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CAN THE EUROPEAN CENTRAL BANK
CREATE A EUROPEAN IDENTITY?

Anders Ravn Sørensen

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Anders Ravn Sørensen

*Postdoc. PhD, Department of Management, Politics and Philosophy,
Copenhagen Business School*

In what ways do central banks construct community, and how may the European Central Bank (ECB) contribute to a supranational European identity? In this paper I seek to answer these two questions by developing a conceptual framework for the ways that central banks construct national identities and community. I use this framework to discuss the possibilities and challenges to the European identity-construction of the ECB. I argue that central banks generally create national identity and outline national communities in four ways: (a) through the practice of designing and circulating banknotes and coins, (b) by conducting national monetary policy that reinforces an impression of popular sovereignty and shared national fate, (c) through the statesman-like authority of the central bank director, and (d) through the headquarters of the banks themselves which operate as commemorative monuments. I then use the ideas to reflect on whether or not the ECB might contribute to the construction of a European identity. I argue that the ECB may contribute to European identity through the circulation of euro banknotes and coins, and that the ECB's anti-inflationary policies may promote European community. However, the identity-cultivating qualities of the ECB are severely challenged by the continuous existence of national central banks that function as strong symbols of national identity within the different member states.

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¹ Parts of this essay have appeared in revised form in the author's dissertation *Central bank legitimacy, currency and national identity: Four cases from Danish monetary history*. The dissertation was defended on September 9, 2014 at the Copenhagen Business School and is available at: <http://openarchive.cbs.dk/handle/10398/8975>. The author would like to thank Professor Michele Chang (College of Europe) and Lars-Emil Nybo Nissen (Copenhagen Business School) for comments and suggestions on earlier versions of this essay.

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A community of interest is assuredly a powerful bond between men. Do interests, however, suffice to make a nation? I do not think so. Community of interest brings about trade agreements, but nationality has a sentimental side to it; it is both soul and body at once; a Zollverein is not a patrie.

Ernest Renan¹

1. Introduction

Questions of national identity and community are by no means trivial, as they have real political implications. Within the EU, for example, national identities continuously pose barriers for further European integration². Even in the age of globalization, nations remain important entities that shape identity. This strong source of identity that is offered by the nation constitutes a potential challenge for political elites who seek to promote supra-national communities. Often these elites are forced to use the principles of the nation in order to go beyond it³. Monetary organization constitutes one such principle of the nation than can be used to cultivate national, and potentially supranational, identity. As European Central Bank (ECB) President Jean-Claude Trichet remarked in the January 13, 2009 celebration of the 10th anniversary of the euro, «The creation of the euro will one day be seen as a decisive step on the long path towards an ever closer union among the people of Europe»⁴.

This essay explores the potential of the ECB to construct a transnational European community to create a closer union among the people of Europe. For the purpose of this essay, drawing on Benedict Anderson, I understand collective identity as an imagined or perceived sense of collectivity that binds people together in a «deep horizontal comradeship»⁵.

The last two decades have seen an increasing interest in the connection between monetary organization, national identity, and community. Many

¹ RENAN, *What is a nation?*, in OLICK – VINITZKY- SEROUSSI - LEVY (Eds.), *The collective memory reader*, New York, 2011.

² CAREY, *Undivided loyalties in European Union Politics*, 2002; CHRISTIN – TRECHSEL, *Joining the EU? in European Union Politics*, 2002.

³ SMITH, *National identity*, London, 1991, 171.

⁴ TRICHET, *The euro at 10: Achievements and responsibilities*, in *Forbes*, January 13 2009. Retrieved from: http://www.forbes.com/2009/01/13/trichet-euro-crisis-markets-economy-cx_pm_0113ecbtext.html on August 10, 2014.

