt purchases explicitly, since that relationship was already visible in the institutional architecture and did not need to be named.

The legal constraints – or the absence thereof – further strengthen the possibilities for the BoE to handle monetary financing issues. Unlike the ECB, which faces a hard legal prohibition on monetary financing under Article 123 TFEU, the BoE retains a direct lending facility to the government: the Ways and Means Facility. This constituted a legal instrument for monetary financing and was drawn upon during the 2008 crisis. (Bateman & Van 't Klooster, 2024) The constraint on acknowledging the fiscal dimensions of gilt purchases was therefore political and revolved around the reputation of the Bank and the British pound. They were not legally compelled to justify public bond purchases to the political elites or highest courts. All in all,

the BoE's institutional structure made it considerably easier for the MPC to practise strategic silence than for its counterparts in Frankfurt or Washington.

4.1.3 The European Central Bank

In the context of monetary policy and especially the unconventional type, the European Central Bank faced the most complicated institutional context. The ECB, established on 1 June 1998, is a supranational institution operating across multiple sovereign states, each with its own fiscal authority, political tradition, and economic interest. This multi-national character runs through every layer of the communication hierarchy. It is systematically distinct from the BoE or even Fed with its 12 regional parts because of the sovereignty of each eurozone country, even if these member states handed over monetary policy to the European level.

The ECB has three decision-making bodies. The Governing Council is the most important for this study. It consists of the six members of the Executive Board plus the governors of the national central banks of all eurozone member states, 19 at the time of the APP decision in January 2015. The high number of member states was, however, relatively recent, with accessions from Slovenia (2007), Cyprus and Malta (2008), Slovakia (2009), Estonia (2011), Latvia (2014) and Lithuania (2015) in the years before. The Executive Board comprises the President, the Vice-President, and four other members, appointed for non-renewable eight-year terms by the European Council. It is responsible for the day-to-day management of the ECB, the preparation of Governing Council meetings, and the implementation of monetary policy. The General Council, which includes central bank governors of all EU member states regardless of euro adoption, has an advisory role and is less directly relevant to monetary policy decisions.

This structure maps onto the document layer hierarchy in a specific way. The Executive Board functions as the upstream framing body: it prepares the meetings, commissions staff analysis, and sets the agenda before the Governing Council convenes. Just like the FOMC staff of the Fed, it guides the topics and timing. Unlike the Greenbook and Bluebook and just like the BoE staff inputs, no preparatory materials produced by the Executive Board are published and no release framework exists for them. The upstream framing layer at the ECB is entirely inaccessible.

Further internal deliberation happens in the Governing Council, but with a crucial structural difference from both the Fed and the BoE. All members attend and may speak, but individual voting positions are never published and individual contributions are never attributed in any public document. Before January 2015, all governors held a permanent vote under the one member, one vote principle. The rotation system introduced in 2015, triggered by Lithuania's accession as the nineteenth eurozone member, allocated governors to two groups based on economic size, with the five largest economies sharing four voting rights and the remainder sharing eleven. Executive Board members retained permanent voting rights. Because individual voting records are not published the Governing Council presents a unified front regardless of the internal distribution of opinion. This is grounded in the decision making process of the ECB, which is consensus based and rarely comes down to actual voting. Usually, over the course of a Governing Council meeting, a consensus is crafted and eventually adopted without an actual voting. This is not accidental. It is justified officially on the grounds that publishing individual positions would expose national central bank governors to political pressure from their home governments, compromising the independence of their deliberations. The justification is itself significant: transparency and independence are formally positioned as competing values, in a way that has no equivalent at the Fed or the BoE. Strategic silence at the ECB is not merely a communicative choice made by people within the institutional framework, it is embedded in that very framework's foundational logic.

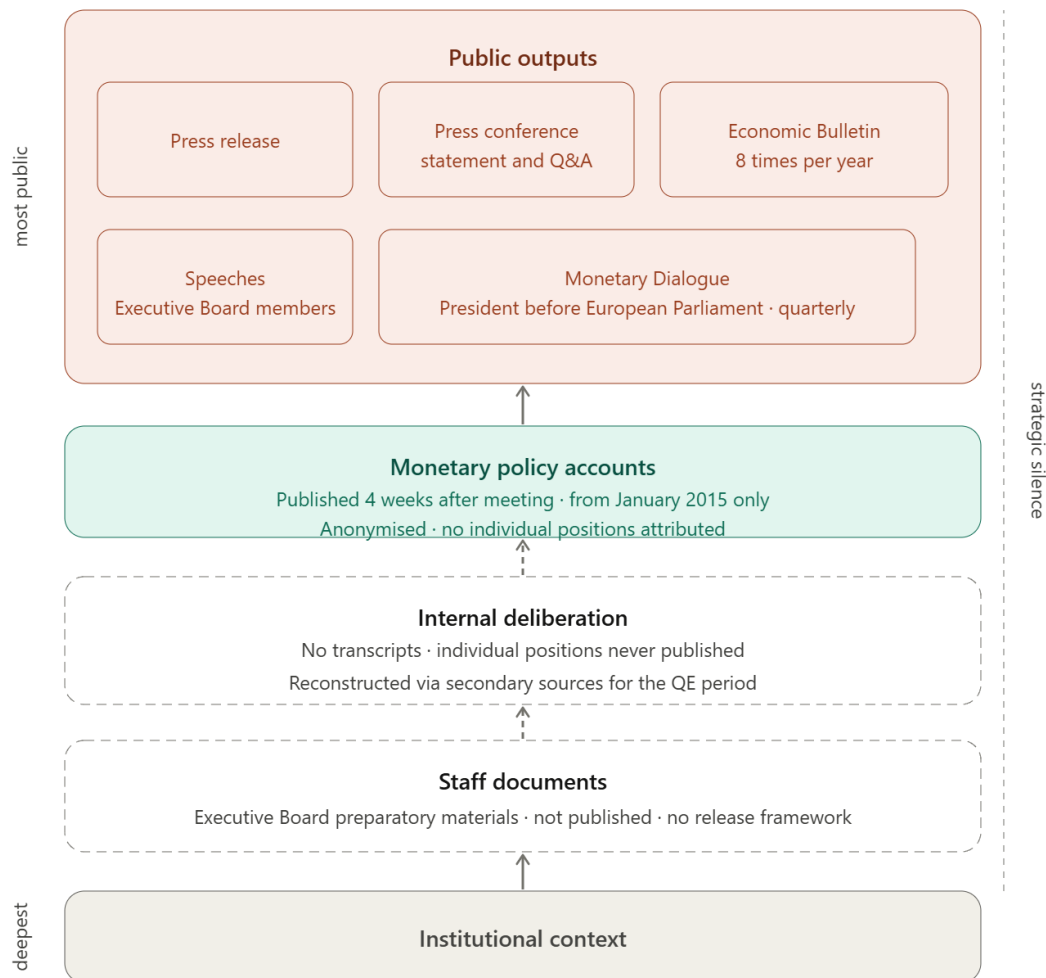
The ECB's publication framework is the most restricted of the three institutions examined in this study, and for the period most relevant to this analysis it is almost entirely limited to outputs aimed at the broader public. Before January 2015, the ECB published no account of Governing Council deliberations whatsoever. The only documentary outputs following a monetary policy meeting were the press release announcing the decision, published on the day of the meeting, and the transcript of the press conference held by the President and Vice-President shortly afterwards. The press conference transcript is analytically interesting precisely because it is the closest thing to an internal deliberation record, since Mario Draghi (President of the ECB, 2011-2019) also received questions about the internal communication process and other elements that were not specifically prepared. It is, however, a public performance rather than an internal document, and it reflects the President's individual framing choices rather than the diversity of Governing Council opinions.

