

IX. CENTRAL BANK AND PUBLIC

Openness and transparency are significant requirements in developing and assessing a state-of-the-art monetary and financial system whereas their importance is increasing in near future. On one hand, enhanced openness and transparency are all over the world linked to the **prevention of international financial crises**. On the other hand, high-quality information and improved transparency of financial policy decision mechanisms should facilitate **to substantiate domestic economic policy and practical decisions**.

EESTI PANK'S COMMUNICATION POLICY: PRINCIPLES

OBJECTIVES

The central bank can fulfil its monetary policy and other key functions only if the public (economic agents) has sufficient relevant and applicable economic information. Adequate information together with confidence in the central bank under the currency board-based monetary policy framework is highly significant. Similar to the EU institutions, Eesti Pank is also of the opinion that **the access of all economic agents to exhaustive economic information is a prerequisite for the favourable development of economy as a whole**.

Eesti Pank has the following communication policy objectives:

- To ensure public understanding and adequate support to the monetary policy pursued by the central bank.
- To maintain and value the image of Eesti Pank as that of a competent, independent and reliable institution, with a significant role in guiding national economic policy and development, with transparent and controllable activity and accessible as well as ready to communicate with various community groups.
- To ensure the best possible access to economic-decisions-related background information for economic agents.

The adherence to the international Code of Good Practices on Transparency in Monetary and Financial Policies and Disclosure of Economic Information, a pillar of the public relations in Eesti Pank, helps to facilitate the above objectives¹. In 2000 Eesti Pank made its contribution to the preparation of related documents by the IMF (Manual on the Implementation of the Code of Good Practices on Transparency in Monetary and Financial Policies, defining of good practice in foreign reserve management).

¹ See more about this activity in Eesti Pank under Chapter VIII.

IMPLEMENTATION

The communication policy is based on planning. Eesti Pank introduces all significant economic policy decisions, economic analyses and assessments at news conferences and seminars. An extended seminar-news conference for wider public is held after the publication of all Monetary Policy & Developments Surveys, after the Annual Report is released, etc. The central bank's monetary and economic policy analyses are presented and introduced to the Riigikogu, government, associations of employers and employees.

Eesti Pank's **decisions, outcome of analyses and figures are available in printed and electronic version to all users free of charge, on equal conditions and at the same time**². Eesti Pank's publications are **available free of charge** also to all central public libraries, county libraries, libraries in major cities and naturally in higher educational establishments and schools of economic studies – to a total of fifty libraries. A significant part of materials accessible on the web site of Eesti Pank is ready for use **on a designated date and time**.

Designing the contents and format of information output in the central bank, information inquiries submitted to the Bank, statistics on the use of materials and other feedback is considered. Annually Eesti Pank receives about 2,500 spontaneous opinions, recommendations and evaluations from the users of its publications and web site. They are all diligently analysed, similar to opinion polls and reader questionnaires inserted in publications. Eesti Pank's Information Service responds to about 13,000–14,000 questions and inquiries per year. The central bank itself has also preferences in providing economic data and comments whereas it follows recommendations by international institutions as well. In 2000 a group of outstanding experts assessed the publications and web site of the central bank. Together with the Faculty of Economics and Business Administration, the University of Tartu, Eesti Pank ran an express survey on the use of its publications and web site in writing course papers and Master's theses.

In 2000 the Riigikogu passed the **Public Information Act**. **Eesti Pank will not have to make any major changes in handling information inquiries as the internal criteria in the Information Service of the central bank as regards the speed and contents of the reply were more stringent than the provisions of the Act.** In 2002 several new registers will be added to the current output on the web site.

OUTPUT-RELATED CHANGES IN 2000³

ANALYTICAL MATERIALS

Both the surveys of different consumer groups using Eesti Pank's analytical materials and the experience from presenting Eesti Pank's position show that **the interest in Eesti Pank's analytical materials, especially in the Monetary Policy & Developments Survey increased significantly in the year 2000**. This publication has secured its place among other central bank publications. Several non-bank publications have made increasing reference to the Monetary Policy & Developments Survey. The underlying reason could be that beginning from 2000 the Survey is published regularly four times a year, providing more systematic analyses and also increasing readers' expectations.

² Eesti Pank's publications are available to readers in public and study libraries of educational institutions or on the web site (<http://www.ee/epbe>) whereas for acquisition they are on sale for a symbolic price at the Museum of Eesti Pank.

³ See Communication Channels of Eesti Pank, pp 121 to 122.

Another publication, actively published and of increasing demand, is **Working Papers of Eesti Pank** – a series publishing summaries of bank-conducted economic studies⁴. There was major interest in the series at the fair *Rahakompass 2000* (Money Compass 2000) when Eesti Pank promoted itself as a source of business-neutral economic information and analysis. Unlike previous years, since 2000 all Working Papers have been available on Eesti Pank's web site.

Eesti Pank attempts to meet the demand for information with more universal standard materials of multiple interest. Thus, in 2000 a set of most demanded macroeconomic indicators, consisting of 120 tables in Estonian and English, was added to the public web site. As of March the publication of monthly statistics collections was terminated. Now the Eesti Pank Bulletin is published every month, its statistics section is more comprehensive, including also definitions and comments. The web site addresses referred to in the publications facilitate finding extensive time-series, disclosure schedules, normative documents and original sources used from the Internet.

INNOVATIONS ON WEB SITE

The launching of a public reporting system of commercial banks compliant with international best practice and its **comprehensively commented version on the web site of Eesti Pank** mark a significant step forward in increasing the transparency of Estonia's banking market. The new approach makes it easier for investors to compare banks and provides diversified information – both about the commercial bank and its group as a whole; whereas the central bank clarifies in detail the reporting principles and reporting requirements set for banks.

In 2000 the transition to **a quality output database system in statistics** accessible on the public web site started. **The new system will also be less labour intensive.** The new dynamic interface makes currently available all 546 tables in banking statistics and the database of daily exchange rates of the Eesti kroon. The user can choose the **suitable length and step of time series and download required data into his/her computer.** Extensive banking, balance of payments and international investment position as well as other macroeconomic statistics is available in real-time. A separate interface facilitates questions about the output to central bank experts.

Ever-deepening interactive approach in providing statistics and other materials was one of the significant communication priorities in Eesti Pank in 2000. Apart from statistics users have approved of the **interactive economic and financial indicators' express comment system on the web site.**

⁴ See also Promoting Economic Analysis: Economic Forecasts and Research, pp 46 to 47.