⁵ ANDERSON, *Imagined communities: Reflections on the origin and spread of nationalism* (Rev ed.), London, 2006.

scholars have underlined the idea that national currencies potentially construct and buttress national identity⁶. In particular, the introduction of the common European currency in 2000 sparked a range of studies that analyzed the connection between the euro and ideas of national belonging and identity. Many of these studies used quantitative data from euro-referenda and Eurobarometer statistics to analyze the relationship between national identity and attitudes towards the euro⁷. Overall, such studies point to the relationship between euro-skepticism and strong feelings of national pride and identity. Similarly, qualitative analyses have suggested that existing ideas and narratives about the national collective define the framework for understanding a supra-national currency like the euro⁸.

While the connection between currencies and national identity is well researched, less work has been done on the relationship between central banks and collective identities. Even though the importance of central banks in modern nation-building has long been acknowledged by scholars such as Giddens⁹ and Glasner¹⁰, the connection between central banks and national identity has largely evaded analysis. This is surprising, since early

⁶ GILBERT, *Forging a national currency: Money, state-building and nation-making in Canada*, in GILBERT - HELLEINER (Eds.), *Nation states and money: The past, present and future of national currencies*, London, 1999; HELLEINER, *National currencies and national identities in American Behavioral Scientist*, 1998; HELLEINER, *The making of national money: Territorial currencies in historical perspective*, Ithaca, 2003; POINTON, *Money and nationalism*, in Cubit (Ed.), *Imagining nations*, Manchester, 1998.

⁷ ANDERSON, *Imagined communities*, see above; BINZERER HOBOLT – LEBLOND, *Is my crown better than your euro?: Exchange rates and public opinion on the European single currency*, in *European Union Politics*, 2009; Carey, *Undivided loyalties*, cit.; CHRISTIN – TRECHSEL, *Joining the EU?*, above mentioned; JUPILLE – LEBLANG, *Voting for change: Calculation, community, and euro referendums*, in *International Organization*, 2007; KALTENTHALER – ANDERSON, *Europeans and their money: Explaining public support for the common European currency*, in *European Journal of Political Research*, 2001; MEIER-PESTI-KIRCHLER, *Nationalism and patriotism as determinants of European identity and attitudes towards the euro*, in *The Journal of Socio-Economics*, 2003.

⁸ MARCUSSEN, *EMU: A Danish delight and dilemma*, in DYSON (Ed.), *European states and the euro: Europeanization, variation, and convergence*, Oxford, 2002; MARCUSSEN – ZØLNER, *The Danish EMU referendum 2000: Business as usual*, in *Government and Opposition*, 2001; SØRENSEN, *The Danish euro: Constructing a monetary oxymoron in the Danish euro debate*, in *National Identities*, 2014.

⁹ GIDDENS, *The nation-state and violence* (Reprint ed.), Cambridge, 1996.

¹⁰ GLASNER, *An evolutionary theory of the state monopoly over money*, in DOWD-TIMBERLAKE (Eds.), *Money and the nation state: The financial revolution, government and the world monetary system*, New Brunswick, 1998.

institutionalists such as Karl Polanyi explicitly dwelled on the apparent relationship between central banks and feelings of national community¹¹.

Very recently, Tognato suggested that central banks must align themselves with discursive practices that reflect national identity in order to become legitimate and obtain monetary stability¹². As Tognato argues:

Whenever independent central banks start to speak the languages that define the collective identities of their own societies, and when they manage to recast their own institutional identity into national identity, their basis for support within society becomes much broader, and it gets easier for them to deliver monetary stability^{13,14}

The ambition of this essay is to follow Tognato's idea that central banking and national identity are connected. In contrast to Tognato's analysis, I will not focus on central bank legitimacy but instead develop four proposals for the ways in which central banks may contribute to collective identity. I use these ideas to discuss the possibility that the European Central Bank (ECB) might contribute to the construction of a common European identity. Thus, my aim is to highlight a range of powerful examples demonstrating the connection between central banks and collective identity construction, and to suggest potential theoretical entry points into this particular research field from which future studies might benefit. I propose that central banks must be considered elements of a continuous demarcation of national or supra-national communities 1) through the practice of designing and issuing banknotes, 2) by serving as symbols of the shared economic fate and as guardians of popular sovereignty, 3) through the iconization and heroic reputations of central bankers, and 4) through the physical presence of central bank headquarters that serve as theaters of national memory and economic monuments that are a component of ongoing identity politics.

