Trust and Transparency: Perspectives upon the Communication of the National Bank of Romania during the Financial Crisis

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Abstract. *The financial crisis that started in 2008 embodies the failure of a system whose most vulnerable point was detected within the banking sector. The increasing loss of trust in the most important institutions of this sector throughout the crisis led to a gap between the perception of the financial industry representatives and that of the people outside it. At the same time, the crisis triggered the reconfiguration of the means used to maintain both financial, and price stability, and redesigned the role and strategy of central banks in using monetary policy tools, including communication. After 2008, central banks resorted to aggressive, sometimes unconventional monetary policies. Whether bringing interest rates close to zero or on negative territory, adopting quantitative easing measures or practicing forward guidance, central banks communicated more extensively as compared to the period prior to the crisis. While no consensus has been yet reached regarding the usefulness of these measures, researchers consider that some of them will become part of the usual toolkit used by central banks, which will further intensify their communication activity. This paper is a qualitative research that analyses the perception of the National Bank of Romania's representatives – communication specialists and officials who were highly visible in the mass-media during that specific period – upon the loss of public trust in the central bank. At the same time, the interviews reflect the perception of the central bank's representatives upon the effects of making the monetary policy more transparent during the period considered, and examine to what extent the chosen communication decisions can be reversible after surmounting the financial crisis, on an emerging market where no other unconventional monetary policy measures had been used.*

Keywords: *National Bank of Romania; communications; trust; transparency; financial crisis.*

Introduction

In the recent years, the transparency of the monetary policy was on an ascending trend, while, on the financial crisis background, the public trust in central banks was diminishing. For central banks, two main action lines have come forward since the beginning of the crisis: reaffirming the monetary policy's flexibility, and assigning these institutions a greater responsibility in terms of attention given to the financial industry (Ciocca, 2016). Prior to 2008, the central banks that were

operationally independent and had as main goal inflation targeting, either increased or decreased monetary policy rates in order to reach the target. The macroeconomic and financial instability that followed proved the limitations of the fundamental goal of these institutions. In the first stage, central banks still applied conventional measures, decreasing the interest rates down to historical minimum thresholds. However, ensuring price stability through changes applied to monetary policy rates did not guarantee financial stability (Borio, 2011; Goodhart, 2011). By 2009, most of the developed economies had already overused this tool and had begun to test new measures. Four of the biggest central banks worldwide – Federal Reserve (Fed), European Central Bank (ECB), Bank of England (BoE) and Bank of Japan (BoJ) – also applied extensive quantitative or qualitative easing, as well as forward guidance. Researchers agree that part of these monetary policies, including forwarding guidance, will be part of central banks' strategy in the post-crisis period as well (Blinder, Ehrmann, de Haan, & Jansen, 2016). Researchers Coenen et al. (2017) highlight that during unconventional times, while relying on unconventional measures, communication about the central bank's policy is even more important due to two main reasons: „First, because some of these measures are quasi-fiscal and therefore impose a risk on the taxpayer, and second, because some unconventional tools have more tangible distributional effects, therefore leading to a more prominent discussion of central bank policies in the public discourse and requiring a greater degree of accountability" (Coenen et al., 2017).

The loss of public trust in the main institutions of the financial industry affected central banks as well as the period considered: „It is not just bankers who have suffered a loss of public trust. In varying degrees, this is also true of big business, government and, yes, politicians and central banks" (Haldane, 2016). In the recent years, this crisis effect was the topic of several studies (Ehrmann, Soudan, & Stracca, 2013; Fischer & Hahn, 2008; Stevenson & Wolfers, 2011; Wälti, 2012). For instance, Ehrmann et al. (2013) analyze the factors influencing the trust in European Central Bank as measured by the European Commission's Eurobarometer survey, and explain the loss of public trust in these institutions based on Economy Hypothesis – erosion within the economic evolution context; Europe Hypothesis, as the global financial crisis exposed „policy makers limitations in preventing and solving global problems and the trust in the ECB has suffered because it is a European institution"; and Banks Hypothesis, in so far as, in public opinion, ECB was associated with the problems faced by the banking sector that was undeservedly supported and helped.