The monetary policy accounts introduced in January 2015 added a new layer to this framework. Published four weeks after each monetary policy meeting, they provide a summary of the economic assessment and policy discussion that took place in the Governing Council. They are deliberately anonymised with no positions attributed to individual members, and are written in a way that presents the discussion as broadly consensual, even where significant disagreement existed internally. In this respect, they too function closer to what this study calls the external communication layer than the internal deliberation layer. They are a thought-through institutional narrative rather than a record of deliberation. The introduction of this new source reflects a tendency visible across all three institutions: as communicative pressures intensified, decision-making bodies sought to develop their documentation strategy.

Beyond the accounts and press releases, the ECB publishes the Economic Bulletin eight times per year, providing an analysis of economic and monetary developments on which policy decisions are based. Individual Executive Board members give speeches regularly, and the President appears before the European Parliament's Committee on Economic and Monetary Affairs at least quarterly. These constitute the ECB's broader public communication apparatus. Taken together, however, the ECB's publication framework produces considerably less documentary material about internal deliberation than either the Fed or the BoE, and for the period most relevant to this study it produces barely anything at all. The internal deliberation layer must be reconstructed entirely from secondary sources, legal proceedings, and the partial evidence available in speeches and press conference transcripts.

The most directly relevant are van 't Klooster (2022), whose analysis of the ideational shifts influencing the ECB's unconventional policy provides the closest available account of the analytical framework within which Governing Council decisions were framed. Bateman and van 't Klooster (2024) provide the most directly relevant analysis of how the monetary financing taboo structured what could be acknowledged internally across all three institutions examined in this study. Brunnermeier, James and Landau (2016) reconstructed the divisions between German and French economic traditions, illuminating the national fault lines that shaped internal Governing Council dynamics during the crisis period. Together these sources constitute the evidential basis for the internal layer of the ECB analysis that follows.

Figure 7: the ECB's communication layer



Besides the institutional structure, the ECB has a particular legal foundation and with it some constraints with regards to monetary policy. The ECB's primary mandate is price stability, established by Article 127(1) TFEU, with a secondary objective of supporting the Union's general economic policies without prejudice to that primary objective. During the period relevant to this study, price stability was operationally defined as inflation "below, but close to, 2%" over the medium term. This aim was formulated in the 2003 strategy review after the original target of "below 2%" since 1998. This formulation was widely perceived as asymmetric, effectively treating 2% as a ceiling rather than a target, and was only replaced by an explicit 2% target following the ECB's strategy review in July 2021.

Two further Treaty provisions are directly relevant. Article 130 TFEU guarantees the ECB's independence, prohibiting any government or EU institution from trying to influence its

decisions, which is a hard line neither the Fed nor BoE has. Article 123 TFEU prohibits monetary financing, barring the ECB from purchasing government debt directly from member states. This limit on the ECB weighed heavily on the institution at a time of justifying QE. It is not only a reputational or political constraint, it is legal and can therefore also be questioned in front of the European Court of Justice. During QE, Articles 130 and 123 defined the balance of the ECB's position, where on the one hand it was completely free to decide on monetary policy to achieve its goals, but specific tools were originally inconceivable because of Article 123. The capital key adds a further institutional constraint with direct relevance to the communication of QE. Under the PSPP, sovereign bond purchases were allocated across eurozone countries in proportion to each national central bank's share in the ECB's capital, which is calculated on the basis of each country's share of eurozone GDP and population. This mechanism was designed explicitly to prevent the ECB from favouring the debt of fiscally distressed member states and is the practical tool to maintain the legal and communicative distance from monetary financing that Article 123 required. The capital key is therefore not merely a technical implementation rule: it is a structural device for managing the boundary between monetary policy and fiscal support, and its public justification – market neutrality – is directly relevant to the strategic framing of QE examined in this study.

4.2 The Federal Reserve: layers of strategic silence

4.2.1 Confirming strategic silence in the Fed

The fiscal dimension of quantitative easing constitutes the most consistently and explicitly acknowledged internal theme across the three FOMC meetings examined in this study. It is also completely absent from the corresponding public record. Across the September 16, October 28–29, and December 15–16 transcripts of 2008, the word "fiscal" appears a combined ninety-six times. It appears four times in the minutes – once in October and three times in December - and zero times in any of the three corresponding public statements. The word "monetizing" appears twice in the December transcript. It appears zero times in the minutes, nor any public output from the entire period. The term "quantitative easing" appears 33 times across the transcripts. It is never mentioned in any of the minutes or public statements. This vocabulary gap is not incidental. It is the product of deliberate communicative choices made at every layer of the Federal Reserve's publication framework.

Figure 8: frequency of key terms across FOMC communication layers, September–December 2008

Term	Sep transcript	Oct transcript	Dec transcript	Sep minutes	Oct minutes	Dec minutes	Sep statement	Oct statement
<i>fiscal</i>	13	48	35	0	1	3	0	0
<i>monetize / monetizing</i>	0	0	2	0	0	0	0	0
<i>quantitative easing</i>	0	7	26	0	0	0	0	0

The analysis below works through the fiscal dimension of the internal debate across four distinct themes, tracing the passage of content through the layers, and identifying where and how strategic silence operates at each transition.

4.2.2 The fiscal nature of the Fed's operations

The most analytically significant internal acknowledgement across all three meetings is the recognition, by multiple committee members, that the Fed's balance sheet operations constituted fiscal intervention rather than purely monetary policy. This acknowledgement appears first in September, becomes most explicit in October, and is contested but ultimately suppressed in December.

At the September meeting, the day after the collapse of Lehman Brothers, Bernanke directly questioned the committee about the interaction of monetary and fiscal intervention in historical financial crises. The response of Jeffrey Lacker (President of the Federal Reserve Bank of Richmond) was unambiguous: when asked whether the capital injections that had accompanied banking crises in Japan and Scandinavia were an appropriate model, Lacker stated that "those were fiscal actions", with Bernanke confirming: "Right." (Transcript of the FOMC, September 16, 2008, p. 50) The same meeting contained a broader acknowledgement by Bernanke that the Fed's crisis management was operating without a clear framework: "We don't have a set of criteria, we don't have fiscal backstops, and we don't have clear congressional intent". (Transcript of the FOMC, September 16, 2008, p. 75) The ad hoc character of the Fed's interventions, and their fiscal dimension, were openly acknowledged. Neither observation appears in the September public statement, which described the situation as one requiring the FOMC to "monitor economic and financial developments carefully and will act as needed to promote sustainable economic growth and price stability". (FOMC Statement, September 16, 2008) The September minutes, published three weeks later, described the committee's

discussion in terms of economic conditions and market functioning, with no reference to the fiscal character of the interventions being considered. (Minutes of the FOMC, September 16, 2008)

By October the internal vocabulary had broken through more fully. Brian Madigan (Director of the Federal Reserve Board's Division of Monetary Affairs and Economist and Secretary for the FOMC) introduced quantitative easing into the internal discussion for the first time, immediately distancing the committee from the term by qualifying the policy "a sort of quantitative easing" and the observation that "the effectiveness of that could be debated". (Transcript of the FOMC, October 28-29, 2008, p. 59) The most analytically significant exchange in the 2008 record followed between Lacker and Bernanke on the transmission mechanism. It ended with Lacker stating that "when you get down to effective equivalence between a monetary asset and a government bond of one-day duration or whatever, to be effective monetary policy needs to be fiscal policy. It needs to acquire other assets that we wouldn't normally otherwise acquire. We're doing that right now". (Transcript of the FOMC, October 28-29, 2008, p. 156) This is the clearest internal articulation of the view that monetary policy, at the level to which the Fed had taken it, had become indistinguishable from fiscal intervention. The October public statement made no reference to this acknowledgement, framing the Fed's balance sheet operations as "extraordinary liquidity measures" alongside conventional rate policy. (FOMC Statement, October 29, 2008) The October minutes turned the entire discussion about fiscal equivalence into a single sentence, stating that "members discussed the possible use of various tools to provide additional stimulus if the outlook were to worsen appreciably". (Minutes of the FOMC, October 29, 2008) This does not reflect the internal debate about the actual tools and their mechanisms, let alone their relationship with fiscal policy.