In the four main sections below, each dealing with different bank/identity connections, I use a range of texts and materials. I turn to existing ideas and theories on the cultural elements of central banking, and I utilize both

¹¹ POLANYI, *The great transformation* (1st. paperback ed.), Boston, 1957, 205.

¹² TOGNATO, *Central bank independence. Cultural codes and symbolic performance*, New York - Basingstoke, 2012.

¹³ TOGNATO, *Central bank independence*, 9.

¹⁴ For more culturally oriented analyses of central bank practices, see also ABOLAFIA, *Narrative construction as sensemaking: How a central bank thinks* *Organization Studies*, 2010; HOLMES, *Economy of words. Communicative imperatives in central banks*, Chicago, 2013; ROSENHEK, *Diagnosing and explaining the global financial crisis: Central banks, epistemic authority, and sense making*, in *International Journal of Politics, Culture and Society*, 2013.

scholarly and popular literature on central banks and their governors as well as texts from central bank web pages and newspaper articles. Rather than developing a comprehensive theory on the central bank/identity connection, this essay must be considered a catalogue that combines existing theories on central banks, monetary organization, and nationalism with different types of empirical material to generate four hypotheses that future studies might build upon.

2. Circulating banknotes and coins

Perhaps the most obvious way that central banks contribute to the formation of national identity is through the symbols and motives emblazoned on official banknotes and coins. Although electronic payments have become increasingly common, most people still handle money on a daily basis, and the symbols on banknotes and coins has become a part of the national, ever circulating, symbolic repertoire.

In most countries, central banks exercise monopoly over the issuing of banknotes and have the final say in selecting appropriate symbols and designs. In doing so, they supply and reproduce parts of the state's symbolic repertoire. These symbols circulate unnoticed in our daily transactions and become a part of what Billig has deemed the endemic conditions of nations and a form of «banal nationalism»¹⁵. Many studies have analyzed the purposeful use of currency iconography to promote national identity and expand state legitimacy¹⁶. At the heart of these studies lies the assumption that the national symbolism found on currencies *does* something to national identity; currency iconography, to use the words of Eric Helleiner, is able to «cultivate a set of common nationalist beliefs and culture»¹⁷.

This view that the iconography of circulating currencies is a tool to promote European identity was indeed a key element of the design process of

¹⁵ BILLIG, *Banal nationalism*, London, 1995, 41.

¹⁶ See, e.g., GILBERT, *Ornamenting the facade of hell: Iconographies of 19th-century Canadian paper money in Environment and Planning D: Society and Space*, 1998; GILBERT, *Forging a national currency*, above mentioned; HAWKINS, *National symbols and national identity: Currency and constructing cosmopolitans in Tunisia*, in *Identities*, 2010; HELLEINER, *The making of national money*, above mentioned; HYMANS, *Money for mars? The Euro banknotes and European identity*, in FISHMAN - MESSINA (Eds.), *The year of the euro: The cultural, social, and political import of Europe's common currency*, Notre Dame, IA, 2006; WALLACH, *Creating a country through currency and stamps: State symbols and nation-building in British-ruled Palestine*, in *Nations and Nationalism*, 2011.

¹⁷ HELLEINER, *The making of national money*, 100.

the euro. When planning the design for the new euro-notes, the European Commission explicitly sought out motifs motives that would bolster a common European identity¹⁸. The solution was to emblazon the coins with both national and European symbols. Although the euro coins do in fact feature national symbols alongside European imagery, scholars still point to euro coins as medium of banal nationalism that could work to create European community¹⁹. The new euro banknotes featured no national symbols but referred to a common European architectural tradition. However, the archetypical bridges and buildings that were ultimately chosen to emblazon the notes referred to no specific country or region. The banknotes were kept deliberately supra-national in an effort to not alienate any non-selected country²⁰. As such, the euro banknotes and coins are obvious political tools which can be allied to promote European community.

