

The European Union (EU), and most notably the Eurozone, has been in a state of economic, political and institutional crisis for almost a decade now, and yet leadership is still in scarce supply among its key players. Due to their limited resources and clout, common political institutions (in the first place the European Commission, the EU's executive body) have struggled to fulfil this role beyond wide-ranging statements whose effectiveness, however, remains questionable—such as the “**Five Presidents' Report**” —or narrower and more concrete, yet negligible actions, e.g. the recent “**Juncker investment plan**”. Nor is there much effective leadership at the level of member states. The guidance provided by **Germany—the EU's “natural hegemon”**—has been intermittent at best, and in any case largely unimaginative and centred on the preservation (and strengthening) of the Eurozone's existing legal and economic paradigm. At the same time, **alternative loci of (potential) leadership, such as France or Italy, are currently too weak, both structurally and politically**, and focused on their own domestic issues to represent credible candidates to lead Europe out of its predicament.

The ECB's actions in defence of the euro—culminating with President Draghi's oft-cited “whatever it takes” pledge—are the closest thing to effective supranational crisis leadership the Eurozone and the EU as a whole have seen in recent years

Amid this vacuum of political leadership, it is a formally technocratic actor that has emerged to provide some clear and effective responses to Europe's crisis, namely the **European Central Bank (ECB)**. “The dramatic days of the euro crisis are, thank God—or thank Mario Draghi, now behind us”, former **European Parliament president Martin Schulz** recently commented ([Schulz 2015](#)). While Schulz's take on the end of the crisis might have been overly optimistic, it is certainly fair to say that the ECB's actions in defence of the euro—culminating with President **Draghi's oft-cited “whatever it takes”** pledge—are the closest thing to effective supranational crisis leadership the Eurozone and the EU as a whole have seen in recent years. Needless to say, in the eyes of many this has come at the cost of an increased “**politicization**” of the **ECB** and its policies.

In the **variety of ECB actions** during the crisis, two broad and closely connected trends can be detected. The first is that, over time, the ECB's response to the euro crisis has become bolder, more proactive and increasingly unconventional. Applicable virtually to the entire gamut of ECB actions, this trajectory is nonetheless particularly marked in the areas of government financing and the more general countercyclical support of the Eurozone economy. Begun under **Trichet**, this transformation of the Bank's role has culminated with the Draghi presidency, which has consolidated the ECB as a *de facto* lender of last resort for distressed euro area countries and led the ECB to a more expansionary role in the economy through the unprecedented QE. Draghi's activism vis-à-vis the euro crisis has in several occasions even gone beyond the realm of monetary policy, such as in his continued calls for Europe's governments and institutions to have more supportive fiscal policies and **implement institutional reforms** able to promote recovery and shield the EU from future crises (e.g. [Draghi 2014](#)).

The increasing politicization of the ECB that forms the basis for an interpretation of the Bank's role in terms of leadership and creates the space for investigating the charismatic nature of such leadership

To be sure, these moves have not remained uncontroversial, in political as well as legal terms. For one thing, the Bank's government financing policies have encountered the opposition of northern member states, most notably Germany, who have protested against the effects of ECB policies on the fiscal and budgetary policies of assisted countries, and on their incentive to implement structural reforms. This conflict has transposed within the ECB's governance structure, leading among other things, to the resignation of Bundesbank president Axel Weber and German ECB board member Jürgen Stark, both in 2011, in protest against the SMP. For another, the OMT, in particular, has been the object of a high profile legal challenge, still originating in Germany, arguing its inconsistency with the Treaties' prohibition of government financing, and which has eventually been resolved in favour of the ECB (*Gauweiler & Others v Deutscher Bundestag* 2015).

The second trend is one of increasing perception—among practitioners and observers alike—of **the ECB as an ever more “political” (as opposed to technocratic) actor**. The

ECB's politicization, in turn, comes in two, partly overlapping, guises. One is the Bank's transformation from a neutral and "inoffensive" actor to one that makes distributive and consciously biased policy decisions. (Needless to say, the direction of such bias is often different depending on the observer). The other is the ECB's increasing transcendence, in the eyes of many, of the boundaries of its original mandate to become an overly independent (and uncontrolled) player, capable of making macroeconomic policies of its own, affecting not only the monetary field but, more importantly, adjacent areas such as fiscal and budgetary policy. It is exactly **this increasingly politicization of the ECB that forms the basis for an interpretation of the Bank's role in terms of leadership** and creates the space for investigating the **charismatic nature** of such leadership.