In December, the fiscal nature of the Fed's operations was both most explicitly acknowledged and most actively managed. Charles Plosser (President of the Federal Reserve Bank of Philadelphia) stated directly that "expansion of our balance sheet, including unsterilized lending, is monetary policy, as it is monetizing the debt, either public or private". (Transcript of the FOMC, December 15-16, 2008, p. 39) He used the term "monetising" in a way that had no equivalent in any public Fed communication during the early QE period. He further argued that the committee needed to "publicly acknowledge that we have changed – that we have a

new instrument – and communicate how monetary policy will be determined going forward". (Transcript of the FOMC, December 15-16, 2008, pp. 39–40) Thomas Hoenig (President of the Federal Reserve Bank of Kansas) stated that the Fed had "stepped far in the direction of credit allocation and have undertaken actions that are fiscal measures and not appropriate for a central bank, even in a crisis like this". (Transcript of the FOMC, December 15-16, 2008, p. 57) Lacker strengthened the monetary-fiscal boundary argument, stating his preference for Treasury purchases over riskier assets in order to "remain cognizant of the line between monetary policy and fiscal policy". (Transcript of the FOMC, December 15-16, 2008, p. 41) The December public statement announced the asset purchase programme without any reference to the fiscal dimension of those purchases, framing them as instruments "to provide support to the mortgage and housing markets" and to "support the functioning of financial markets and stimulate the economy". (FOMC Statement, December 16, 2008) Any mention of words such as "monetising," "credit allocation," and "fiscal measures" is entirely absent. The December minutes noted that "members agreed that the statement should indicate that all available tools would be employed to promote the resumption of sustainable economic growth and to preserve price stability". (Minutes of the FOMC, December 16, 2008) It erases the internal contestation, the very nature of the tools used, how they operated, and what side effects they might carry.

4.2.3 Treasury action as the assumed macroeconomic backdrop

A second and different fiscal theme runs through all three meetings: the internal treatment of fiscal stimulus not as some uncontrollable variable but as a necessary complement to the Fed's own actions. This framing is most explicit in December but present throughout.

In October the staff's forecast explicitly excluded additional fiscal stimulus, but the committee discussed it extensively as a necessary element of recovery. The staff noted that even a \$300 billion fiscal package "wasn't enough, in our baseline forecast, to lift the funds rate assumption off the floor" and that "to have a fiscal package that would actually influence your current policy discussion, you have to think both that it would be extremely large and that it would deliver stimulus over an extended period of time to be effective". (Transcript of the FOMC, October 28-29, 2008, p. 64) Multiple committee members, however, did assume a substantial fiscal package in their own projections. Timothy Geithner (President of the Federal Reserve Bank of New York) framed the Fed's operations explicitly within a joint governmental response: "we, the collectively integrated government, have the broad fiscal policy questions

and the scope for either a broad-based substantial fiscal package or more-targeted fiscal measures". (Transcript of the FOMC, October 28-29, 2008, p. 96) This framing of the Fed as one instrument within a broader fiscal-monetary response is absent from the public statement of that October meeting, which presented the Fed's actions as self-contained monetary policy measures. (FOMC Statement, October 29, 2008) The need to keep a healthy distance from the Treasury is most visible in the silencing of the internal acknowledgement that fiscal intervention was imperative.

By December, the fiscal complement had been built into the staff's internal analysis, which they presented to the FOMC at the start of the meeting. In that overview, the staff assumed \$500 billion in new fiscal stimulus on top of the existing \$165 billion. (Transcript of the FOMC, December 15-16, 2008, p. 108) Fiscal and monetary policy complementing each other were central to the outlook, compared to the forecast in October. Most significantly, the staff's bottom-line assessment of nonstandard monetary policy tools stated explicitly that "unconventional monetary policy tools can be useful complements to well-designed fiscal stimulus". (Transcript of the FOMC, December 15-16, 2008, p. 19) Framing QE as a complement to fiscal policy rather than as a substitute for it was the basic foundation upon which the committee's entire December deliberation rested. It does not appear in the December public statement, which announced the asset purchase programme in purely monetary terms without reference to fiscal interventions or any relationship between those interventions and the decision by the FOMC.

4.2.4 The political economy of fiscal intervention

A third theme is the internal recognition that monetary policy was temporarily filling a gap in fiscal intervention, which was blocked by a political deadlock in Congress. This is most fully developed in October but present in September and December as well.

At the September meeting, Bernanke acknowledged that the Fed was operating without a fiscal plan from the government and without any signal of how Congress would act, though he appeared to expect that a large fiscal intervention would follow. (Transcript of the FOMC, September 16, 2008, p. 75) By October, Bernanke emphasised the need for fiscal intervention even more strongly, saying "history suggests that, whenever a financial crisis becomes sufficiently severe, ultimately the only solution is a fiscal solution, and we will have a fiscal

solution". (Transcript of the FOMC, October 28-29, 2008, p. 150) He did realise, however, that fiscal intervention needed to be politically conceivable, not just economically. The internal acknowledgement that monetary policy was the acting crisis manager – when it should have been fiscal policy – and that politics caused it, is a significant observation. And yet, it again does not appear in either minutes or statement. In December, Kevin Warsh (Governor of the Federal Reserve Board) argued to bring this point to the public by stating “publicly in all of our discussions the need for the fiscal authorities to be taking first losses”. (Transcript of the FOMC, December 15-16, 2008, pp. 91–92) This call for public acknowledgement of the fiscal dimension did not see the light of day.

4.2.5 The active management of communication

The fourth theme is the most directly relevant to the strategic silence framework: the internal record shows that the fiscal dimension was not only acknowledged, but that its exclusion from public communication was actively designed and managed. Strategic silence at the Federal Reserve during this period was not a passive omission but an institutional production.

The September transcript provides the first evidence of this management in the committee's extended deliberation over statement language. The discussion that consumed a substantial portion of the meeting focused not on policy substance but on the precise communicative signal that each formulation would send to markets. This illustrates the committee's awareness of the statement as an instrument of communication to markets rather than an overview of what was actually decided in terms of policy. An entire discussion about choosing to watch the economy and markets “closely” or “carefully” unfolded. Bernanke summarised the moment with a mix of humour and seriousness, saying “We have seventeen people debating over this word, and it actually does matter”. (Transcript of the FOMC, September 16, 2008, p. 81)

By October, communication strategy had been formally integrated into the policy process. Geithner requested at the end of the meeting that the staff, as it worked through policy options, should also “do other parts of the communication options, too – not just those but also other ways to think about how to make policy for looking at and communicating a path that are different from what we did in 2003”. (Transcript of the FOMC, October 28-29, 2008, p. 157) This meeting also contains the clearest indication that the minutes are a carefully crafted external communication mechanism rather than an overview of the internal debate. One

committee member explicitly stated "I think we need to make clear in our statement and our minutes – particularly in our minutes – that we do expect a weak economy going forward". (Transcript of the FOMC, October 28-29, 2008, pp. 124–125) Drawing from the institutional context of the Fed, the minutes here serve a clear purpose to signal markets through forward-looking communication.