Even though such a view on currency iconography as an ideological messenger appealed to EU policymakers, it might not be quite so straightforward to use money as a medium to promote specific identities. Recent analyses suggest that we have to reconsider this top-down view on currency symbolism. In a 2004 study, Jacques Hymans analyzed and compared banknote iconography from a range of European countries from the turn of the twentieth century until the present. Hymans concludes that European states have historically incorporated pan-European symbols into their note-iconography in an attempt to capitalize on their already established meanings, and not as an attempt to promote specific nationalist agendas. According to Hymans, European issuing authorities have historically sought to exploit the preexisting meaning of these symbols in an effort to promote legitimacy, both internally and externally²¹. In a similar vein, Kaelberer describes the relationship between a currency's legitimacy and existing ideas of community as one of mutually configuration²². The trust in and credibility of a currency depends on the preexisting ideas of community and identities in the area in which it circulates.

¹⁸ BEREZIN, *Great expectations. Reflections on the identity and European monetary union*, in FISHMAN - MESSINA (Eds.), *The year of the euro: The cultural, social, and political import of Europe's common currency*, Notre Dame, IA, 2006; HYMANS, *Money for mars?*, above mentioned.

¹⁹ RAENTO – HÄMÄLÄINEN – IKONEN – MIKKONEN, *Striking stories: A political geography of euro coinage*, in *Political Geography*, 2004.

²⁰ FORNÄS, *Signifying Europe*, Bristol, 2012, 215.

²¹ HYMANS, *The changing color of money: European currency iconography and collective identity*, in *European Journal of International Relations*, 2004.

²² KÄELBERER, *The euro and European identity: Symbols, power and the politics of European monetary union*, in *Review of International Studies*, 2004.

In a recent study, Penrose followed up on Hymans' suggestion to argue that central bank practices of printing and circulating banknotes with national symbols may not be a deliberate and explicit form of nationalism²³. Instead, the banal evocation of the nation's symbolic repertoire constitutes a form "statization"²⁴ that makes both state and nation seem ontologically evident²⁵. To put it simply, the mere practice of circulating banknotes reinforces the perception that the state really does exist.

2.1. Euros and European community

What, then, is the potential for euro banknotes and coins to construct European community and identity? Following the ideas above, I suggest that the common European currency has the potential to cultivate European community. While the European symbolism *on* banknotes and coins might promote community because they are diffused into the everyday activities of ordinary Europeans, the euro-designs may not be the most potent means for crafting identity. Instead, the mere "state practice" of designing and circulating money makes the idea of a European community seem ontologically evident and reifies the sense of a European collective. When the ECB engages in the practice of issuing money, it also engages in a statization of the European Union. As such, it reaffirms the state-like structure of the EU and, by such a state practice, strengthens a sense of European community.

As noted by Kaelberer, the nation-state as the sole source of political demos is challenged by the EU-structure, which offers a separate type of democratic and political community than the traditional nation-states.²⁶ The question of community is not a zero sum game, and people are able to simultaneously identify with different kinds of communities. However, the identity-cultivation that is driven by the existence of a common currency only works in countries that have actually adapted the euro. In countries like England and Denmark, the continued existence of national currencies works to reinforce the respective national communities.

²³ PENROSE, *Designing the nation. Banknotes, banal nationalism and alternative conceptions of the state*, in *Political Geography*, 2011.

²⁴ PAINTER, *Prosaic geographies of stateness*, in *Political Geography*, 2006, 155.

²⁵ PENROSE, *Designing the nation*, 434.

²⁶ KÆLBERER, *The euro and the European demos: Money and community beyond the nation-state*, in *Global Society*, 2010, 503.

3. Shared economic fate and monetary sovereignty

Besides the sense of community and identity that is connected to the circulation and designs of physical money, central banks also bind people together in a shared economic fate. As Helleiner notes, monetary events like interest rate changes or national currency devaluation affect society as a whole²⁷. The citizens of a nation with a homogenous territorial currency thus «experience monetary phenomena together».²⁸ Even though monetary events such as money supply changes or interest rate alterations do not affect individuals or groups in the same way, external monetary shocks are still experienced in a synchronous and collective manner. Such collective experiences potentially contribute to a feeling of belonging to a shared community of fate.