Previously, researchers Fischer and Hahn (2008) had shown that „the effect of macroeconomic conditions of an economy for a citizen's trust in the ECB depends on her knowledge on the European Union and its institutions". At the same time, El-Erian (2016, p.18) noticed that, regarding central banks, „the gap between awareness and reality is big, very big. It is one that cannot be justified by the irrelevance of the issues at hand (they are very relevant to our individual and collective well-beings) or by the lack of information".

This work intends to bring forth new information related to the communication used by central banks on the emerging markets, by discussing the changes towards greater transparency that were visible in National Bank of Romania's (NBR) communication strategy as monetary policy throughout the financial crisis. At the same time, the research presents NBR representatives' perception upon the loss of public trust in the central bank during the crisis, and upon the reasons that led to that loss. The paper proposes a radiography of the communication activity, based on the opinions of NBR representatives involved in this activity; on the way, they perceived or implemented, from the inside, the changes regarding the communication strategy; as well as on the assessment of the limitations involved by transparency. Researchers warn that the activity of central banks did not change equally much in all countries. Romania is one of the East-European emerging markets that did not face banking bankruptcies after 2008, where unconventional measures were applied partially or at all.

Making the monetary policy more transparent both prior, and during the crisis and the loss of public trust in central banks are some of the less approached topics of the academic literature related to the emerging European markets, such as Romania (see, for example, Dumiter, 2014; Égert, 2007; Hristev, 2014; Valentin & Rozalia, 2008). Therefore, studying NBR's communication activity during a crisis could provide useful data for the researchers interested in the communication of central banks in this area. Furthermore, the results of the research provide a perspective upon the central bank's post-crisis communication, based on the assessment of the communication strategy applied – a subject that could be the topic of future research.

Changes in central bank communication – general remarks on trust and transparency

Studies on central banks' transparency show that the monetary policy triggers the best effects if it is predictable. Public expectations regarding the future, including the future decisions related to monetary policies, are important because they affect the present economic behavior (Bernanke, 2001). Transparency has to do with how easy is for the public to deduce central bank intentions from observables (Faust & Svensson, 2001). Jeanneau (2009) states that a better communication related to the actions taken by central banks decreases the uncertainty faced by the economic agents. During post-crisis period researchers identified a major change in the essence of uncertainties as compared to pre-crisis period and showed that ambiguity comes to prevail risk and become a relevant driver of agents' actions (Kozlowski, Veldkamp, & Venkateswaran, 2015; Rossi, Sekhposyan, & Soupre, 2016).

It's important that the public understands central bank's actions „not only for reasons of democratic legitimacy (…) but also in order for monetary policy to be most effective" (Woodford, 2005). Minegishi and Cournède (2009) also state that increased transparency is associated to better anchored inflation-related expectations, and, therefore, to a more stable inflation. The same aspect is

highlighted by researchers Dincer and Eichengreen (2013) who demonstrate, based on a transparency index and using the available data for 100 countries up to 2006 that increased transparency reduces inflation fluctuations.

Researchers Van der Cruijsen, Eijffinger and Hoogduin (2010) used both uncertainty and confusion/information overload as the two theoretical arguments to support the occurrence of an optimal intermediate level of central bank transparency at which the perceived quality of estimated inflation is optimized as has been shown (Van der Cruijsen et al., 2010). As Horvath and Vaško (2016) underlined „financial stability transparency is greater in more developed countries, especially in those with Nordic and German legal origin". Some researchers define central bank transparency based on the absence of informational asymmetry between the monetary policy decision-makers and other economic agents (Geraats, 2002). Geraats (2002) distinguishes between five aspects of transparency: political, economic, procedural, tactic and operational.

