

HOLMES, DOUGLAS R. *The Economy of Words: The Communicative Imperatives of Central Banks*. Chicago: University of Chicago Press, 2013. 280 p. ISBN: 9780226087627 (paper), 9780226087597 (cloth), 9780226087764 (e-book).

In this important new book, cultural anthropologist Douglas R. Holmes leads readers through an ethnographic and conceptual survey of the networks of bankers and economists who set monetary policy in the European Union and the United States. What he finds is something surprising. Beyond the conventional instruments at the disposal of central banks (e.g., bond interest rates), public communications have become paramount in banks' efforts to manage inflation and steer economies. As Holmes details, through media that include technical reports and forecasting models but also public statements and published policy deliberations, central banks serially construct and update a 'monetary policy story' in order 'to shape expectations going forward such that the market and the public will adjust their behavior in anticipation of the bank's potential moves' (p. 24). Through these acts of public narration, Holmes argues, central banks construe 'the economy itself as a communicative field and as an empirical fact' (p. 5) in an elaborate process of ongoing social and economic governance.

Anthropologists have long understood that 'speaking' can constitute a form of 'doing'. What *The Economy of Words* illustrates is that many central banks have gradually built monetary regimes on a similar understanding. It is not simply that there is a performative quality to the statements issued, for example after the meeting of banks' monetary policy committees, but that banks have constructed a 'performative apparatus' to recruit the public to fulfill the banks' policy aims. As Holmes describes across the book's rich chapters—that variously draw on ethnographic research at the Bank of England (BoE), the US Federal Open Market Committee (FOMC), the European Central Bank (ECB), the Swedish Riksbank (SRB) and the Royal Bank of New Zealand (RBNZ)—states' embrace of Keynesian and monetarist economic programs demanded new strategies to manage economies and to communicate policy intentions to participants in the economy. Bank leaders thus devised new forecasting models; created networks of contacts who could be consulted for anecdotal insights on the economy; and embraced transparent economic planning as a method to instill public confidence in the economy. These developments combined to form the 'performative apparatus' that Holmes describes: an interface through which central bankers engage the public-at-large, both culling and delivering information, in an ongoing, real-time experiment of macroeconomic governance. In this configuration, the continually updated monetary policy story merges the quantitative and the linguistic to render the economy as something susceptible to policy interventions while also modeling a dynamic relationship with the public.

Importantly, the later chapters of the book examine how central banks reacted to the 2008 economic crisis. As Holmes demonstrates, 'In the midst of the crisis, when data were uncertain and when confidence was the overriding concern, it was not merely the repo rate itself that mattered, but the integrity of the monetary policy story and the communicative relationships it sustained with the public' (p. 156). Holmes thus offers a fascinating string of chapters that analyze key documents and statements issued by

senior personnel at the RBNZ, SRB, BoE and ECB when responding to the crisis. For example, in Chapter Ten, Holmes subjects a monetary policy meeting held by the SRB executive board to a fine-tuned analysis, showing the subtle but substantial ways that Sweden's central bankers sought to cast a monetary policy story that would instill public confidence in light of the ongoing economic crisis. Similarly, Chapter Eleven examines the minutes of a BoE monetary policy committee meeting and Chapter Thirteen analyzes public speeches delivered by ECB President Mario Draghi. Through his careful attention to such communicative interventions in the economy, Holmes reveals how the economic crisis forced a radical reevaluation of established monetary policy stories, in effect rewriting the social guarantees underlying governance across Europe and the US.

*The Economy of Words* advances a brilliant analysis of the revolutions in economic governance marked by inflation targeting but also of the technocratic creep that has redefined public responsibility in the professedly liberal democracies of the North Atlantic. Especially interesting for anthropologists of politics and communication, Holmes extends the concept of the performative to understand the publicity of central banks not merely as serial utterances but as a laboriously established and maintained *apparatus*. If work on performativity points to the inherent interrelationship between representation and power, Holmes unpacks the history by which central banks have harnessed the conditions of performativity in ongoing projects of macroeconomic management. Ultimately, then, Holmes presents a stunning picture of the place of publicity in contemporary governance and vice versa.

While I cannot overstate the book's sophistication and innovation, I would be remiss not to mention an odd omission from the work: an explicit conversation on politics. At the core, Holmes argues that central bank policy constitutes a primary site where the terms of citizenship and state responsibility are negotiated. Put to the extreme, Holmes analyzes a citizenship regime where participation is reduced to economic reflexivity and where committees of technocrats can redefine the social contract through subtle shifts in the monetary policy story. To the degree that I agree with Holmes' analysis, I find this deeply troubling. Are monetary policy stories but a seduction and extortion that bind workers to the predatory whims of finance capital? I therefore wanted to hear more, both in argument and ethnography, on what tensions and critiques emerge within such techniques of governance.

Criticisms aside, *The Economy of Words* is a must-read for anthropologists concerned with governance, expertise, publicity and political economy. In its non-reductive approach to economics, it is also essential reading for policymakers and economists interested in the operation of economies in an age of inflation targeting and quantitative easing. With insight and creativity, Holmes has authored a tour-de-force that will leave one thinking twice the next time quarterly economic reports roll in.

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