3.1. Sovereignty and economic fate in an EU context

How do these ideas about a shared monetary fate and feelings of sovereignty resonate in the context of the ECB? First, the ECB's focus on price stability across the euro-zone can be seen as a type of monetary policy that has the potential to bind Europeans together in a shared monetary fate. Changes in ECB interest rates and euro exchange rates are indeed experienced *collectively* by the citizens of the different euro-countries. However, the general economic conditions across the different euro-countries are still very different, as crisis-stricken countries like Greece and Spain have been on the verge of bankruptcy, whereas countries like Germany have fared much better. Thus, while some elements of ECB monetary policies might carry the potential to bind Europeans together in a shared monetary fate, there is still a long way to go before the Greeks and the Germans can be said to genuinely share the same monetary experience.²⁹

As to the second point about the sense of popular sovereignty that stems from being able to conduct independent monetary policies, the structure and competencies of the ECB might very well work to weaken European community. The euro-countries have effectively yielded their right to develop

²⁷ HELLEINER, *National currencies and national identities*, 1420.

²⁸ HELLEINER, *National currencies and national identities*, 1420.

²⁹ LYNN, *Bust: Greece, the euro, and the sovereign debt crisis*. Hoboken, 2011. Retrieved from: <http://site.ebrary.com/lib/librarytitles/docDetail.action?docID=10446681> on August 26, 2014.

and institute individual monetary policies, as they are now governed by a supra-national institution. This was a key argument made by Danish euro-skeptical parties in the debate leading up to the Danish euro-referendum in 2000. According to such arguments, by standing outside the euro-zone, Danish policymakers would retain the ability to choose between different monetary policies. Even if these decisions ultimately proved to be costly and wrong, they would still be the decisions of *Danish* policymakers, and the Danish electorate would retain the opportunity to reward or punish their elected politicians accordingly. The Danish electorate would have given up that opportunity if the euro had been implemented in Denmark³⁰.

As such, the potential for the ECB to forge a supra-national European community by creating a sense of a shared economic fate and giving the impression that Europeans are, in fact, controlling national monetary policies, is somewhat questionable. Europeans do not, as exemplified by the present circumstances, share most monetary experiences together. In the case of Greece, the ECB became a symbol of EU supremacy and was framed as an organization that impeded on Greek sovereignty. However, implementation of the euro not only leads to feelings of lost sovereignty and influence. After 2000, when central banks within the euro-zone struggled to redefine themselves, central bankers insisted that they still played a role in sustaining national sovereignty. In a 2006 interview, an official from the Central Bank of the Netherlands argued that, «Before the [European Monetary Union] we were just following the policies made in Germany; after we joined the [European Central Bank] we once again became a part of the group of people that were setting monetary policy»³¹. Of course, the view expressed here is the view of a central banker. Whether Europeans generally share the same kind of optimism and consider the euro an increased opportunity to conduct monetary policies, remains questionable.

4. Central bank governors: heroes and superstar technocrats

A third way that central banks create collective identities is through the perceptions and representations of the central bank governors. Even though it remains contested whether the persona of the central bank governor indeed

³⁰ SØRENSEN, *The Danish euro*, above mentioned.

³¹ MAES - VERDUN, *National banks of Belgium and the Netherlands: Happy with the euro*, in DYSON - MARCUSSEN (Eds.), *Central banks in the age of the euro: Europeanization, convergence, and power*, Oxford, 2009, 109.

affects actual monetary policies³², central bank governors have the potential to function as national heroes that embody their national communities. According to historian Geoffrey Cubitt, a hero must be understood as “any man or woman whose existence, whether in his or her own lifetime, or later, is endowed by others, not just with a high degree of fame and honour, but with a special allocation of imputed meaning and symbolic significance – that not only raises them above others in public esteem but make them the object of some kind of collective emotional investment”³³. As Anthony D. Smith has shown, the interpretation and reinterpretation of a cadre of national heroes constitutes a key element of the symbolic construction of national communities. As Smith notes, «While definitions of grandeur and glory vary, every nationalism requires a touchstone of virtue and heroism, to guide and give meaning to the tasks of regeneration»³⁴. Thus, heroes provide the nation with concrete human form as the national myth becomes incarnated in the virtues of this heroic individual³⁵.