There are many researchers that analyse the possible limits or the adverse effects of central banks increased transparency. For example, Ehrmann, Eijffinger, and Fratzscher (2012) found that: „Increasing economic transparency seems to be particularly powerful at low levels of transparency. Yet at higher levels, the additional effects that can be reaped by further enhancements of economic transparency appear to be much smaller". Considering the way central bank communication affects the capacity of financial markets to anticipate monetary policy, Kool, Middeldorp, and Rosenkranz (2011) conclude: „Central banks should be aware of possible adverse effects of transparency and take note if market participants reduce investment in information". Many other researchers share the idea that increased transparency does not necessarily increase the effectiveness of monetary policy (Gosselin, Lotz, & Wyplosz, 2006; Kool & Thornton, 2015; Mishkin, 2004; Morris & Shin, 2002). The stock market response to central bank transparency is also subject to several studies (Jarocinski & Karadi, 2017; Papadamou, Sidiropoulos, & Spyromitros, 2014)

King (2016, p.179) warns that „Transparency is, however, not an end in itself. Any requirement for transparency in a central bank's deliberations should have the aim of improving the quality of its decisions". King (2016, pp.207-208) also notices that, prior to the crisis, inflation targeting seemed to be the winning strategy in order to maintain price stability, involving deep changes related to central banks communication: „Communication became more important, and central banks moved from mystery and mystique to transparency and openness".

Based on the research conducted during the first two years of crisis (2008 - 2010) on monetary regimes of the central banks in Wellington, Frankfurt, Stockholm, and London, Holmes (2013, xi–xii) concluded that all of them had the same feature: „the monetary regime (…) was about language, about communication, and (…) the ultimate aim of these communications was to recruit the public, broadly conceived, to collaborate with central bankers in achieving the ends of monetary policy". Holmes (2013, p.64) also states that confidence is „mediated by culture, a

communicative culture": „Expectations about the development of prices became manifest in real plans for budgets, for investment, for stocking inventories, for expanding or contracting employment, and, above all, for negotiating wages, for setting prices, for computing various commercial interest rates".

Some researchers consider that defective communication during the financial crisis was also one of the reasons for the public loss of trust in the main institutions involved. For instance, Blinder (2013, p.357) states that, during the crisis, the US financial and banking system lost their public as a result of their own discourse, which sometimes proved to be "disastrous": „The failure to frame the bank bailout strong effectively was symptomatic of a much larger failure to communicate". In these circumstances, Haldane (2016) considers that communication has the role to recover, during the post-crisis period, the loss of trust triggered during the crisis between the financial and banking sector on the one hand, and the general public on the other hand.

Researchers agree that the more extensive use of forwarding guidance, especially when the interest rates are decreased to historical minimum thresholds, is the most important change in central banks communication (Blinder et al., 2016; Filardo & Hofmann, 2014), and that public trust and perceived transparency are positively related (Van der Cruijsen & Eijffinger, 2010). In their attempt to establish the main reasons for the public loss of trust in central banks, researchers Ehrmann et al. (2013) focused on the main pre-crisis factors, also stating that a better knowledge of the central bank activity – in their analysis, specifically of the European Central Bank – generates more trust in normal times and even more so during the financial crisis. Taking responsibilities that go beyond their essential goals represents another important reason which led to a credibility loss after 2008. In these circumstances, King (2016, p.180) considers that central banks could retain their credibility if they admit their limitations: "To retain credibility, it is important that central banks do not claim to know more than they in fact do".

But how do the central bankers evaluate the received criticism during the crisis and the threats to independence? As Blinder, Ehrmann, Jansen, and De Haan (2017) reinforced, while 40% of the academics generally think that their country´s central bank received "a lot of criticism", only approximatively10% from the central bankers considered that they received "a lot of criticism". When assessing the criticism central banks have received in their crisis-fighting efforts, 30% of the central bankers reported that their institution didn't receive any criticism. They are also less concerned about threats to the central bank's independence from their government, with almost 70 percent of central bankers seeing no or only little threats to independence – in contrast to almost 40 percent of academics seeing moderate or even substantial threats to independence (Blinder et al., 2017).

