Hedging in the discourse of central banks

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Central bankers have become aware that they have a role to play in shaping the public’s expectations and anchoring them in order to stabilize the economy: it is therefore important for the information they provide to be accurate, understood and accepted.

The 214,739-word corpus used as a basis for this analysis consists of 111 speeches, remarks and testimonies by four major central bankers\(^1\) between 2008 and July 2013. The results yielded by the Antconc tool indicate that between 4.5% and 5.31% of the words in the corpus are classical hedging devices belonging to the broad categories\(^2\) identified in the literature.

However, traditional hedging devices are just the tip of the iceberg. As central bankers need to steer the public’s expectations and guide their reactions, they must keep in mind both the illocutionary and the perlocutionary effects of their discourse and take some distance from the Gricean maxims. Central bankers are in a position of authority to convince (ethos), to reassure (pathos), to reason and guide (logos). They decide what can be communicated and how it should be communicated (through euphemisms, metaphors, etc.). All these elements become hedging tools in their toolboxes so that focusing only on the quantitative aspects to assess the amount of hedging in discourse would be a vain endeavour.

Greater openness does not mean transparency. Borrowing from rhetorics and linguistics, central bankers make sure they still enjoy the benefits of information asymmetry by disclosing only the data and details that can help them fulfil their mandate. Therefore,

\(^1\) Ben Bernanke (US Federal Reserve), Mark Carney (Bank of Canada), Jean-Paul Trichet and Mario Draghi (ECB) and Mervyn King (BoE).  
\(^2\) Impersonal phrases, vague quantifiers, conditional clauses, time references, downtoners, concessive conjuncts, etc.
whatever the time, place or situation, hedging is a key ingredient in central bank discourse.