While some research has been conducted on the importance of kings and presidents as national symbols³⁶, less work has investigated the notion of central bankers as national heroes, ones who are safe guards of national sovereignty and national, monetary heroes. Stuckey, for instance, argues that the U.S president «has become the nation’s chief storyteller, its interpreter-in-chief»³⁷. According to Stuckey, the stories that presidents tell demarcate the American nation and the national community.

³² MEHRLING – MOSS – PIXLEY – TAVLAS, *What if the leader of the central bank told hilarious jokes and did card tricks? A panel of experts* in *American Journal of Economics & Sociology*, 2007; SØRENSEN, *Superstar technocrats: The celebrity central banker*, in *Celebrity Studies*, 2014.

³³ CUBITT, *Introduction: Heroic reputations and exemplary lives* in CUBITT - WARREN (Eds.), *Heroic reputations and exemplary lives*, Manchester, 2001.

³⁴ SMITH, *Myths and memories of the nation*, Oxford, 1999, 64-5.

³⁵ HUTCHINS, *Heroes and the renegotiation of national identity in American history textbooks: Representations of George Washington and Abraham Lincoln, 1982–2003*, in *Nations and Nationalism*, 2011, 650.

³⁶ CANNADINE, *The context, performance and meaning of ritual: The British monarchy and the 'invention of tradition', c. 1820-1977*, in HOBBSBAWM - RANGER (Eds.), *The invention of tradition*, New York, 2008; HUTCHINS, *Heroes and the renegotiation of national identity*, above mentioned; SCHWARTZ – SCHUMAN, *History, commemoration, and belief: Abraham Lincoln in American memory, 1945-2001*, in *American Sociological Review*, 2005; STUCKEY, *The president as interpreter-in-chief*, Chatham, 1991; STUCKEY, *Defining Americans: The presidency and national identity*, Kansas, 2004; TYRRELL – WARD, ‘God bless her little majesty’: *the popularising of monarchy in the 1840s*, in *National Identities*, 2000.

³⁷ STUCKEY, *The president as interpreter-in-chief*, 1.

In the same vein, I propose that central bankers potentially constitute heroic, quasi-religious symbols of national character that both render meaning to and draw meaning from the prevailing conceptualization of the national community. In a 2004 article, Tognato even spoke of central banking as a form of «secular religion», and showed how public representations of the German Bundesbank and its chairman have historically been permeated with religious references³⁸. In a similar vein, Johnson dubbed central bankers «the priests of prosperity», underscoring the religious aura and connotation of central bankers³⁹.

Let me put forth a couple of examples. In his salutatory work on Alan Greenspan, renowned journalist Bob Woodward anointed the long standing U.S. Federal Reserve (Fed) chairman as «the symbol of American economic preeminence»⁴⁰. Although Greenspan's bibliographic legacy was later tainted by the financial turmoil of 2008 and subsequent recession⁴¹, for many years Greenspan served as a monetary father figure who incarnated the promise of American economic prosperity.

Similarly, bibliographers of Greenspan's predecessor, Paul Volcker, depicted the cigar-smoking Fed-chairman as a «financial legend».⁴² In the words of Volcker's biographer William Silber, he was indeed «more than a central banker»; he was the «hero» who captained «the epic battle against the Great Inflation in the 1970s»⁴³. In the eye of the public, Volcker's battle with inflation saved the country from economic ruin and he thus «became a hero to many of his fellow countrymen»⁴⁴. Volcker eventually attained the aura of central banking super star when he was portrayed on the cover of Time Magazine in 1982. Present day chairman Ben Bernanke (the 2009 Time Person of the Year) was depicted on the cover of The Atlantic in March 2012. Here, Bernanke was described as the «hero» who, during the 2008 economic

³⁸ TOGNATO, *In the name of money: Central banking as a secular religion*. Manuel Ancizar lecture Universidad Nacional, Bogotá, October 30, 2004, unpublished.