As part of the emerging economies in the European Union, Romania followed the same stereotype and it benefited from the financial support from IMF, EU, EBRD. Radu (2016) states that „the abundance of cheap money, the real estate boom, the weakness of the financial regulatory system created important vulnerabilities that brought Romania on the edge of economic collapse". Referring to the Romanian

financial market, researchers agree on the fact that „the banking system should be more responsible, and its management more aware of the weight it carries" (Treapăt & Anghel, 2014, p.483).

Study goals and method

This article examines how the National Bank of Romania's representatives perceive the loss of public trust in the central bank during the crisis and its causes, and, at the same time, analyzes, from the perspective of the same representatives, to which extent one of the profound changes in NBR communication implemented starting with 2016 – namely releasing the minutes of the monetary policy meetings – will remain in place after surmounting the financial crisis. Making the monetary policy more transparent during the crisis and the loss of public trust in central banks are some of the less approached topics of the academic literature related to the emerging European markets, such as Romania. Therefore, studying NBR's communication activity during a crisis could provide useful data for the researchers interested in the communication of central banks in this area. Furthermore, the results of the research provide a perspective upon the central bank's post-crisis communication, based on the assessment of the communication strategy applied – a subject that could be the topic of future research. Therefore, the article intends to see whether part of the results of the research conducted by Blinder et al. (2016) on the changes regarding the central banks communication towards increased transparency is also validated on the Romanian emerging market, where unconventional measures related to monetary policy, negative interest rates, and quantitative and qualitative easing have not been used. Based on a survey sent to 95 central banks worldwide, as well as to over 400 economists, Blinder et al. (2016) concluded that the changes in the central banks communication will linger even after the crisis ends, and a "large minority" (approx. 20%, but only 7% of the governors coming from advanced economies) anticipates new changes towards an even greater transparency.

At the same time, the research also takes into account how, during the financial crisis, the National Bank of Romania's representatives perceive the loss of public trust in their institution and which are, in their opinion, the main causes for this. Trust was not precisely defined, leaving room for interpretation from the interviewees. The data was collected following a qualitative research based on individual information-collecting semi-structured interviews taken with 20 NBR representatives. The 20 participants to the interviews conducted between January and April 2017 were selected based on the expertise and involvement level in the National Bank of Romania's communication activity, as well as based on their seniority within the institution, so that they be able to place within a historical perspective the communication activity evolution, in the context of the necessary pre-crisis – post-crisis comparison.

The interviewees making up the sample were: a member of the NBR management board, three advisors of the Governor, three strategy consultants, six managing and

deputy directors, four communication and PR experts, one head of the department, one economist and a former NBR advisor on financial education projects. Their seniority in the institution varies between over 30 years (two of the interviewees are NBR employees since 1986 and 1987) and 4 years. The average work seniority in the central bank of the interviewees that make up this sample is 17.5 years. 11 representatives of the interviewees were visible in the mass-media throughout the entire financial crisis, through statements, presentations during press conferences or seminars, and opinions published on the NBR blog. The other 9 were involved in creating and implementing the communication strategy, in writing the messages disseminated throughout the crisis or in organizing events, seminars and presentations, which had as result the exposure of the institution to mass-media or the specialized public, also on other issues than the ones triggered by the financial crisis. Regarding the represented departments, 7 respondents are (or were) part of the Communication Directorate of the National Bank of Romania between 2008 and 2017. Other representative directorates covered by the interviewees are the Directorate for Financial Stability, the Directorate for Economic Modelling and Forecasts, the Directorate for Legal Affairs, the Directorate for Secretariat and Public Relations. In terms of gender representation, 12 respondents are men, and 8 are women.

The research questions that guided the scientific approach refer to the representatives' perception upon public trust in NBR and making communication more transparent:
Q1. What is the NBR representatives' perception upon the loss of public trust in the central bank and its causes?
Q2. The communication changes towards increased monetary policy transparency – more precisely, publishing the minutes of the monetary policy meetings – will linger after surmounting the financial crisis or are reversible?

