

# The Riksbank's communication before, during and after the financial crisis

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It is not easy to communicate concern without concerning, but by being open and clearly communicating the present situation, what problems have arisen and what measures are available to remedy the problems, communication can nevertheless be a positive force in crisis management. Over the past 25 years the Riksbank has gradually enabled outsiders to follow, examine and assess the Riksbank's operations. During the years just before, during and after the financial crisis the Riksbank made comprehensive changes in its communication. The windows were opened wide, for instance by the Riksbank beginning to hold press conferences after every monetary policy meeting, by publishing its own forecast for the repo rate and by publishing attributed minutes of the monetary policy meetings. The Riksbank also began to state reservations in the press releases and we invested in introducing plain language throughout the organisation. We changed our way of thinking, by turning around the question 'can we publish this?' to 'why shouldn't we publish this?' This attitude came to characterise the Riksbank's communication during the financial crisis.

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## 1 Introduction

There are very few provisions regarding the Riksbank's responsibility to provide information and reports in the Sveriges Riksbank Act. All that is stated is that the Riksbank shall provide a written account to the Riksdag (the Swedish parliament) twice a year and compile an Annual Report. But a central bank like the Riksbank, which is very independent, has an inflation target and is located in a country with a large financial sector, must nevertheless put a lot of effort into communication. The overall purpose of our communication is to ensure the Swedish people understand the significance of an inflation target and what tools are available to safeguard financial stability – otherwise it will be difficult for the Riksbank to attain its objectives. A high degree of independence namely requires a high degree of transparency to legitimise the Riksbank's decisions and measures, enable evaluation and scrutiny and also to increase the efficiency of our operations.

During autumn 2008 the international financial unease developed into a financial crisis that had major repercussions on the Swedish financial system. The crisis led to the deepest economic recession in Sweden since the Second World War. The stability of the entire global financial system was threatened and Swedish authorities were forced to take dramatic measures to ensure that the financial system in Sweden could function, see also Berg et al. (2018). The crisis came to affect the Riksbank's view of communication and also how we

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\* This description is to some extent based on Meyersson and Petrelius Karlberg (2012), and on the Riksbank's Annual Reports and the authors' own experiences, analyses and views. Pernilla Meyersson was Director of Communications at the Riksbank 2006–2013 and Ann-Leena Mikiver has been Director of Communications since 2013. A special thank you to Charlotta Edler for valuable comments.

developed our communication work and communication channels. This article describes what we did and how we did it and how it led to the Riksbank now being ranked as one of the world's most open and transparent central banks.

## 2 Communication on financial stability – a balancing act

In the field of financial stability in general, and particularly during a crisis, it is especially important to consider how much information can be mediated, at what point in time, who should mediate it and how. What risks can a central bank like the Riksbank describe and how can one communicate about them without arousing concern? How clearly can one point out individual banks and what one thinks that banks, other authorities and politicians need to do to reduce the risks in the system? The answers to these questions are not entirely clear.

In addition to being able to provide liquidity support to individual banks or to all participants in the financial system, when the crisis is already upon us, the Riksbank in practice has only one tool to prevent financial crises – to inform of and communicate about our assessments, the risks, and the measures that need to be taken to reduce the risks. The Riksbank has been criticised for being too low-key in communicating the risks in the financial system during the period prior to the financial crisis (see Hallvarsson & Halvarsson 2010).

As early as 2006 the Riksbank published its first so-called stress tests of the Swedish banks in the Financial Stability Report. These show how resilient the banks are to a severe deterioration in various areas. One of the stress tests consisted of a scenario where developments in the Baltic countries were much worse than expected. Two clear conclusions were communicated: Firstly, that this scenario was probable and secondly that it could radically deteriorate the Swedish banks' resilience. Despite the Riksbank having warned about economic developments in the Baltic region in its Financial Stability Reports since 2005, and despite using an increasingly sharp tone in each report that followed, the warnings were apparently insufficiently clear and sharp.