³⁹ JOHNSON, *Priests of prosperity: The transnational central banking community and post-communist transformation*. Paper presented at the European Union Studies Association biannual meeting, April 2007, unpublished.

⁴⁰ WOODWARD, *Maestro: Greenspan's Fed and the American boom*, New York, 2000.

⁴¹ BATRA, *Greenspan's fraud*, New York, 2005; FLECKENSTEIN – GREENSPAN – SHEEHAN, *Greenspan's bubbles: The age of ignorance at the Federal Reserve*, New York, 2008.

⁴² TREASTER, *Paul Volcker: The making of a financial legend*, Hoboken, 2004, cover page.

⁴³ SILBER, *Volcker: The triumph of persistence*, New York, 2012, 1-2.

⁴⁴ SILBER, *Volcker*, 1-2. See also SØRENSEN, *Superstar technocrats: The celebrity central banker*, above mentioned, for an elaborated argument on central bankers as heroes and villains.

crises, rescued America and «navigated masterfully through the most trying of times»⁴⁵.

Obviously, prominent central bankers have not always encouraged this positive alliance to the nation. Central bankers who are perceived as villains might inspire quite the opposite reaction⁴⁶. The point is simply that central bankers have the potential to possess the heroic qualities that could make them national symbols who contribute to national identity formation.

4.1. The ECB president as a monetary hero?

Will the persona of the ECB resident have the ability to act as a European monetary hero and construct a European community? At first glance, one might think that Mario Draghi, for example, held such heroic potential. For example, on a 2013 cover of Time Magazine, Draghi was described as the man who would fight to save not only the euro, but also the dream of a united Europe⁴⁷. In a similar fashion, Jean-Claude Trichet has been described as «the perfect mister euro» who was well aware that monetary matters is closely related to issues of national identity⁴⁸.

However, although the ECB president might hold heroic potential to forge European community, as with most central bankers, Draghi and Trichet also possess a potent villainous potential. Both Greek and Spanish protesters have regularly used both pictures and full-sized (ignited) puppets of both Trichet and Draghi while demonstrating against what they perceived to be austerity measures imposed by the ECB. As such, the perception and heroic potential of the ECB president is inherently bound up in general economic and monetary circumstances. When things go right, they may be worshiped, but when economic crisis hit, they are the first to be blamed. This point parallels Hansen's recent work that shows how bankers, and financiers in general, have

⁴⁵ LOWENSTEIN, *The villain*, in *The Atlantic*, April 2012. Retrieved from <http://www.theatlantic.com/magazine/archive/2012/04/the-villain/308901/> on November 13, 2013.

⁴⁶ Indeed, when Paul Volcker launched his anti-inflationary campaign in the early 1980s and raised interest rates in the wake of the recession, he very quickly became a loathed figure, was designated an "enemy of the state", and was accused of conducting anti-American policies.

⁴⁷ MAYER – SCHUMAN, *Mario Draghi: The man who would save Europe*, in *Time Magazine*, January 17 2013. Retrieved from <http://business.time.com/2013/01/17/mario-draghi-the-man-who-would-save-europe/> on November 20, 2013.

⁴⁸ LYNN, *Bust*, above mentioned.

historically been exalted as heroes or branded as villains, depending on the contextual interpretations of their deeds⁴⁹.