Having these research questions as focus points, the interviews also targeted other areas of the communication activity in the post-crisis period, which will be mentioned throughout the analysis.

Findings

How the loss of trust is perceived

Most of the interviewed NBR representatives stated that, in their opinion, starting with 2008, an erosion of the public trust in the institution they represent occurred. However, the research findings reveal a balance in assessing the degree of this loss of trust. 9 of the respondents considered that "the loss of trust was relatively insignificant", "there was no loss of trust, but a battle to trigger a trust crisis" or "a solidarity test for the institution", while 11 of them acknowledged a trust crisis. 4 of the interviewees who perceived a small loss of trust considered that the focus moved from the institution onto its management: the trust crisis did not affect the institution, but rather "the governor's credibility, as well as that of the employees with management roles was doubted". Some of the interviewees who tried to

estimate how much time would be needed to recover the trust that was lost during the financial crisis stressed the need for a longer timeframe (that could extend even to a generation). The difficult change of mentalities, along with the absence of unbiased mass-media, represented the main explanations for a possible delay in recovering the public trust level prior to 2008.

Very high reputation and general context

5 interviewees related the decline of the public trust in NBR to the very good reputation that the institution used to have before and in the first part of the crisis, more precisely until 2013. The loss of trust didn't occur right after the crisis started worldwide, a fact which is visible in the opinion barometers as well. For instance, the IRSOP barometer (*IRSOP*, 2016) shows that, in March 2016, for 44,2% of the Romanians, „the trust level in NBR was high and very high, as compared with 51,3% in December 2014. The interviewees also referred to an "extraordinary prestige", to the fact that, in the first years after 2008, "everyone loved NBR because during the crisis it had the most rational institutional behavior".

At the same time, the interviewees explain the loss of public trust in NBR referring to the evolution of the economy, to tracking the financial crisis epicenter within the banking sector, and to the overall loss of trust in the European institutions, and not only: „Central banks have entered a new historical period, much more complicated, and more difficult. Since they were cornered, their credibility was affected everywhere: Fed, ECB, NBR, although NBR had a great advantage (...) since we didn't have the threat of bankruptcies to force us into interventions that would further tension the public budget".

The high level of prestige that NBR enjoyed prior to the crisis is associated with this general decline, visible also on the European emerging markets that did not face the high public and private debt. Some interviewees considered that the public expectations regarding the central bank were oversized, and NBR "agreed to play this game, accepting the fact that it has answers and solutions to all problems".

NBR – defender of the banks

The communication of monetary policy goals was complemented and sometimes sent to the background during the crisis by the messages related to the financial market regulation and supervision. On the Romanian market, among the important subjects that complemented the fundamental goal after 2008, NBR was involved in the debates related to the changes to the Tax Code (2014); the Swiss franc loans crisis (2015-2016); the Greek-owned banks crisis (2015); the changes to the law of mortgage lending (giving in payment law, freezing of the Swiss franc - Romanian national currency exchange rate) (2015 – 2017). This study is focused mainly on the effects generated by the debates on two issues that erupted during 2015 – 2016 – the Swiss franc loans crisis and giving in payment law.

In the NBR representatives' opinion, the "bank defender" tag attached by some of the mass-media after these actions might have two further explanations. Some of the respondents consider that the tag was favored by NBR's too sustained and vocal intervention: "I think we were in the media too many times and we made too many statements", "now everyone gets to speak on behalf of NBR". However, for some of the interviewees, the reason for this coming forward isn't the lack of a proper dosage regarding the institution's messages, but the lack of proper reaction from commercial banks: "NBR spoke as much as it had to. NBR seemed vocal (...) because the banks themselves kept silent", "commercial banks were the ones to leave the impression that they are defended by NBR", "the central bank had to bear all alone this weight that the commercial banks left when backing off". There are also opinions stating that "no matter what we'd say, those who put the 'bank defender' tag on us were those who were directly interested, namely those who were affected by the previous behavior".