There are a number of factors that make it particularly difficult for this type of communication to have an impact with regard to financial stability. Firstly, it is difficult to arouse an interest in it and build up knowledge as long as everything is functioning as it should. The press conferences the Riksbank held in connection with the publication of the Financial Stability Reports attracted at most a handful of journalists up until 2008. It was only when the financial crisis reached our doors and US investment bank Lehman Brothers was declared bankrupt that interest dramatically increased. Secondly, the Riksbank needs to modify its tone when a crisis actually occurs. Then it is important to emphasise not the risks, but what is stable and to talk about the measures that are available to resolve the problems so that one can as far as possible create confidence in the financial system so the measures will have an effect.

During a financial crisis, there can also arise a conflict between transparency and confidence in certain situations. If the Riksbank were to say that a particular bank would not survive if it did not receive liquidity support soon, this could contribute to the bank going under. If the Riksbank instead were to say that the entire Swedish banking system is having problems obtaining funding, but that the Riksbank is prepared to provide the system with the liquidity it needs, then we are perhaps not completely transparent but we probably create confidence in the system and give the individual bank some breathing space to try to resolve its own problems. On the other hand, if the Riksbank were to claim in this situation that the banks have no problems whatsoever or were to refrain from communicating at all but nevertheless prepare liquidity support for the entire system, this would undermine confidence in the Riksbank. People would then no longer trust what we said, and would instead wait to see the results. During a crisis this could be costly.

### 3 The Riksbank's initial crisis communication

When the financial crisis occurred in 2008, the Riksbank decided early on that we would communicate anything that did not come under the headings of national security or corporate confidentiality. The data and material on which decisions were based, the considerations and reasoning behind these decisions, stress tests, estimates of loans losses, assessments of individual banks – more or less everything was communicated. All of the measures taken were communicated via press releases, press conferences or documents on which decisions were based. The Riksbank's website also carried a greater weight, now that new communication windows were opened, with web articles such as 'Financial unease', 'What does the Riksbank do?' and 'Frequently asked questions'. This was not the case in all countries. There were not many central bank governors who dared to conduct so much communication at the height of the crisis.

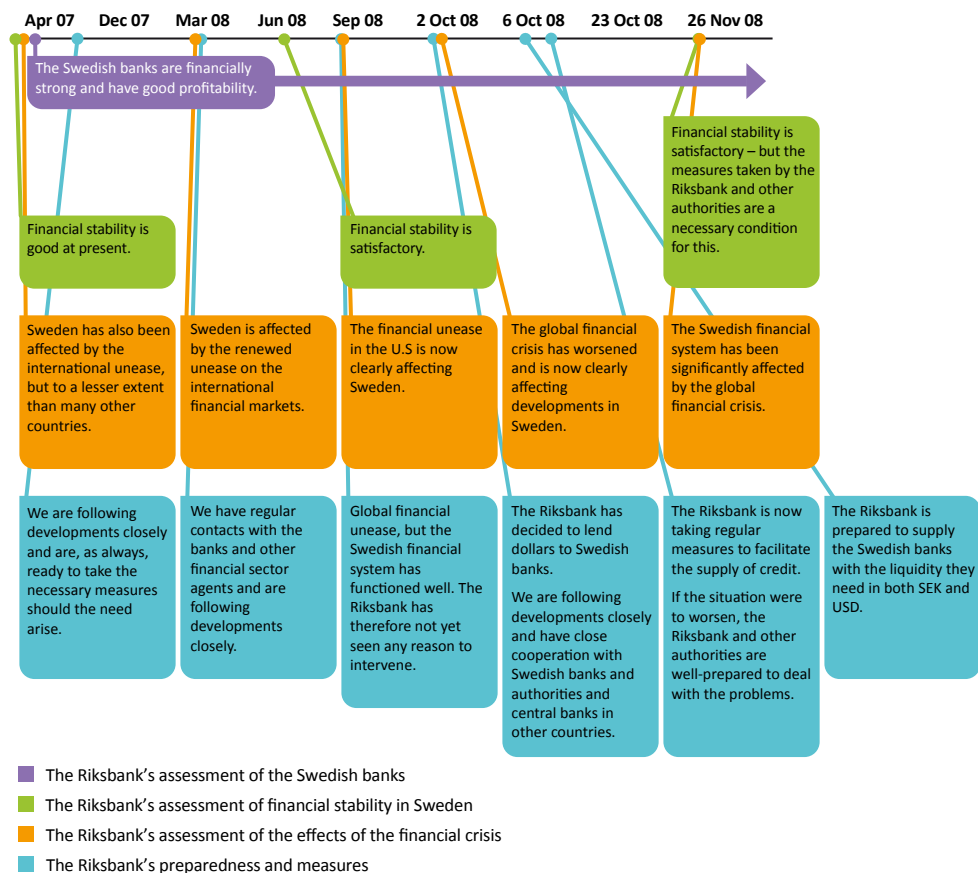
What had affected the Swedish financial markets at this point in time was essentially a problem with communication and confidence. The financial agents did not know whether one of their counterparts was sitting with a 'bad hand' in the form of non-performing loans or liquidity problems. They did not dare to trust one another, but withdrew, causing a liquidity shortage on the interbank market. In addition, developments in the Baltic region were a major cause of concern for the Riksbank.