A first visual inspection reveals a general increase in the charismatic content of ECB speeches over time, and particularly in the past decade or so, in correspondence with the financial crisis years

In an [article](#) recently appeared on the *European Journal of Political Research*, we investigate whether and to what extent the leadership of the ECB, and more precisely its presidency, can be characterized as charismatic by looking at a particular aspect of it, namely **language**. The question of ECB charisma is important from both an analytical and a normative standpoint: for one thing, it bears on the transformation of EU governance and political equilibria resulting from the euro crisis. For another, it relates to the issue of **the democratic legitimacy of the Bank in the context of its increasingly political role**.

Following a well-established literature (e.g., [Bligh et al.](#) 2004; [Olsson & Hammargård](#) 2016), we identify seven linguistic variables that overall compose the **charisma of a speech**. Accordingly, with the help of the **DICTION 7 software**, we analyze a total of **560 speeches (1998-2016)** by the three consecutive Presidents of the European Central Bank, of which **129 by the Bank's first president Wim Duisenberg, 312 by Jean-Claude Trichet, and 119 by Mario Draghi**. Figure 1 presents a first overview of the charismatic content of the corpus under exam by plotting the year-by-year mean value of the speeches' aggregate indicator of charisma. A first visual inspection reveals a general increase in the charismatic content of ECB speeches over time, and particularly in the past decade or so, in

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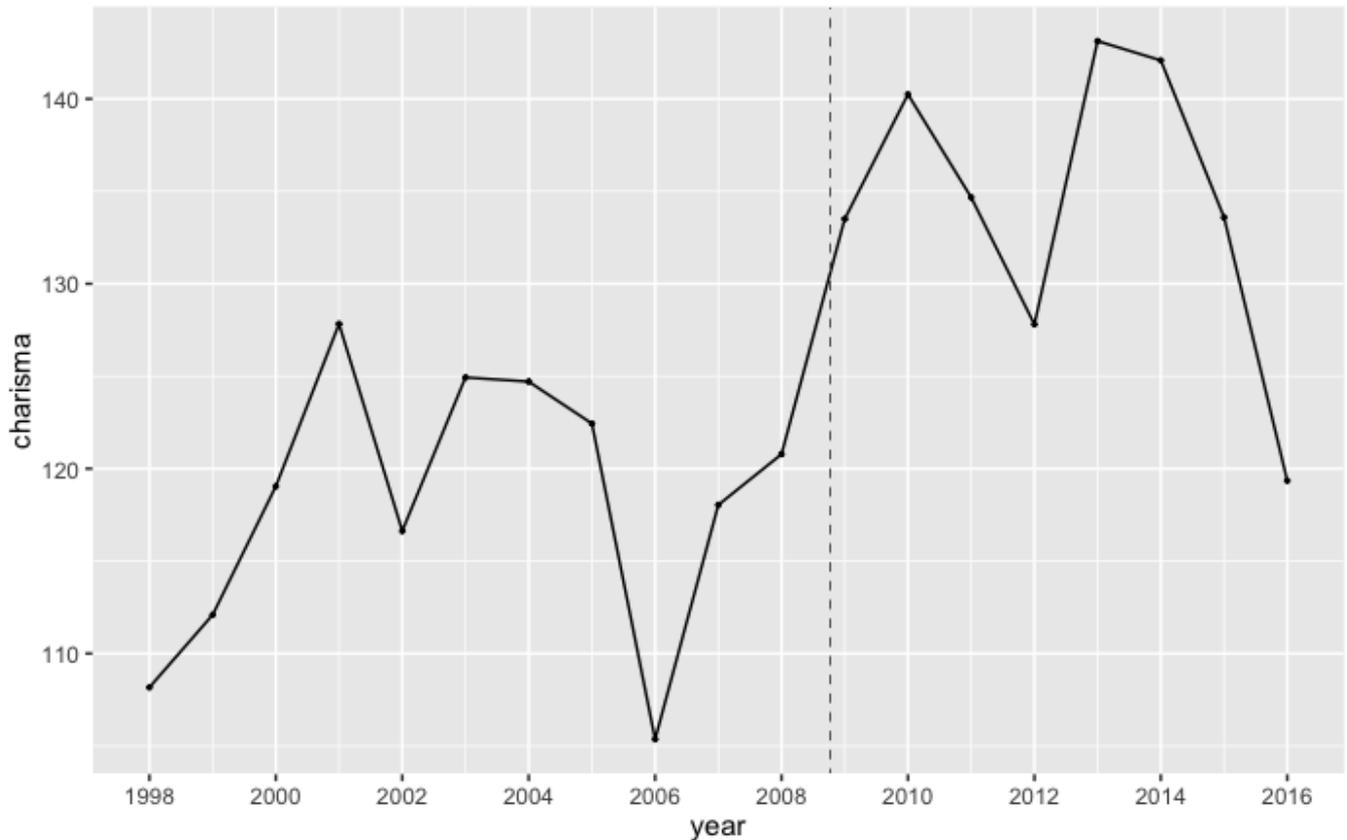


Figure 1. The ECB Presidents' charismatic rhetoric over time, 1998–2016.