The evaluation of the communication activity focuses on five communication tactics and lines that, from the interviewees' point of view, were missing from the communication strategy and could have contributed to maintaining and increasing the general public trust in the institution during the period considered. By the number of respondents who mentioned them, these are a better coordination of public appearances, a proactive attitude, focusing on the fundamental goal of the central bank, diversifying the communication channels and empathy. Most of the respondents (7) mentioned the lack of public appearances coordination, the absence of a "single voice" or of a "unifying language", "better structured messages between communicators, increased coherence and less personal pride", and also the fact that, in the case of legislative changes, "the Management Board did not speak alongside the Governor".

The lack of proactive attitude in NBR's communication was mentioned by 6 of the 20 respondents, who considered that "we could interfere faster", "communication should have been rather proactive", "more resolute decisions failed to be taken in some situations". Some interviewees consider that "the main elements in the bank's activity should be better promoted and understood, and, based on them, the credibility that was lost has to be recovered and rebuilt", while some others state that the proactive communication attitude should have been doubled by the communication channels diversification, noticing that those who sent the messages which contributed to the loss of trust in NBR reached the general public "perhaps because they speculated more efficient communication channels". The interviewees identified empathy as the lacking element in building up some of the messages: "back then, for image purposes, empathy would have helped", "if empathy is a communication element, then yes, we could have been more emphatic".

In the context of shaping the NBR's image as bank defender, some of the interviewees criticized "the lack of solidarity of the banking sector" and considered that the lack of reaction from the central bank wouldn't have been justified, underlining that „if the banking industry is creating systemic risks, it must change its attitude, you can't drag them on, you can't defend them no matter what".

Therefore, some of the expressed opinions highlight the absence of a coherent internal communication process within the Romanian banking sector – a topic that is worthy of a dedicated paper. The results of a research focused on organizational communication in five knowledge-intensive services sectors in Romania (advertising-marketing, IT&C, banking, research-development and higher-education) showed that the bank's employees consider that their interests are not fully represented by the existent branch union (Cismaru & Leovaridis, 2014).

Target audience

In the interviewees' opinion, one of the main reasons for the loss of trust was the low level of understanding of central bank's fundamental goal and of NBR's overall activity amongst the general audience. More precisely, 9 of the 20 respondents mentioned the "financial and economic illiteracy" as a factor that made possible an effortless manipulation of the general public. Therefore, during the recent years, without direct knowledge, the general public supposedly shaped its perceptions based on the information received/heard from the "noisy opinion-makers".

The respondents' opinions are thus different: most of them blame this effect exclusively on the understanding level, but there are also opinions that stress the decisive role of some influencers and endorsers whose intention was to manipulate the general public. In this context, as previously highlighted, some of the interviewees underlined the lack of a proactive attitude from NBR, which, during the crisis, would have alleviated this lack of understanding amongst the general public. Regarding the reasons for the loss of trust, some interviewees also added the fact that even the audience that analyses the central bank in relation to its goal could have been negatively affected by the "failure to reach the exact inflation targeting for a long time".

Publishing the minutes of the monetary policy meetings – reversible or not?

Most of the central banks in the world, including the ECB, Fed, BoE followed the path to an intensive communication activity while implementing "unorthodox" monetary policies. As Coenen et al. (2017) consider, "the intention of the central banks has been to publicly define the scope and implementation of these unconventional policies, as well as to build a common understanding of their effectiveness". The NBR has not been an exception to this rule. As Table 1 indicates, the instruments used by Romanian central bank to announce monetary policy decisions are in line with those used by key-central banks at the global level.