#### 3.1 The tone was gradually raised

A week after Lehman went bankrupt, the Riksbank began a long communication series of press releases that gradually raised the tone to mark what threat the current developments entailed for financial stability. In its press releases, the Riksbank focused on the message that the banks would receive the liquidity they needed. One aim was now to issue stability messages every other day in leading media. At the same time, the Riksbank made assessments and deliberations prior to every publication to anticipate the effect it might have and determine whether the timing was appropriate.

Figure 1 illustrates how the Riksbank gradually raised the tone as the financial crisis began to affect Sweden more and more. Firstly an assessment of financial stability and how Sweden was affected at that point in time. In the boxes at the bottom of the diagram it says which measures were available or were used. At the end of the most acute crisis stage, the final blue box in the figure was formulated with a quote from Stefan Ingves that the Riksbank was prepared to provide the Swedish financial system with the liquidity needed. A Riksbank employee recalls when Mr Ingves himself was editing the final details of the press release and said 'we are issuing a blank cheque here, we have to in this situation.' The Riksbank was clear about mediating the obvious during the crisis. This is where we are now, this is where we want to go and this is what we intend to do with the help of these tools.

Figure 1. The Riksbank's crisis communication



Source: Sveriges Riksbank

Access for the media was also increased, all media should quickly receive some form of response to their questions in the form of interviews, factual information or referrals from the Riksbank, and the Riksbank's experts and heads of department should be visible in the relevant fields. An endless amount of information and knowledge-building was needed with regard to how the financial system worked, how the Swedish payment system worked and why Swedish financial markets and participants were affected in the way they were.

There was frantic activity around the world. Governments, central banks and other public authorities were forced to take unique measures at high speed. When smoothly functioning financial markets suddenly cease functioning and financial institutions experience problems that threaten the stability of the entire system, measures need to be taken to maintain stability. But first one needs persistent and constant communication regarding the measures that will be taken if the situation requires it.

### 3.2 Balance between crisis awareness and normality

Communication that creates confidence in times of crisis is completely decisive. Although the Riksbank had, for instance, pointed out the risks in the Baltic region, the analyses and assessments did not gain a foothold. During the acute phase of the crisis, the Riksbank continued publishing our stress tests and showed how these would affect the individual banks to try to bring about changes. The Riksbank's own assessments indicate that this contributed to creating confidence in the financial sector. By describing different developments and calculating what might happen, one reduces the scope for speculation. Some banks use the Riksbank's stress tests in their own communication to create confidence.