In December, the management of the internal-external boundary became most explicit. The staff's Bluebook had framed the communication question as a severe challenge because of uncertainty about what the unconventional policy actually meant, how it operated, and through which mechanisms. The general feeling when looking at the transcript is that a lack of understanding of QE transmission mechanisms further enhanced the aversion to communicate in depth about the policy, with reputational worries regarding fiscal impact as a second layer on top of this. (Transcript of the FOMC, December 15-16, 2008, p. 22) Bernanke then constructed the "credit easing" label, purposefully avoiding the term quantitative easing, which carried an association with the Japanese experience: "what we are doing is different from quantitative easing because, unlike the Japanese focus on the liability side of the balance sheet, we are focused on the asset side". (Transcript of the FOMC, December 15-16, 2008, p. 26) He described the verdict on Japanese-style quantitative easing as "fairly negative" and clearly wanted to stay away from associations with the term quantitative easing. The focus on the asset versus liability side once again brings up the difficulty in understanding the transmission mechanisms. While the liability narrative assumes a monetarist framework – focussing on the quantity of money – the asset narrative emphasises the value of money and assets. Besides the fiscal elements, this strategic silence about labels runs throughout the Fed's communication.

Going further into the active managing of narratives, Bernanke made the most direct self-acknowledgement of strategic silence in the entire documentary record: "I hope whatever disagreements we may have that as much as possible we can keep them within these walls. With respect to the public, we need, as much as possible, to communicate a clear strategy going forward". (Transcript of the FOMC, December 15-16, 2008, p. 30) The minutes, too, he saw as a tool for FOMC's strategic communication instead of an objective overview of what was discussed: "it is the FOMC's outlook that appears in the minutes, it is the FOMC's outlook that appears in the projections, and it is the FOMC's outlook that appears in our communications". (Transcript of the FOMC, December 15-16, 2008, pp. 27–28) The minutes are positioned not

as a record of what committee members said but as an expression of monetary goals, again aiming for a phrasing that presents a unified front outwards. Betsy Duke (Governor of the Federal Reserve Board) reinforced the message by saying "it's important that we stay on message and that we have very clear terminology that we use over and over again. Even in the conversation today, the term 'quantitative easing' was used differently by different speakers". (Transcript of the FOMC, December 15-16, 2008, p. 98) The internal semantic instability of the central term was being actively managed before it could reach the public.

4.2.6 The gap in summary

Across the three meetings, the Federal Reserve's internal record reveals a committee that understood its own operations as having a fiscal character. Internally, the FOMC treated fiscal stimulus as a necessary complement to its own actions, and acknowledged that monetary policy was filling a gap created by political constraints on fiscal intervention. It also actively designed and managed the public communication framework to exclude these acknowledgements from the public record. The three modes of strategic silence identified in this study are each documentable with precision. Omission operates in the complete absence of fiscal language from all three public statements. In the minutes, the discussions – in fact very tense sometimes – were downplayed to a consensual summary. Displacement is visible through the use of the terms "credit easing" instead of quantitative easing, "extraordinary liquidity measures" instead of balance sheet expansion, and "nonstandard policy tools" instead of what committee members called monetising the debt. Management is reflected in Bernanke's explicit instruction to keep disagreements within the walls, the institutionalisation of communication strategy in the Bluebook, Geithner's commissioning of communication options inside the policy meeting, and the committee's explicit awareness of the minutes as a forward-looking communication instrument rather than a backward-looking record of deliberation. The public statement is not a simplified version of what was said internally. It is a different document, produced through a different communicative logic, and addressed to a different audience. They serve to render the fiscal dimension of quantitative easing invisible.

4.3 The Bank of England: layers of communication

4.3.1 Confirming strategic silence at the BoE

The analysis of strategic silence at the Bank of England faces a basic source problem. Unlike the Federal Reserve, the BoE published no transcripts for the 2009 period. The innermost documentary layer available is the MPC minutes, which are not a record of deliberation but a curated summary of its outcomes. This makes the Federal Reserve method – tracing what was said in the transcript and comparing it against the public statement – impossible to apply directly. Instead, the analysis draws on three sources in combination: the interview evidence gathered by Cassar (2024) from former MPC members and Bank staff, the language of the minutes themselves, and the public speeches and explanatory documents that followed.

What those sources reveal for the early months of QE is not so much a gap between internal and external communication as the absence of one. Between February and May 2009, the same conceptual framework ran through every layer of the Bank's published record. The Governor's letter to the Chancellor of 17 February 2009 announced that 'the instrument of policy would shift towards the quantity of money provided rather than its price.' (King, 2009) The April 2009 minutes state in their opening paragraph on the programme that 'the aim of these measures was to increase the supply of money as well as lending and nominal spending.' (MPC Minutes, April 8-9, 2009) The May minutes repeat that the programme 'was intended to affect the economy by boosting the money supply and nominal spending.' (MPC Minutes, May 6-7, 2009) The Quarterly Bulletin article published that spring, the Bank's main explanatory text for a general audience, described the decision as having 'shifted the focus of monetary policy towards the quantity of money as well as the price of money.' (Benford et al., 2009) From the most internal document to the most public, the vocabulary is the same: quantity of money, money supply, nominal spending.

This uniformity is itself the evidence of strategic silence. At the Federal Reserve, strategic silence is visible as a gap – fiscal language spoken in the transcript, absent from the public statement. At the Bank of England in this early period, there is no such gap to trace, because the same frame structured both layers from the outset. The question to ask is not what was removed in the passage from internal to external communication, but how the frame that produced this uniformity came to be installed, and what it closed off in doing so.

4.3.2 The frame before the meeting: how the agenda was set

The frame was set before the MPC deliberated. At the end of 2008, as it became clear that interest rates were approaching their lower bound, the Bank assembled a staff team and tasked it with assessing the full range of policy options available. The team's work was broad. It included forward guidance, in which the Bank would commit publicly to keeping rates low for an extended period; balance-sheet operations involving purchases of private sector assets, and helicopter money. (Cassar, 2024) The team produced a substantial policy document setting out the rationale for each option.

That document did not reach the MPC in any meaningful form. A member of the team recalls the turning point: 'We were notified that what we would be presenting was a slideshow that explained that the question would be not "what would we do?", but "given that we are going to do QE, how much would we do?" The work that we had done explaining our thoughts on the different options available would just be...not even really tabled, but be available on an internal internet site that the MPC would have access to, if they were interested enough to look.' (Cassar, 2024) In the space of a few weeks, the question the MPC would be asked had narrowed from a choice between fundamentally different approaches to a single quantitative decision about one instrument.

Each excluded option had its own justification. Forward guidance was taken off the table by Governor King himself, who was 'always very loath to go down the forward guidance route', fearing that breaking a public commitment if conditions changed would cost the Bank credibility. (Cassar, 2024) Helicopter money was excluded on grounds of Bank independence: 'the governor was not interested in any quasi-fiscal solutions. In his view, if the Treasury wanted to adopt some fiscal actions, that was for the Treasury to do; it was nothing to do with the central bank.' Private sector asset purchases were ruled out on the basis of market neutrality and the concern about placing taxpayers' money at risk. (Cassar, 2024)

The remaining option was quantitative easing through government bond purchases. This was not simply the result of eliminating alternatives. It reflected the genuine convictions of Governor King, whose thinking about monetary policy was, in the words of a former senior official, 'more than just communication. It was the way he tended to think about things.' Several interviewees described King's thinking as 'always a bit monetarist', and recalled how

he had regularly discussed the money supply at MPC meetings well before the crisis. (Cassar, 2024) A competing view existed inside the Bank – one that emphasised interest rates and portfolio rebalancing rather than money supply – but it was not the view that shaped the agenda. That internal disagreement was resolved at the executive level before it could surface in formal MPC deliberation.

