

General Discussion of ‘Perspectives from a Consumer of Central Bank Communication’

The discussion focused on the challenges faced by central banks in managing political commentary, preserving credibility, and balancing transparency with inherent uncertainty. Participants noted how heightened political criticism of monetary policy around the world in recent years raised concerns regarding central bank independence, potentially hindering central banks’ efforts to rebuild credibility. Participants emphasised the importance of the central bank’s response to these challenges, particularly through clear communication regarding the interactions of monetary and fiscal policy.

On communication strategy, participants noted the need to balance building legitimacy with enhancing public understanding. Layered approaches were recommended, tailoring messages to different audiences. While experts focus on technical details like reaction functions, the general public cares more about tangible outcomes like prices and jobs. Participants also highlighted the importance of leveraging expert-to-public communication channels, such as media, to bridge knowledge gaps.

The discussion acknowledged the risks of excessive certainty in central bank communications, particularly in a world increasingly prone to shocks. While transparency is valuable, it must account for uncertainty to avoid creating a false sense of security.

Finally, participants identified the ‘curse of transparency’ as a growing challenge, emphasising the need for central banks to better communicate uncertainty. Scenario analysis and humility about long-term projections were suggested as tools to manage expectations effectively, helping central banks retain trust while adapting to evolving economic conditions.