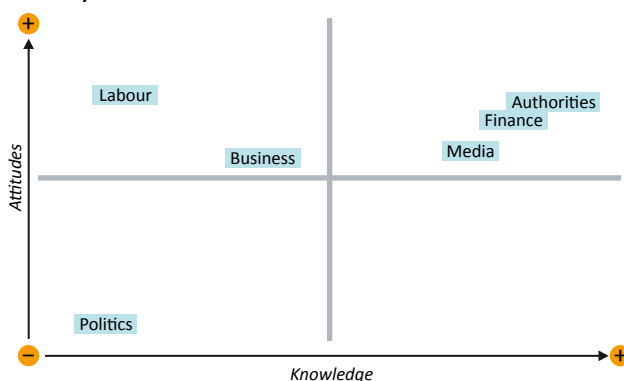
Despite Sweden's GDP falling by almost 6 per cent during the crisis, unemployment rising and the Riksbank having misjudged the strength of the financial crisis, as did most other analysts, confidence in the Riksbank increased during the height of the financial crisis and for a long time afterwards. Media researchers Johansson and Nord (2011) found in their report that the Riksbank's choice of message was marked by a balancing act between crisis awareness and normality – acknowledging the seriousness of the situation but not contributing to increasing concern.

## 4 Communication is a core business

Long before the crisis, the Riksbank had systematically worked to increase insight into its work and to make communication a core activity. Being clear about one's objectives, means and analyses is important to create a broad public support for an independent institution like the Riksbank. The independent status of the Riksbank places great demands regarding insight into the bank's activities so that they can be examined and evaluated. For almost 25 years the Riksbank has therefore been gathering experience of communicating the complicated relationships behind interest-rate decisions and assessments of financial stability. It has been a long journey, and not without problems, and it has led to the attitude that everything that is not covered by national security should be made public. Being criticised from time to time did not change this attitude – communication is a core activity and the Riksbank must deliver the messages over and over again, perhaps in a different way, but must never close the door.

Plain language has been another important part of the Riksbank's work on communication. What this entails is that information provided by public authorities should be simple, correct and comprehensive, and adapted to the target group. A large part of the Riksbank's management's job is to communicate so that all groups in society can understand, and to simplify, clarify and sharpen their messages and arguments. This became even more important during the financial crisis. New target groups began to be more interested in the Riksbank, to ask questions and want information not just about whether the repo rate would be raised or cut, but also about banks and their roles in society, the payment system, the financial lifeblood – the RIX system – and what tools the Riksbank could use in the crisis to prevent it spreading. To understand what information the different target groups need, the Riksbank has been measuring attitudes and knowledge levels among our primary target groups, see Figure 2. In 2007, three out of six primary target groups had a low level of knowledge about the Riksbank's work in the field of financial stability.

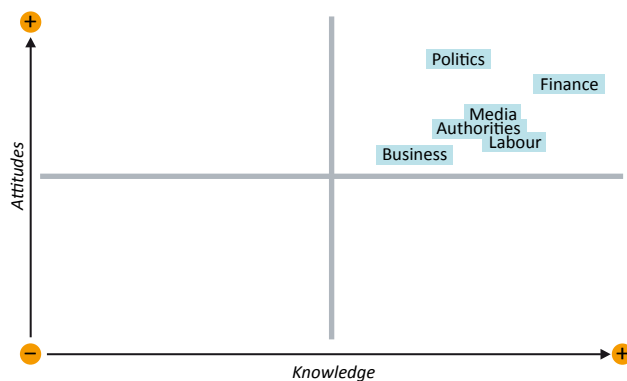
Figure 2. The target groups' attitude and knowledge about financial stability 2007



Source: StrandbergHaage Målgruppsanalys 2007

The first of these target group analyses thus showed that the knowledge level among some important target groups was low. In particular members of parliament and parts of the business sector showed deficiencies in knowledge about what financial stability entailed and what the Riksbank's role was. Confidence in monetary policy, on the other hand, was generally better among all of the target groups. One focus area for our communication during the period 2007–2016 was therefore to invite and communicate especially with the target groups with the lowest knowledge levels. In 2016, all target groups were in the upper right-hand corner of the figure, that is, they showed high levels with regard to both knowledge and attitude, see Figure 3. The measures taken, focusing on educating important target groups in the field of financial stability, had shown results.