The result was a vote proposition that made the frame's priorities visible in what it left out. In March 2009, the MPC was asked to decide whether 'the Bank of England should finance £75 billion of asset purchases by the creation of central bank reserves.' (MPC Minutes, March 4-5, 2009) The proposition specified the quantity and the financing mechanism but said nothing about which assets to buy. Within a framework that treated the quantity of money as the operative variable, asset type was not a policy question but an operational detail, to be decided by the Executive after the vote. The Asset Purchase Facility's own governance made this explicit: 'The Directors [of the APF] make recommendations on the assets to be purchased to the Governor, who decides after consulting with the two Deputy Governors.' (Asset Purchase Facility Quarterly Report, Q1, 2009; Cassar, 2024) One MPC member later described the situation as 'a bit of a vagueness between whose decision that will be'. By December 2009, £188.1 billion of the £190.1 billion purchased - 99% - were gilts. One of the most consequential design choices of the programme had never been put to an MPC vote.

4.3.3 The fiscal consequence of the Monetarist frame

This is where the relationship between the frame and the fiscal dimension of QE becomes clear. Within the framework the Bank's executive had put in place, the choice of assets was analytically irrelevant. If QE works by pushing money into the economy, then £10 billion of gilts and £10 billion of corporate bonds produce the same result. That equivalence, once accepted, removes any reason to ask why the Bank was specifically buying government bonds. And it is precisely in that question — why gilts? — that the fiscal dimension of QE would have had to be confronted.

Purchasing government bonds on the secondary market is not a neutral monetary operation. It drives down the yield on those bonds, lowering the government's borrowing costs. Over the course of 2009, the Bank approached 30% ownership of outstanding gilts, a position that made its purchasing decisions directly consequential for the government's financing conditions.

These are fiscal effects in all but name. They are absent from every public document of the period, not because they were explicitly suppressed, but because the Monetarist frame had closed off the question of what was being purchased and why before it could be raised.

The depth of this silence is sharpened by what the Bank did not do. The Ways and Means Facility – a direct overdraft arrangement between the Bank and the government allowing the government to receive direct reserves from the bank in emergencies – was the most straightforward instrument of monetary financing available to the institution and had been drawn upon during the crisis in 2008. It is not mentioned in any MPC minute, speech, or explanatory document from the QE period. (Bateman & van 't Klooster, 2024) There was no occasion to address it, because the frame that treated gilt purchases as a quantity-of-money operation had already settled the question that would have brought the Facility into view. The entire framework of QE led everyone away from questions about central bank intervention in the bond market or government finances, whether through QE or Ways and Means. The Governor's letter to the Chancellor made the fiscal-monetary interface formally visible through its published exchange, but contained the same foreclosure. The framing was entirely in terms of a shift from price to quantity of money. (King, 2009)

The inconsistency at the heart of this arrangement is most clearly exposed by the treatment of helicopter money. Directly giving new reserves differs from QE in two respects. One, the money supply increases permanently, and not temporarily, which is the case for QE with debt that has to be repaid. Second, it has an explicit fiscal character, giving direct money to the government. The exclusion of helicopter money was justified explicitly based on the fiscal nature of the policy, rather than the permanence of the increase in the monetary base. (Cassar, 2024) A clear boundary was drawn. But gilt purchases on the secondary market suppress government borrowing costs by exactly the mechanism the Bank refused to acknowledge in the case of helicopter money. The boundary it drew was never applied to QE itself. Charles Bean (Deputy Governor of the Bank of England) came closest to naming this in his October 2009 speech, where he described the early APF commercial paper purchases as 'more akin to a fiscal operation'. (*Quantitative Easing*, 2009) It was the single moment at which a senior Bank figure acknowledged the fiscal character of any APF operation in public, and it was not extended to gilt purchases, where the same logic could be applied.

The contrast with the Federal Reserve matters here. At the Fed, the fiscal dimension of QE was spoken aloud internally and then actively filtered from the minutes and public statements. Bernanke's instruction to 'keep disagreements within these walls' presupposes that those disagreements had already been articulated. At the Bank of England, the Monetarist frame made a similar statement unnecessary. The fiscal question was not suppressed; it was never properly raised, because the frame had already determined – by treating asset type as irrelevant – that the question would not arise.

4.3.4 What the external record reveals

Despite the uniformity of the early public record, the Bank's institutional design contained a mechanism that made the internal tensions legible from outside. Each MPC member was individually accountable for their policy decisions and had their own public speech platform. In practice, this meant the Bank could control what appeared in the minutes but could not fully control what its members said in public. As the disagreements about QE deepened through 2009, they began to surface through the speech record in a way the minutes never acknowledged.

The voting record offered an early indication. At the August 2009 meeting, Governor King, Tim Besley (External Member of the MPC), and David Miles (Member of the MPC) voted for a larger £75 billion extension to a total of £200 billion, while the remaining six members preferred £50 billion, leading the total to £175 billion. (MPC Minutes, August 5-6, 2009) In November, Miles voted for an extension of £40 billion while Spencer Dale (Chief Economist and Chief Executive Director of the BoE) voted for none at all, with seven members settling on £25 billion extra. (MPC Minutes, November 4-5, 2009) Both times, the minutes recorded the split without attributing any reasoning to individual members. The votes documented internal disagreement, the minutes concealed why the MPC disagreed.

The speeches filled the gap the minutes left open. In September 2009, David Miles argued directly that 'the ultimate objective of QE is not to increase some measure of the money supply' and that 'there is no intermediate money supply target by reference to which one can definitively judge whether QE is working.' (*Money, Banks and Quantitative Easing - Speech by David Miles*, 2009) In October, Adam Posen (External Member of the MPC) titled his first public speech as an MPC member 'Getting Credit Flowing: A Non-Monetarist Approach to

Quantitative Easing', presenting evidence against what he called mechanistic monetarism. (Posen, 2009) Neither speech referred to any internal MPC debate. Both were individual analytical positions, but they resonated language – portfolio rebalancing, yield effects, the importance of which assets are purchased – that the minutes did not reflect. The (Monetarist) frame that had produced uniformity – both internal and external – in the early months of QE was now being challenged publicly.

The Bank attempted to recover the appearance of consensus through a managed response: a shared paragraph on QE's transmission mechanism, a public pamphlet, and a programme of regional appearances by the Deputy Governor. (Cassar, 2024) The attempt made the scale of the problem visible and did not resolve it. The IEO's review of the BoE in 2021 later acknowledged that 'establishing and communicating the economic rationale for QE – which is to stimulate the economy by lowering longer-term interest rates – has not been straightforward' and that 'the Bank's emphasis has evolved over time.' (*IEO Evaluation of the Bank of England's Approach to Quantitative Easing* | Bank of England, 2021)

The pattern this produces is in some ways the inverse of the Federal Reserve's. At the Fed, strategic silence was durable: centralised communication management, the five-year transcript delay, and the Chairman's dominant public role allowed the internal deliberation to remain largely contained. At the Bank of England, the strategic silence was more complete in the framing that shaped the agenda before the MPC met, but it was less containable at the level of public communication, because individual members had their own platform. The Bank's internal disagreement is more legible from the outside than the Fed's, not because it was better documented, but because the institutional design that empowered the Executive branch of the BoE to push its Monetarist framework on the MPC also generated a counterweight in the form of individual public communication by MPC members.

