The 50-Year History of the Monetary Review

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INTRODUCTION AND SUMMARY

The Monetary Review is a key instrument in the communication of Danmarks Nationalbank's monetary and exchange-rate policies to the public. Furthermore, the publication plays an important role as a forum for voicing Danmarks Nationalbank's views on the areas of economic policy that play a key role in the conduct of monetary and exchange-rate policies or in the stability of the financial system.

The first Monetary Review was issued in May 1962, so in 2011 the publication has entered its 50th year. This article summarises the substantial changes of the presentation and content of the Monetary Review over time.

The Monetary Review published by Danmarks Nationalbank today is considerably more informative than its ancestor 50 years ago. This reflects a trend towards greater transparency in monetary and exchange-rate policies that has characterised central banks worldwide over the last couple of decades.

ORIGINS AND OBJECTIVE OF THE MONETARY REVIEW

Preparations for a new publication series, a Monetary Review, began in 1961. One source of inspiration was the UK, where the Bank of England had introduced a Quarterly Bulletin in 1960, containing statistics as well as descriptions of economic developments and more analytical articles, cf. Windram and Footman (2010). Moreover, Danmarks Nationalbank regularly received enquiries from abroad about money and credit in Denmark.

An internal memo from November 1961 stored in Danmarks Nationalbank's archives states that the objective of publishing a monetary review should be:

"... to create better knowledge of developments within areas that are directly linked to Danmarks Nationalbank's activities, i.e. money and credit, interest-rate developments,
the situation in the financial markets, the foreign-exchange position, etc. This would be in line with recent years' developments both at home and abroad towards providing better information and information to more people about economic conditions”.

As regards the content of the publication, the memo states the following:

"In addition to the tables section, a general overview could be provided by way of introduction; it should presumably mainly be descriptive, but could, in certain situations, contain assessments. Furthermore, a monetary review could be used to disseminate information of a more special character, e.g. about Danmarks Nationalbank's communication to commercial banks and savings banks, about legislation and regulations governing the activities of banking institutions, about legislation and regulations governing foreign-exchange conditions, etc. ... Other options could include reproduction (possibly as appendices) of various works by Danmarks Nationalbank, e.g. ... publication of speeches by the governors of Danmarks Nationalbank".

To a large extent, the objectives for the publication formulated in 1961 and the reflections on its content that were made at the time still apply to the present-day Monetary Review. One of the reasons is that the plans launched in 1961 were rather ambitious and it would take some years to realise them.

THE FIRST COUPLE OF DECADES

The first issue of Danmarks Nationalbank's Monetary Review came out in May 1962. It was published in English only – under the title that has remained unchanged to this day. The publication simply contained a collection of statistical tables and charts to illustrate recent developments in monetary and credit conditions in Denmark – without any explanatory text.

In November 1970, the Monetary Review was expanded to include two pages of text describing "recent trends in external finance and domestic credit". These pages were also translated into Danish.

At a meeting of the Board of Directors of Danmarks Nationalbank in March 1971, a request was put forward for a Danish-language version of
the whole publication, reflecting a wish from a member of the Finance Committee of the Folketing (Danish parliament). The issue was also raised at a meeting of Danmarks Nationalbank's Committee of Directors in April 1972, and in November 1972 a pure Danish version was published under the name of "Kvartalsoversigt".

The section on "recent trends in external finance and domestic credit" grew over the years, but was still only about five pages long by the mid-1980s. And unlike the publications of many other central banks, Danmarks Nationalbank's Monetary Review did not contain articles of a more analytical nature.

CRITICISM FROM THE "WISE MEN" AND A HIGHER INFORMATION CONTENT

Towards the end of 1984, a majority of the Political and Economic Affairs Committee of the Folketing requested that the Chairmanship of the Economic Council prepared a report of monetary and credit policies in Denmark. In the report from the Chairmanship's "wise men", published in September 1985, the information activities of Danmarks Nationalbank were criticised:

"Contrary to the practice of most other central banks, the quarterly publication does not include analyses and reviews by the bank's employees, and only in exceptional cases are such articles published elsewhere. ... All in all, information activities in relation to Danish monetary and exchange-rate policies do not seem to have kept up with developments abroad ..." (Translated quotation from p. 222 of The Economic Council, Chairmanship (1985)).

To accommodate this wish for more information from Danmarks Nationalbank, a section with articles was added to the Monetary Review in May 1986:

"In the report of the Chairmanship of the Council of Economic Advisers ... it is pointed out that the decision-making process concerning questions of monetary policy has been too exclusive, and that the Nationalbank has not to a sufficient degree contributed to public debate on matters of monetary and foreign-exchange policy. In order to accommodate this wish, the Nationalbank has expanded the Monetary Review with articles on issues of monetary and
Since the mid-1980s, this section has seen the publication of some 375 signed articles on monetary, credit and exchange-rate conditions, financial markets, banks and financial stability, etc., cf. Chart 1.

CONCLUDING REMARKS

In line with trends in other parts of society, central banks have in recent decades tended to provide more information about their tasks, objectives and decisions. The increased communication with the outside world takes several forms, e.g. websites, speeches and reports, cf. Storgaard (2002).

Over time the Monetary Review has undergone substantial change, not least in recent years. In 2007 it was expanded to include the economic forecasts previously prepared for internal use by Danmarks Nationalbank. Most recently, in 2011, Danmarks Nationalbank has introduced a supplementary volume, "Part 2", to the Monetary Review with longer, in-depth analyses of Danish and international economic issues of particular relevance to Danmarks Nationalbank.
The ongoing development of the publication aims to ensure that it remains an efficient channel for Danmarks Nationalbank's external communication. Let us hope that the Monetary Review will still be an important source of insight into economic and monetary developments and Danmarks Nationalbank's deliberations on core issues relating to the performance of its tasks for many years to come.

**LITERATURE**

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