**Figure 3. The target groups' attitude and knowledge about financial stability 2016**



Source: StrandbergHaage Målgruppsanalys 2016

## 5 Own forecast for the repo rate – windows wide open

The year before the financial crisis, the Riksbank started publishing its own forecast for the repo rate, known as the repo-rate path. At this point in time, there were not many central banks who dared to stick their necks out publicly in this way and say how they believed the policy rate would develop over the coming three years. There are still not many central banks that do this. At this point we also coined the expression 'this is the Riksbank's forecast and not a promise'.

The Executive Board decided at the same time that press conferences would be held following every monetary policy meeting, not just when the repo rate was adjusted. Not adjusting the repo rate was equally important information as adjusting it. Furthermore, the members of the Executive Board were to be named in the minutes of the monetary policy meetings, which until then had not been attributed. All of these measures were implemented to increase transparency and clarity with regard to the Riksbank's decisions and processes.

At first there were only a few professional communicators employed at the Riksbank and much of the information was formulated by the Riksbank's experts or by members of the Executive Board themselves. But the Riksbank's communications division was reorganised in 2007, just before the decision to begin publishing our own forecasts for the repo-rate path. More economists with experience of the Riksbank's policy departments were recruited and they came to take a much more active part in the internal processes leading up to external communication. Today there are communication experts involved in almost all of the Riksbank's activities from beginning to end, to ensure that the messages can be communicated to all target groups, that the external debate on the Riksbank's work

is addressed and that the members of the Executive Board can answer all of the questions asked about the Riksbank's operations. The communication work at the Riksbank is not a support function, but an integrated and strategic part of the whole of the bank's operations.

## 5.1 Responsibility for transparency, information and dialogue

Long before the financial crisis in 2008 the Riksbank was publishing Monetary Policy Reports, Financial Stability Reports and our own journal Economic Review. Speeches and lectures at universities and schools in Sweden were regular features of the Riksbank's communication work, as were many meetings with various groups in society to explain the Riksbank's operations. But the financial crisis entailed a need to communicate more often and to new groups. We began to use the Riksbank website much more than before. This channel enabled us to address a broader target group and to introduce new communication activities. For instance, chats were introduced, both on newspaper websites and on the Riksbank's own website. Short analyses, known as Economic Commentaries, became another new channel to address more current issues. Open forum, Riksbank Studies and Staff memos are further communication activities and products that have been added.

But despite the major changes, it has been important to the Riksbank to change gradually, both what we do and how we communicate it, to avoid confidence problems. It is only when the analyses and tools are in place and have been tested, and when knowledge has been built up within important target groups to interpret and assess more information, that we have made and implemented the decisions on increased transparency and openness. The gradual increase in transparency has applied not only to monetary policy but also to financial stability.

## 5.2 Reservations in the press releases – risk of cacophony

In 2009, the Riksbank began to make public how individual board members had voted on the monetary policy decisions. In this way, it would become clear immediately whether the decision was unanimous or whether someone had entered a reservation against it. Such possible reservations were published with the name and a brief motivation for the reservation, and it was only when the minutes of the meeting were published around two weeks after the monetary policy meeting that the individual members could describe their stances and deliberations in more detail in speeches and interviews. This was to avoid a cacophony of different opinions when the actual decision needed to be communicated to all target groups.

Although it was of course not just the Governor who took the decision, but all of the members of the Executive Board of the Riksbank, it is the Governor who represents the Riksbank for natural reasons. In a media context it works better to allow one individual to speak on behalf of the bank rather than a collective, even if the Governor has had to put up with considerable criticism over the years.

The Riksbank's aim to increase insight into its work by becoming clearer and more predictable was not always correctly understood. The change in the regulatory framework for giving information, which was an expression of this aim, was publicly criticised (see more in Meyersson and Petrelius Karlberg 2010). This criticism was at times loud, sometimes warranted, sometimes not. Sometimes we needed a retake and sometimes we needed to repeat what we had done.

As a complement to the press releases and similar one-way communication, the communicators, experts and Executive Board members proposed a new approach in the form of more dialogue. For instance, a chat was introduced into the website, financial analyst meetings were webcast and opportunities were created for discussions with target groups. The Governor of the Riksbank became the first central bank governor to chat with the general public and is, as far as we know, still the only one to do so.