4.3.5 The gap in summary

The three modes of strategic silence each leave a distinct trace in the Bank of England's record. Omission is most apparent at the pre-MPC stage. The full range of policy options, including forward guidance, private sector asset purchases, helicopter money, was assessed internally and removed from the MPC's agenda before deliberation began. No public document acknowledges that these alternatives were examined. The fiscal dimension of gilt purchases, and the relevance

of the Ways and Means Facility to the question of monetary financing, are absent from the entire published record of the period.

Displacement is visible within the minutes. The money supply vocabulary consistently replaces the language of interest rates, yield curves, and portfolio rebalancing across the April, May, and August 2009 minutes. The choice of which assets to purchase was claimed by the Executive of the Bank, even when this belonged to the most important questions about QE. Where the April minutes acknowledged yield effects at all, they noted that these might be 'temporary'. (MPC Minutes, April 8-9, 2009) This again undermines the competing New Keynesian framework compared to the dominant Monetarist framework.

After a build-up of a few months, this tension started to be reflected in the public communication. Official documents such as the Quarterly Bulletin started to use both frameworks at the same time: 'the quantity of money as well as the price of money'. (Benford et al., 2009) It failed, however, to make a final choice and either commit to the Monetarist framework or shift towards the New Keynesian one, arguably out of fear of losing credibility. The IEO's description of an evolving 'emphasis' on QE's economic rationale also framed the differences between the interpretation of QE mechanisms by MPC members as a process of gradual knowledge refinement. (*IEO Evaluation of the Bank of England's Approach to Quantitative Easing* | Bank of England, 2021)

The most significant feature of the Bank of England's case, however, is that strategic silence here did not primarily operate between internal deliberation and external communication. It operated within the deliberation itself, through the frame that shaped what the MPC was asked to decide before it convened. The Federal Reserve's strategic silence was a response to something that had already been said internally. The Bank of England's was a consequence of how the internal discussion was set up before it began. The absence of a gap between internal and external vocabulary in the early months of QE reflects this. The BoE did not filter out potentially inconvenient views after deliberation. It structured the deliberation so that those views never had the occasion to surface.

4.4 The European Central Bank: layers of communication

4.4.1 The source problem

The ECB is, as Braun et al. (2024) note directly, 'hard to study.' The deliberations of its Governing Council are formally confidential, with archival access unavailable for 30 years. The accounts of monetary policy meetings – the ECB's equivalent of the MPC and FOMC minutes – were introduced only in January 2015. The meeting on January 21st and 22nd about the adoption of the Public Sector Purchase Programme (PSPP) was therefore the first with this form of communication. The accounts are explicitly presented as a document that gives 'a sense of the discussion', and they are published four weeks after each meeting. (*Account of the Monetary Policy Meeting, January 21-22, 2015*)

They are also collectively attributed. Disagreement is described as 'some members argued', 'a number of members were in favour', 'a large majority of voting members supported'. No individual Governing Council member is named in connection with a position. ECB communication is guided by what has been described as a 'single voice' principle: members are expected to discuss and resolve disagreements internally, while presenting the official policy stance consistently to the outside world. (Braun et al., 2024)

The transcripts of the Federal Reserve or the interview-based research by Cassar (2024) for the BoE allow a direct comparison between what was said internally and what was presented to the outside world, although also with differences between the two. For the ECB, that is not possible. Mugnai (2024) reconstructed the internal politics of ideas around fiscal policy between 2018 and 2019, but does not cover the initial period of QE. Braun et al. (2024) analysed the full corpus of 1,922 public speeches by ECB executive board members between 1999 and 2019, providing a systematic picture of how public discourse evolved. A systematic study of internal deliberations in the ECB during one of its most important moments does not exist. Interview based research, in line with what Cassar did for the BoE, is one of the topics still open for future research. What follows is therefore necessarily more limited than the Fed and BoE analyses. It draws on the accounts, on what can be deduced from the history of internal disagreement, and on the ECB's external communication record.

4.4.2 Internal dynamics: what can be reconstructed

Although direct information about the decision making process of January 2015 is unavailable, the history of the ECB's internal divisions over sovereign bond purchases provides important background. That history was marked by the most visible departures in the ECB's existence. When the Securities Markets Programme was launched in May 2010 to purchase Greek, Irish, and Portuguese sovereign bonds, Axel Weber, the Bundesbank president and a Governing Council member, publicly warned almost immediately that the purchases 'dangerously blurred responsibilities between monetary and fiscal policy.' (Weber, 2010) He resigned from the Bundesbank presidency in early 2011. Jürgen Stark, the ECB's chief economist and a member of the Executive Board, resigned in September 2011 following the extension of SMP purchases to Spanish and Italian bonds. Ludger Schuknecht, who had led the ECB's Fiscal Policy division and been one of the architects of the Bank's ordoliberal position on sound public finances, left the ECB shortly after Stark's departure to become chief economist at the German Finance Ministry. Mugnai (2024) documents how these departures shifted the internal balance of power. The resignations removed the most prominent representatives of the ordoliberal coalition, people who supported fiscal discipline and a strict separation of monetary and fiscal policy. In their stead, other perspectives could enter the Bank. These changes in internal power relations are not directly visible in the PSPP decision, which took place more than three years later, but they suggest that by January 2015 the internal dynamics had shifted.

Fontan (2018) also made the point that internal dynamics at the ECB during the SMP revealed that monetary policy operations (buying government bonds) often went hand in hand with hard requests for structural change, putting for example the Portuguese and Italian governments under pressure by threatening to buy less debt, which the ECB did. This aspect remained completely absent from the public debate, but this weaponisation of monetary policy for fiscal ends played out with considerable intensity behind the scenes. When the Italian government was judged to have underperformed on its commitments in November 2011, the ECB deliberately limited its SMP purchases to maintain pressure on Rome. Only when Silvio Berlusconi pledged to resign, bulk purchases resumed. None of this appeared in any ECB public document. The SMP was described throughout as a transmission mechanism repair tool without fiscal character. Fontan (2018) makes the soft claim (because of an understandable lack of sources) that the fiscal dimension of sovereign bond purchases was operationally real in a

way that the public framing actively denied. This changed, however, for the PSPP. In the Accounts of January 2015, the ECB directly links the success of QE to complementary fiscal reforms by national governments, effectively retaining leverage. By saying one does not work without the other, the ECB had an argument to quit QE if national governments did not get on top of their budgets. (*Account of the Monetary Policy Meeting, January 21-22, 2015*)

4.4.3 The fiscal dimension through programme design

In the design of the PSPP, the fiscal dimension is the most visible, but also the heaviest subject of reframing. As discussed in part 4.1, the monetary financing prohibition in Article 123 TFEU forecloses direct government debt purchases. It also provides the legal boundary within which all ECB sovereign bond operations can be deployed and must be justified. The PSPP's secondary market restriction, the 25% issue limit, and 33% issuer limit all are mentioned in the monetary policy account and associated press releases with explicit references to the Treaty. (*Account of the Monetary Policy Meeting, January 21-22, 2015*) By having this legal foundation to focus on, the ECB kept the debate away from the transmission mechanisms and potential fiscal consequences. The focus on conformity with the Treaty simply took up too much space in the communication, crowding out discussion of the underlying economics. Given the obvious tension between bond purchases and a prohibition of monetary financing, this is not surprising. The legal dominance in the communication does, however, not provide the full picture.

Lombardi and Moschella (2015) argue that the design features of the ECB's bond purchase programmes were shaped by institutional pressures on top of the legal aspects. Specifically, they found that some Governing Council members heavily opposed the blurring of the line between monetary and fiscal policy. In this context, the capital key was presented as a neutral and technically motivated choice. This meant that any fiscal consequences from QE (or other type of bond purchases) could be attributed to the formula that is the capital key, and not to internal decisions or preferences for this or that type of debt. Whether that formula adequately addressed the deflationary risks in the periphery remained unanswered, because the formula was presented as a given, not an optional decision.