In order to test for the effect of the crisis on the language of ECB Presidents, we divide the period under exam into two sub-periods: “pre-crisis” and “crisis”, placing the cut-off point conventionally at **15 September 2008**, the day in which the **investment bank Lehman Brothers** filed for bankruptcy, starting the chain of events making up the global financial crisis; this was also the time during which the ECB began to deploy the first ordinary and extraordinary instruments to tackle the effects of the crisis in Europe. Our division places **312 speeches** in the pre-crisis period, and **248** in the crisis one.

Our overall findings thus offer further support to the diffuse observations of a politicization of the ECB also in terms of the way its Presidents have started communicating with the public

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As shown in figure 2, our **Regression Discontinuity Design test (RDD)** confirms a (significant) increase in the charismatic rhetoric of the President of the European Central Bank right after the inception of the crisis. Moreover, our results show that the increase in charisma is not due to a particular personal interpretation of the leadership on the part on the one or the other President, given that no significant difference can be identified in the language of **Trichet and Draghi** - a result that points towards an interpretation of the politicization of the Bank overall rather than depending on the particular agency of the current President.

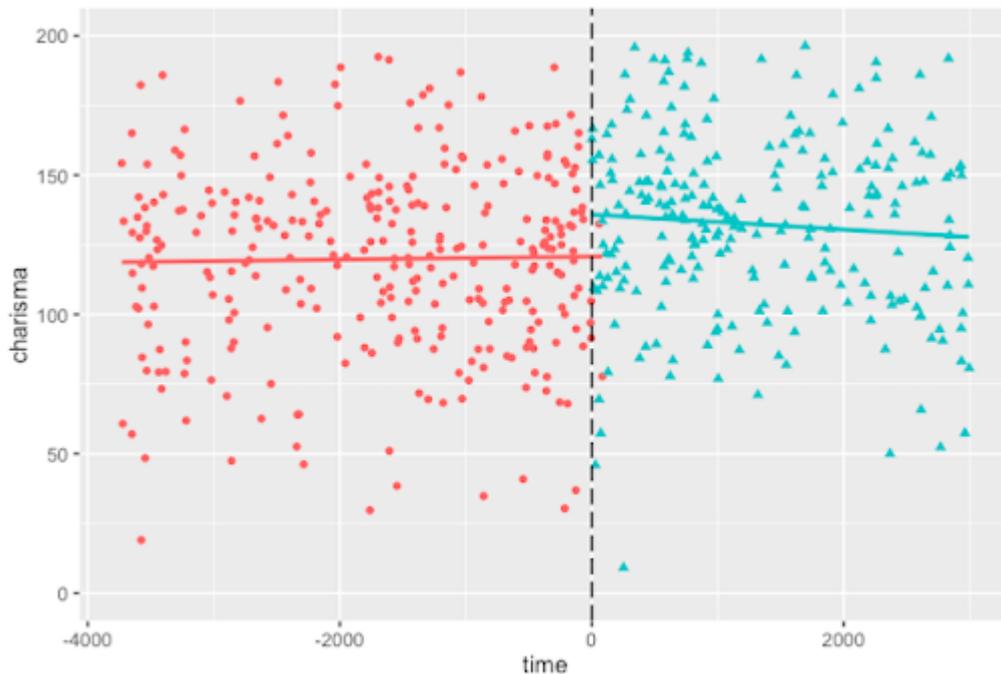


Figure 2. Effect of the crisis on the ECB Presidents' charismatic rhetoric

Our overall findings thus offer further support to the diffuse observations of a politicization of the ECB also in terms of the way its Presidents have started communicating with the public. This is undoubtedly related to the Bank's increased public profile as a result of the crisis, in terms of both greater media coverage and improved openness and communication about policies and decisions with the European public and its representatives in the European Parliament. What is still to ascertain is whether now, in a period of relative stability of the markets, the ECB will be ready to retreat to its original role or rather will build on its new role as proper political actor (or leader) among EU institutions.

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