*Table 1. Instruments used by central banks to announce
monetary policy decisions*

Instruments	Central Banks					
	National Bank of Romania (NBR)	**European Central Bank (ECB)**	**Bank of England (BoE)**	**Federal Reserve (Fed)**	**Bank of Japan (BoJ)**	**Reserve Bank of New Zealand (RBNZ)**
Press release after monetary policy meetings (MPM)	8 times a year Decisions are explained	8 times a year Decisions are explained	8 times a year Decisions are explained	8 times a year Decisions are explained	8 times a year Decisions are explained	8 times a year Decisions are explained
Press conference after MPM	8 times a year No live webcast Governor speeches Q&A session	8 times a year Webcast Governor speeches Q&A session	4 times a year Webcast Governor speeches Q&A session	4 times a year Webcast Governor speeches Q&Q session	8 times a year Webcast Governor speeches Q&A session	8 times a year Webcast Governor speeches Q&A sessions
Publication of minutes and/or voting behavior	Yes With voting behavior (no names) 1 week after MPM	Yes No voting behavior 4 weeks after MPM	Yes With voting behavior (naming the voters) Simultaneously with the decision	Yes With voting behavior (naming the voters) 3 weeks after the MPM	Yes With voting behavior (naming the voters) 4 – 6 weeks after the MPM	No
Periodical reports providing background information	Economic bulletin (12/year) Inflation reports (4/year) Financial stability reports (2/year)	Economic bulletin (12/year, 2 weeks after MPM) Reports on the Euro-system's covered bond purchase program (12/year) Macroeconomic projections for the euro area (4/year)	Inflation reports (4/year) Financial stability reports (2/year)	Beige Book (Summary of Commentary on Current Economic Conditions) (8/year) Report on Federal Reserve Balance Sheet Developments (4/year) Monetary Policy Report (2/year)	The outlook for Economic Activity and Prices (4/year)	Official Cash Rate (OCR) announcement (8/year) Financial Stability Reports (2/year) Monetary Policy Statement (4/year)

According to Dincer and Eichengreen (2013) transparency index, NBR was evaluated in 2010 at 7.5 points (indices ranges from 0 to 15). The most transparent central banks in 2010 were the Swedish Riksbank, the Reserve Bank of New Zealand, the Central Bank of Hungary, the Czech National Bank, the Bank of England and the Bank of Israel as has been shown (Dincer & Eichengreen, 2013). Following the path established by Dincer and Eichengreen (2013), researchers Horvath and Vaško (2016) constructed an index reflecting central banks' financial stability in 110 countries, from 2000 to 2011. United Kingdom, Czech Republic, and Hungary are placed top with the highest Financial Stability Transparency Index (index values as of 2011), while Romania comes in 9th place. According to the above mentioned researchers, an increased transparency is valuable during usual financial phases but during financial crisis periods, it can become one of the determining factors of a higher financial stress.

During the last seven years, NBR has made significant progress towards increased transparency. The process started in 2005 when the National Bank of Romania adopted the strategy of directly targeting inflation, thus entering the stage of using communication as a monetary policy tool. Transparency of monetary policy

decisions is noticeable in publishing the monetary policy meetings calendar of the Management Board, in publishing the press releases, and in bringing forth the press releases by the Governor during the press briefings after each such MB meeting. At the same time, the Report on inflation and the monetary policy framework are discussed at quarterly conferences. In 2016, NBR increased monetary policy transparency by including a new communication method that consisted of publishing the minutes of the monetary policy meetings. The same year, the central bank decided to also disclose the income of NBR's MB members. NBR is also one of the first central banks worldwide that decided to publish, starting with 2006, and regular reports on financial stability.

Most of the interviewees (15) consider that the most recent decision in favor of transparency – namely publishing the minutes of the monetary policy meetings – won't be reversible after the financial crisis ends. 4 respondents did not make predictions, one of them arguing that, in order to be able to give an answer, "there are many factors to take into account, not only financial and banking-related but politics-related as well". Only one respondent considered that this measure could be reversible on the long run, based on a historical perspective – "history shows us that nothing we gained is gained for good".