The risk-sharing debate recorded in the January 2015 account is where the fiscal dimension comes closest to being named directly. Members debated whether losses on sovereign bond

purchases should be shared across the Eurosystem or remain with the national central bank making the purchase. Arguments for full risk sharing emphasised 'the singleness of monetary policy'. Arguments against centred on 'moral hazard' and 'the current architecture of Economic and Monetary Union.' (*Account of the Monetary Policy Meeting, January 21-22, 2015*) The outcome with 80% of purchases not subject to loss sharing and 20% subject to loss sharing meant that the Bundesbank would only be liable for losses on its own purchases of German bonds, not for any losses on Italian or Spanish bonds acquired by their respective national central banks. This is a fiscal arrangement: it determines which national taxpayers bear the cost of potential losses in their own sovereign bond market. The account presents it as a technical choice. That framing is itself a form of displacement, where the distributional content of the decision is present but named as something else.

It is important to acknowledge a methodological limit here. The account is a managed document, not a transparent internal record. Drawing on its language to reconstruct internal disagreement involves the same risk identified in relation to the Federal Reserve's minutes: the document that appears to show what was discussed internally is already the product of decisions about what to make visible. The account shows that risk sharing was debated and that some members had reservations about acting at the current meeting. It does not show how those reservations were resolved, what arguments were (successfully) deployed, or whether the concerns about the fiscal dimension of sovereign purchases went further than is visible in the accounts, which given the political context and history of clashes with ordoliberal visions in the ECB would have been likely.

4.4.4 External communication and the management of the fiscal dimension

The ECB's external communication around the PSPP follows the single voice principle: whatever disagreements existed internally, the public presentation was unified. The time between the SMP and the PSPP shows how the external framing of sovereign bond purchases evolved across five years. The SMP was framed as a tool to repair the power of monetary policy by way of targeted intervention. It was accompanied by a narrative that the restoration of monetary policy was necessary, and that the SMP would bear no fiscal consequences. (*ECB Press Release, May 10, 2010*) The 'whatever it takes' speech of July 2012 replaced technical with political language, but focussed heavily on the mandate: 'To the extent that the size of these sovereign premia hampers the functioning of the monetary policy transmission channel,

they come within our mandate.' (*Speech by Mario Draghi, July 26, 2012*) The PSPP was framed as a response to deflationary conditions and the need to maintain price stability, by which the ECB gave itself the power to use the necessary tools. Draghi also stressed the unanimity of this perception within the Governing Council. (*Introductory Statement to the Press Conference (with Q&A), January 22, 2015*) The fiscal effects of those tools became of secondary importance.

At the same press conference, when a journalist asked directly whether QE made the ECB a fiscal backstop for governments, Draghi replied: 'Well the answer to the second question is absolutely no. Absolutely no.' He then invoked the principle of monetary dominance: 'What matters is, first and foremost, the effectiveness of the monetary policy. In other words, it's called monetary dominance. And we are operating under that principle.' (*Introductory Statement to the Press Conference (with Q&A), January 22, 2015*) This is the most direct public denial of the fiscal dimension in the entire document record across all three banks examined in this thesis. It is also the point at which the strategic silence is the clearest in the form of a direct rejection of fiscal "accusations", instead of just ignoring them.

There is, however, a paradox in the ECB's institutional framework, one that neither the Fed nor BoE has. The monetary financing prohibition as laid down in Article 123 of the TFEU provides the ECB with a ready-made answer to any questions regarding fiscal aspects of QE: "we are in line with the treaty". This reduces the economic and credibility question to a legal one. On the other hand, this prohibition makes the fiscal dimension of sovereign bond purchases more likely to enter the public debate regardless of how the ECB frames its decisions. Because it is codified in primary EU law, Article 123 can be challenged legally, in front of a court, where economic arguments will surface no matter what. All the effort in the world to keep fiscal elements of QE within ECB walls could not have stopped that, even if the Governing Council tried to do so (which remains unknown due to a lack of sources and research).

The OMT and PSPP eventually also were challenged, both in front of the German constitutional court, and both were referred to the Court of Justice of the European Union in Luxembourg. These cases forced the fiscal dimensions of the programmes to the outside world, with potentially legal consequences if the courts ruled against the programmes. The ECB had to find arguments to convince both the public and judges. In January 2014, the Gauweiler case about the OMT was referred to the CJEU, who found the programme to be in line with the ECB's

mandate and not in violation of Article 123. (Hinarejos, 2015) When a similar case about the PSPP ended up at the CJEU, the Court once again defended the ECB's actions. The German Constitutional Court, however, gave an extra interpretation. It accepted the CJEU's ruling that the PSPP did not violate Article 123, but claimed that the CJEU had not taken the proportionality aspect far enough into account. (Mooij, 2019; *Weiss and Others*, 2020) This threatened to force the German Bundesbank to stop participating in PSPP. Instead, a middle solution was found, in which the ECB's Governing Council shared some previously undisclosed documents about economic proportionality aspects of the programmes, which led the Constitutional Court to agree. Overall, the ECB's strategic silence around the fiscal dimension is structurally more embedded than in the Fed and BoE. On the other hand, it is also more externally contested, precisely because the legal framework that enables it also generates the legal challenges that undo it.

4.4.5 The gap in summary

The three modes of strategic silence are each visible at the ECB, though they operate through different mechanisms compared to those at the Federal Reserve and the Bank of England. Omission is most visible and structural. The monetary financing prohibition already forecloses the question of direct government financing before any internal discussion can arise, in the same way that King's Monetarist framework did for the BoE, which foreclosed the fiscal question by making it irrelevant for the programme. At the ECB, this elimination of the question before it arises is legal rather than based on economic thinking.

Displacement is visible in the programme design. The fiscal arrangements are embedded in the capital key. The risk-sharing is presented as a mechanical decision. The issue limit follows standard practice. They all present the programme as a sum of technical solutions to questions which in fact deal with contested fiscal and economic dimensions of QE. Van 't Klooster (2023) has described this as a strategy of depoliticisation: the ECB presents as technical and legally constrained what are in fact decisions with significant distributive consequences in the eurozone and national budgetary issues.

The ECB's public record – both statements and the accounts – acknowledges what it refuses to engage with. The accounts record reservations and debate but reframes it into an anonymous consensus. Draghi admits that 'all monetary policy measures have some fiscal implications' in

the same breath as insisting the PSPP is no fiscal backstop. Neither document makes the argument that would resolve the tension they raise.

The ECB's case differs from the other two banks in one fundamental respect. At the Federal Reserve, strategic silence was primarily a communicative decision: the fiscal dimension was present internally and filtered outward. At the Bank of England, it was primarily the consequence of the epistemological framework: the Monetarist frame took out the fiscal question before deliberation began because it assumed the choice of assets to be an irrelevant aspect. At the ECB, this framework guiding the most internal knowledge is primarily institutional and legal. The Treaty structure does what the carefully managed communication or the intellectual framework of King did for the Fed and the BoE. That makes the silence more durable in the sense that it has a legal foundation, but leaves the legal pillars on which it is built as potential vulnerabilities, as the legal challenges in front of the courts show. This legal foundation cannot resolve the underlying question about what large-scale sovereign bond purchases mean for the fiscal-monetary boundary in a monetary union without a common fiscal authority.

4.5 Strategic silence across three institutions: a comparative synthesis

The three analyses in this chapter share several common elements within the same framework. The finding is that all three central banks kept the fiscal dimension of quantitative easing out of their public records, each with its different institutional context and communication channels. What also emerged, are the noticeable differences in how this process occurred distinctly in each central bank. Placing the three cases side by side makes both the finding and its implications clearer than any individual case can on its own.