### 5.3 Plain language prize – an important milestone

To come to terms with the occasionally complicated and cryptic language used in the Riksbank's reports and other texts, a plain language project was started in 2007 for all employees of the Riksbank. Plain language means that information provided by public authorities should be simple, correct and comprehensive, and adapted to the target group. The reward came in 2009, when the Riksbank received the Language Council of Sweden's prize for plain language, the Plain Swedish Crystal, with the motivation:

'From complicated material, the Riksbank has succeeded in creating texts which are easy to grasp and can be understood by an interested general public. Factual material is summarised on several levels – in shorter and longer summaries, in informative headings and in the introductory sentences of each section. The Riksbank's plain language work is conducted in a long-term and sustainable manner and has been integrated into the bank's daily work.'

This prize was proof that working on improving clarity pays off. Plain language work is currently part of our day-to-day activities and we have employed a full-time plain language 'coach'. As Governor Stefan Ingves put it: 'Our job is to speak and write in a manner that everybody can understand. This is a never-ending task.'<sup>1</sup>

The communication during the actual crisis functioned well and was perceived both in Sweden and abroad as transparent, clear and confidence-inspiring. But the fact that the communication work functioned smoothly during the crisis was largely due to the preparatory work in the previous years, when the Riksbank increased its transparency, gained a new organisation and educated employees regarding the importance of communication.

## 6 Openness creates challenges – disagreements leave their mark

The global and for Sweden acute stage of the financial crisis came to an end in late 2009, although the after-effects were felt over many more years. Between the years 2010 and 2014, the disagreement between members of the Executive Board of the Riksbank increased, covering everything from repo-rate decisions and forecasts to questions regarding the Riksbank's equity and foreign exchange reserves. This coincided with a fall in confidence in the Riksbank (see Sommerstein 2013). Never before had individual members been so strongly criticised by their peers. This had always been a risk, as less transparent central banks were quick to point out.

One can reasonably say that transparency was used in a new way by the Executive Board of the time. How should one manage this disagreement without being criticised for attempting to gag the board members? The new Executive Board decided to resolve this issue by revising the communication policy (see Sveriges Riksbank 2016). During 2013, an approach for the Executive Board's external communication was introduced, partly to create clearer game rules and a more collegial atmosphere. The Executive Board members then agreed that they have joint responsibility for spreading knowledge about the Riksbank's views, tasks and work in addition to expressing their own views in the economic debate. They shall naturally be able to hold and express their own personal views, which is one of the points of having six different members on the Executive Board, but this shall be done with respect for colleagues and consideration for the Riksbank as a public authority.

External analysts said that the damage was already done to some extent. Marvin Goodfriend and Mervyn King, who evaluated the monetary policy conducted by the Riksbank between the years 2010 and 2015 wrote: 'The extent of divisions, and in particular the way they were expressed, was damaging to the reputation of the Riksbank. Members of

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1 Quotation from a radio interview with Stefan Ingves in 2006.



the Executive Board must remember that their role is to present coherent arguments in a reasonable and persuasive fashion. If they use language which is designed to attack other members of the Board the public standing of the Executive Board is damaged. Minutes and interviews by Executive Board members displayed a degree of brusqueness uncharacteristic of normal public debate in Sweden' (see Goodfriend and King 2016).

## 6.1 The art of communication

Communication tools require a good hand, planning and constant evaluation, and yet there is very little advice on how to 'talk the walk', or as Alan Blinder said: 'Central bank talk can be done well or badly, and no one has yet formulated a set of clear principles (much yet clear practices) for "optimal" communication strategy, whatever that might mean [...]). Poorly designed or poorly executed communications can do more harm than good. So it is not obvious that a central bank is always better off by saying more.' (see Blinder 2009).

Transparency is always linked to risks and thus carries a price. Too much information, so that the main message is devalued, is one possible price. Communicating about risks and vulnerabilities in the financial system during a financial crisis is another risk that can aggravate the crisis. But a lack of transparency in a crisis is probably worse for credibility and confidence. It is a difficult balancing act that requires analysis and assessment in every situation. The Riksbank managed this during the financial crisis.