Overall, the role of monetary policy transparency is seen as an important one for the results of the decisions taken. Estimating that NBR won't abandon the transparency-related measures, 12 interviewees consider the publication of the summaries as "a progress", a decision that "decreases incertitude and the volatility of expectations", a measure that brought NBR "alongside important peers", also stating that "our transparency process standards are very high". Only two interviewees argue the irreversibility of summary publishing exclusively by anticipating the negative public reactions in the case of such scenario. However, some of the interviewees point out the limitations of the transparency process and reflect upon the reactive character of the decision taken by NBR during a moment imposed by the market, imposed by the "financial sector discontinuity at a global level". One respondent considered that the transparency process would be more efficient if the summary published would also include the names of the decision-makers, reasoning that "the summary should make one accountable".

Discussion and conclusions

The initial research questions highlighted the relevant aspects of the way in which the National Bank of Romania's representatives perceived the loss of trust in their institution. The interviewees' comments regarding the impact of the financial crisis upon the central bank's credibility confirm that the loss of trust did not spare the central bank of this emergent European market either – a market that, after 2008, did not face banking bankruptcies and did not implement unconventional monetary policy measures. This study could identify a consensus regarding the general public loss of trust in NBR.

This research concludes that the public loss of trust in NBR during the financial crisis can be explained, from the point of view of the central bank's representatives, by the following complementary factors: (i) a very high level of credibility that NBR used to have prior to 2008 and in the first part of the crisis, as well as assuming, in this context, certain powers that went beyond its mandate (ii) the overall loss of trust in the main actors of worldwide financial markets (iii) the low financial education level of the general public on the Romanian market.

Assuming powers beyond the mandate, which is a vulnerability of big central banks during crisis, as highlighted in several studies, as well as stated by representatives of these institutions – see (Blinder, 2013; El-Erian, 2016; Haldane, 2016; King, 2016) – also occurred in the case of the National Bank of Romania. Overall, the interviewees' opinions also point towards causes and arguments related to the public knowledge level regarding NBR's activity and fundamental goal (price stability), validating some of the results brought forth by researchers Ehrmann et al. (2013), Fischer and Hahn (2008), who had highlighted the relation between the knowledge about ECB and the trust in that institution.

Some interviewees reflected upon the communication strategy implemented by the institution and pointed out five communication tactics and directions, which, in their opinion, were missing from the communication strategy, but could have contributed to maintaining and increasing the general public trust in the institution during the period considered: a better coordination of public appearances, a proactive attitude, focusing on the fundamental goal of the central bank, diversifying the communication channels, and empathy. Following the assessment of the communication strategy applied after 2008, the results of this research can open a perspective upon the central bank's post-crisis communication strategy, a subject that could be a topic of future research.

In line with some of the research results conducted by Blinder et al. (2016), the answers of the 20 NBR representatives confirm the irreversible character of the decisions taken by the central bank of Romania in order to increase monetary policy transparency, by publishing the minutes of the monetary policy meetings.

All the communication tactics and directions highlighted by NBR's representatives with regard to the communication strategy during the crisis can become as many guidelines for both financial organizations and significant organizations for other markets managing high risks during financial crises periods especially. The findings should raise further reflection on the efficiency of the communication strategy and particularly on the proper toolkit mix and on the optimal communication strategy at the onset of a new possible financial crisis. Studying central banks communication could reveal relevant findings not only for enriching recent researches conducted in this area – as central bank communication has a recent history - but also for offering useful insights for other key-institutions on financial market and on other markets as well.

In order to examine the possibility to extend the findings of this qualitative research future research should focus on quantitative research. In pursuance of a

complete picture of the financial crisis impact upon NBR's credibility and of the results regarding the transparency process, this research can be complemented by a quantitative analysis based on a media analysis applied to 2014 - 2016, a period which is representative for the participation of the institution's officials in debates focused on the supervision and regulation of the banking sector. At the same time, the perception-related analysis can be complemented by the results of surveys focused on both general and specialized public, in order to highlight how the two audience categories perceived the loss of trust in the National Bank of Romania after 2008.

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