At the Federal Reserve, strategic silence was a communicative act. The fiscal dimension of QE was internally acknowledged explicitly, and heavily debated. FOMC members called their operations fiscal, used the word monetising, and debated whether the committee was operating within its mandate. According to Bernanke, all of this was to remain within the walls of the Federal Reserve. As a result, the carefully crafted communication did not in any way reflect the topics and debates that were held, even in the minutes, which exist to do exactly that. The silence at the Fed was produced at the point of translation from internal deliberation to external

communication, with the distance between the transcript layer and the minutes layer emerging as the key point at which fiscal aspects of QE were methodologically removed. This is demonstrable with precision because the transcripts are published for this period.

At the Bank of England, strategic silence operated at a deeper level. The fiscal question was not suppressed at the point of translation between internal deliberation and external communication, because it was never acknowledged internally in the first place. The Monetarist frame that Governor King had installed rendered the type of assets purchased through QE analytically irrelevant. If QE works by expanding the quantity of money, it does not matter whether the Bank buys gilts or corporate bonds. That equivalence removed any reason to ask why the Bank was buying government bonds specifically, which put an epistemological barrier around any further questions about potential fiscal consequences such as the suppression of sovereign borrowing costs and links to monetary financing. The silence at the BoE was not produced by carefully filtering what had been said internally, but by a frame that determined what could be said before the meeting began. The absence of any gap between internal and external communication in the early months of QE reflects exactly this. The framework that was internally adopted by the MPC was also deployed externally, because the main protagonists of the Monetarist framework – Governor King as the most impactful one – were also tasked with the main communication responsibilities.

At the European Central Bank, the pattern of silence is different in character, although the evidence available to explain it is thinner. Omission of fiscal elements is harder to establish because of the lack of information. The displacement aspect of fiscal aspects of QE is most present and visible. All fiscal arrangements embedded in the PSPP design were framed as purely technical decisions through a fixed and Treaty based language set containing the capital key allocation, the risk-sharing structure, and the issue limits in communication. Direct denial is most visible in the press conference by Draghi in January 2015. The accounts record reservations about the programme but do not attribute them to individuals. Since direct sources or research-based reconstructions lack for now, the underlying dynamics and mechanisms at play within the ECB remain a mystery. One plausible and available explanation is Article 123 of the TFEU, which confines ECB policy making to monetary policy, making its fiscal effects definitionally secondary. The focus on compliance with the Treaties that dominates the PSPP's public documentation is consistent with that explanation, and the court ruled that QE did not

cross the mandate of the ECB. On the other hand, this provides no proof of internal perspectives at the Governing Council, which included some defenders of the view that QE constituted too much fiscal aspects. The ECB's case is the one where the argument rests most heavily on what is absent rather than on what can be directly shown.

Each central bank case represents strategic silence operating at different depths of institutional life. This depth dimension is not captured by methodological search for omission, displacement and active management, which unveil how strategic silence operates. Only the comparative analysis reveals that the same observable outcomes can be generated at different points in the institutional process: at the boundary between deliberation and publication, before the deliberation, or – and this needs further study – completely within the legal institutional context. Despite these differences, all three institutions were protecting the same boundary: that QE is monetary policy, not fiscal. The Fed's members called their operations fiscal in private and denied it in public. The BoE's Monetarist frame made the MPC partially blind to the impact of gilt purchases on the borrowing costs for the government. The ECB's compliance language partially acknowledged the fiscal dimension of sovereign bond purchases, but presented them as equally consequential for everyone within the technocratic architecture of QE. The mechanisms differed but the underlying goal – and in a certain way the result – was the same: external communication that either tried to keep fiscal language out altogether, or that downgraded the fiscal elements to a small but necessary side effect.

5. Conclusion

This thesis set out to examine how three central banks communicated about quantitative easing across their internal and external documentary layers, and whether strategic silence about the fiscal dimension of those programmes existed in that communication. The answer to the second question is yes. The more interesting finding, however, is the emergence of the different silencing mechanisms.

At the Federal Reserve, the fiscal dimension of QE was present in the internal record and actively kept out of the public one. At the Bank of England, the Monetarist framework excluded internal discussion about fiscal consequences of QE. At the European Central Bank, the few available sources leave much open space for different interpretations, but the external framework leaned heavily on compliance with the structure of the eurozone and its rules, which neither the Fed nor the BoE had to take into account in the same way, and possibly could have been a guiding principle throughout internal deliberation as well. In each case, the fiscal dimension of large-scale sovereign bond purchases was absent from the public record. How that absence was produced depended on the institutional design, intellectual culture, and legal framework of each bank.

This finding contributes to the existing scholarship in several ways. First, it extends Bateman's (2025) findings of strategic silence – although he does not give it that label – about fiscal aspects of QE by the Federal Reserve and the Bank of Japan to the Bank of England and the European Central Bank. This study shows that the pattern Bateman identified was not specific to the two institutions that deployed QE earliest, but recurs across three major central banks whose institutional differences are otherwise substantial. Second, this study applied Braun and Düsterhöft's (2025) concept of strategic silence at a qualitative level, compared to their purely quantitative analysis which was based on predetermined topics that they suspected would be silenced. By selecting omission, displacement and active management as operational components of strategic silence, this study traced and compared these components in layers of communication. Third, this study underscores – by applying strategic silence methodologically – the difference in research potential for each central bank, which is severely limited for the ECB, partially covered by other research for the BoE, and the most transparent for the Fed.

The study has limitations that should be stated clearly. The source base is asymmetric across the three cases. The Fed analysis rests on transcripts, the BoE analysis on interview-based reconstruction, and the ECB analysis on institutional context, the accounts, some limited secondary literature and legal proceedings. The depth of access decreases from the first case to the third, and the strength of the conclusions reflects this. The time period studied is also narrow with the focus explicitly on the first few months of QE in each central bank. Analyses about the evolution of strategic silence within a central bank over a longer period of time should be drawn from further study on this topic.

Because the documentation transparency for the ECB is an explicit political choice, the most acute current lacuna is a reconstruction of internal dynamics at the ECB during QE. Following Cassar's (2024) reconstruction of the debate at the Bank of England through interviews and extra sources, piecing together the dynamics of the ECB could be done in a similar way. Such a study would allow researchers to test the plausible strategic silence mechanisms through legal foreclosure against the newly obtained information. It would also allow a more precise characterisation of how different monetary epistemes such as ordoliberal and non-ordoliberal developed and clashed within the Governing Council and how they each interpreted the fiscal dimension of sovereign bond purchases. None of this can be extracted from the accounts or any other publicly available source. Until that work is done, the ECB case remains the most analytically significant and the least evidentially secure of the three examined here.

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On my honour as a student of the Diplomatische Akademie Wien, I submit this work in good faith and pledge that I have neither given nor received unauthorized assistance on it.

DECLARATION OF AI ASSISTANCE

I hereby declare that I have independently completed this master's thesis titled "The Unspeakable Policy: Strategic Silence in Central Bank Communication During Quantitative Easing"

In the course of my work, I made use of artificial intelligence (AI) tools – specifically Claude to

- support my literature review through summarization and clarification of academic content.
- assist with research-related inquiries and technical explanations.
- provide language and style suggestions, including improvements in grammar, sentence structure, and coherence.
- aid in formatting and the refinement of academic writing style.
- generate images and figures used in the text.

All decisions regarding content, structure, analysis, and interpretation were made by me. The AI was used strictly as a supportive tool and did not generate original research content or conclusions.

This declaration is made in the interest of transparency and academic integrity.