## 6.2 Communication developing as a monetary policy tool

In 2014, inflation fell further and inflation expectations declined. Moreover, the repo rate began to approach its lower boundary. The credibility of the inflation target was threatened and communication here needed to become more focused, uniform and clear, similar to when the inflation target was established in the early 1990s. But there was not the scope for nuances or reasoning in the same way as before. The Riksbank needed to convince people of the Executive Board's aim to attain the inflation target and the Executive Board communicated with a united front and clear message. The monetary policy decisions were supplemented with an insistent communication of why it was important to get inflation back on target.

At the same time as the message about the inflation target was clarified, communication also became a more important monetary policy tool. Oral and written communication was increasingly used to guide the financial market and financial journalists, although the repo-rate path itself has all along been a form of future guidance. Together with the repo-rate decisions, for instance, we communicated a 'high level of preparedness to act even between the ordinary monetary policy meetings' which further reinforced the message to the market and economic agents. Quantitative easing in monetary policy, that is, the Riksbank buying government bonds to push down interest rates and at the same time having a negative policy rate, are new elements in our monetary policy and once again require more dialogue with target groups to ensure that they understand the consequences of the Riksbank's decisions.

The Riksbank began warning as early as 2010 that the combination of rising housing prices and household indebtedness was unsustainable. The Executive Board of that time were strongly criticised for holding back and not cutting the repo rate enough or quickly enough, although the Board talked about holding back more than it did. The Riksbank was nevertheless perceived as tightening policy too much. But when inflation then continued to persistently undershoot the target, inflation expectations fell and the major central banks began to buy government bonds – then it was necessary to be clear about our main task: safeguarding price stability, which in this situation meant lower interest rates. But communicating the need to introduce a negative interest rate at the same time as households are continuing to borrow at a rapid rate is of course difficult.

## 7 Optimal level of transparency

The financial crisis showed how important it was to have one's own house in order before a crisis hits. Stability in the banking system and strong public finances makes it easier to communicate in a financial crisis. Furthermore you need the central bank to be ready to implement new measures quickly. Finally there is a need for communication to be ready to deliver messages creating stability and confidence.

A long row of measures to become more and more transparent led to the Riksbank receiving in 2014 the Central Banking Transparency Award from the Central Banking Journal (see Central Banking Journal 2014). The citation for the prize says that the Riksbank plays a pioneering role in central bank openness and clear communications by determinedly ensuring its processes and decision-making are transparent and clearly communicated.

Transparency, clarity and predictability have been and continue to be important ingredients for confidence in the Riksbank. Greater insight has contributed positively to confidence, but at the same time it is necessary to find the right balance. There is probably some form of optimal level for transparency, which varies depending on the surrounding factors. Too much and above all unclear information could be devastating at the wrong point in time. If there is too much disagreement at times and a lack of respect for different points of view, it can counteract its purpose and create instability instead of confidence, not only in monetary policy but also in questions relating to financial stability and the foreign exchange reserves, or the governance and management of the Riksbank. A high level of transparency also assumes that the Riksbank's own employees are constantly trained in formulating their analyses in such a way that they can be communicated to all target groups. We can never blame the recipient. If a message does not get through, it is because we who work at the Riksbank have not succeeded in explaining the context sufficiently well or that it is at a too abstract level – or possibly both.

Good crisis communication requires that structures and relationships based on trust have been built up earlier. During the 2008–2009 crisis, the media had a completely different 'monopoly' on news and information than they have today. Technology and social media enable individuals to become influencers, to set the tone and form opinions. The younger the target group, the fewer who have traditional media as their primary source of information. Working preventively to have a good crisis organisation ready currently means having ensured a stable and strong presence in social media. Today we cannot expect that a major newspaper interview will suffice to have a major nationwide impact on these target groups or the general public. Although traditional media will continue to be important in the Riksbank's crisis communication, the pace is faster and there are more channels now than during the financial crisis. Now it is necessary to communicate in more digital channels and the world around us has greater requirements regarding clarity, speech, responsiveness and dialogue. Getting one's message across in this media buzz through our own activities in social media is necessary to reach target groups that cannot be reached through the traditional media. The communication map looks different now. The Riksbank also needs to be on this map and to have wisely built up a position before the next crisis arises. Working preventively also means having cultivated a credible dialogue with the financial market agents, media and politicians who follow and examine the Riksbank.

## 8 Some lessons regarding communication

Sveriges Riksbank is today one of the world's most open central banks in terms of all possible measures, in both academic studies and also internal comparisons between different central banks (see for instance Dincer and Eichengreen 2014). There is a clear structure for most things that are communicated and with this comes a strategy that is currently based on being where the important discussions on the future of central banks are taking place – whether this is Sundsvall, Basel or Shanghai.

The financial crisis made the Riksbank pick up speed in building a more open, clear and modern authority. Communication has been and still is near the top of the Riksbank's agenda and it is always natural to bring in communicators at all levels. Central banks and other academic knowledge organisations are easily afflicted by the 'curse of knowledge'<sup>2</sup>. The financial crisis forced all employees to work in a completely new way with plain language to increase confidence in society.

Some of the lessons on communication learned by the Riksbank during the crisis were that it is particularly important in a crisis to push out the information before it is asked for and thus work more preventively and proactively than normal. One can always say something. Even if one does not know which measures need to be taken, how serious the situation is or who will be hit hardest, one can always talk about the facts. It is also important not to close any doors during the acute phase. If the Riksbank is forced to supply emergency liquidity assistance to a bank, it can rarely answer the question of whether the bank will go bankrupt later or whether it will need more money. It is also important to talk all the time about what is happening now and what the Riksbank's assessment is on the basis of the information that is available. Other lessons from the crisis were that the Riksbank's Financial Stability Report needed to become clearer and that the knowledge in this field was rather deficient at the time of the crisis. In December 2010 the Riksbank therefore began to publish recommendations to banks and authorities regarding which measures we considered needed to be taken to reduce the risks in the financial system.

Communicating clear and unambiguous messages is difficult. Doing so in a crisis is even more difficult. If one does not have the competence, routines, role allocations and systems in place before an acute crisis breaks out, it is difficult to communicate effectively. A lack of communication has moreover proved in many cases to aggravate crises for authorities, politicians and organisations. Good crisis communication means that one can instead affect the course of events and be a positive force in crisis management. The importance of cooperation and clear allocation of roles and responsibilities throughout the financial sector is also critical. One concrete example is the FSPOS network, (Finansiella Sektorns Privat Offentliga Samverkan – the group for private-public cooperation in the financial sector), which contributed to an open dialogue between authorities and the private financial agents during the financial crisis.<sup>3</sup>

To sum up some more general lessons from the last 25 years we have described in this article

- 1) The importance of having one's house in order prior to the crisis, namely having an established communication function. This includes both a strategic internal discussion of communication throughout the operations and a conscious build-up of relevant channels that can be used in both normal times and in a crisis.

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2 This expression means that employees who know a lot about a particular subject can easily assume that everyone else knows as much as they do when they are communicating with others and this means they end up talking over the heads of important target groups and forgetting to explain contexts and meaning.

3 This group provides an important hub for the sector and one of the networks included consists of the head of communication from all of the organisations. The group has drawn up a clear agreement, which has been anchored with the management groups of all of the organisations (see FSPOS 2017). This describes who shall take the initiative for communication in the next crisis or attack and how we as a group want this to be done (proactively, openly and quickly).

- 2) A crisis will occur, it is only a question of when and how. We therefore need to have a constant focus on maintaining proactive crisis communication updated. This can mean, for instance, that under normal circumstances we need to use new channels to reach broader target groups so we do not need to do this in the midst of a crisis. It is also important to speak and write in plain language and ensure that there is relatively good knowledge of the Riksbank's work in Swedish society.
- 3) Transparency must be cultivated. The past 25 years have shown us that this requires a balancing act. The more open our communication, the more internal discussion of regulations and structure there will be to ensure confidence in the institution is maintained, even if opinions on factual issues are divided. An openness towards the outside world requires that we are also open internally so that the best analyses and messages can be produced.

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