Another point that threatens the ECB president's heroic reputation is the fact that the president of the ECB is competing with the central bank governors of the different member states. As the countries of the euro-zone have retained their own central banks and central bank governors, the ECB president is not the only figure who incarnates the monetary fate of the various member states. Even though the ECB president could be a symbol of European community, the mere existence of national central banks across Europe dilutes the symbolic potency of the ECB president. National central bankers indeed have the potential to strengthen the national identity in different euro-countries. Even though it is possible for individuals to simultaneously possess a range of different identities (for instance, to be both German and European at the same time), the competing presence of national and supranational central banks most likely weakens the community-cultivating potential of the ECB president.

5. Central bank headquarters – the hearts of monetary policy

Finally, central bank headquarters constitute a material manifestation of the otherwise abstract concept of monetary policy. To paraphrase Leyshon and Thrift, the physical spatiality of financial centers are «what make the non-place electronic realm conceivable»⁵⁰. Even though, as French et al. have argued,⁵¹ conceptualizing the nation state as the sole container of economic activity fails to adequately describe the networks of international finance, the headquarters of national central banks still constitute the most visible symbols of an enforced monetary authority, which since the beginning of the 20th century has been considered an indispensable element of national economic sovereignty⁵².

I suggest that central bank headquarters can be considered monetary monuments and sites of economic commemoration. As Boyer argues, the

⁴⁹ HANSEN, *Making sense of financial crisis and scandal: A Danish bank failure in the first era of finance capitalism*, in *Enterprise and Society*, 2012.

⁵⁰ LEYSHON – THRIFT, *Money/space: geographies of monetary transformation*, New York, 1997, 307.

⁵¹ FRENCH – LEYSHON – WAINWRIGHT, *Financializing space, spacing financialization*, in *Progress in Human Geography*, 2011, 808.

⁵² LEYSHON – THRIFT, *Liberalisation and consolidation: The single European market and the remaking of European financial capital*, in *Environment and Planning A*, 1992.

ornate buildings erected by state elites function as theaters of memory that offer an opportunity for the ritualistic enacting of state practices.⁵³ The sense of sameness over time that exists at the core of any individual or group identity is sustained by the process of remembering⁵⁴. But collective memory does not happen by itself. It needs to be stimulated, reproduced, and spatially situated. Public memory, understood as the process that forms prevailing cultural understandings of “nation” or “people”, is both spatial and social in nature⁵⁵.

Arguably, the physical headquarters of national central banks constitute only a small part of the large pool of potential symbols that can be mobilized to demarcate a national community. However, the conspicuous buildings of central banks around the world differ from other types of monuments, including royal castles or grand boulevards, with respect to the functions they perform. They are the material manifestations of the nation’s shared economic fate and they often epitomize power, wealth, and stability. Through the promise to either speed up or slow down the wheels of the printing press, central bankers are perceived to control the nation’s faith from their corner offices.

In his 1987 book *Secrets of the Temple*, William Greider contributed to the mystification of the Fed and its governing body by arguing that, «The governors of the Federal Reserve decided the largest of questions of the political economy, including who shall prosper and who shall fail, yet their role remained opaque and mysterious»⁵⁶. Although the Fed’s decision making process and its governors, especially in the Bernanke-run Fed, might be less unintelligible and occult than Greider imagined, the Federal Reserve Headquarters on Constitution Avenue in Washington DC does indeed look like a temple. Its monumental scale, marble columns, and classical ornamentation all serve to spark the conception that something esoteric yet profoundly important occurs inside its walls.

This is why central bank buildings stand as monuments of monetary clout and potency. For example, on the homepage of the Swedish central bank *Riksbanken*, visitors are informed of the design considerations of headquarter-architect Peter Celsing. «If you think the building seems impregnable, that was exactly Celsing’s intention. Sveriges Riksbank is supposed to look like

⁵³ BOYER, *The city of collective memory: Its historical imagery and architectural entertainments*. Cambridge, MA, 1994, 1-29.

⁵⁴ GILLIS, *Commemorations: The politics of national identity*. Princeton, 1994, 3.

⁵⁵ FOREST - JOHNSON – TILL, *Post-totalitarian national identity: Public memory in Germany and Russia*, in *Social & Cultural Geography*, 2004, 358.

⁵⁶ GREIDER, *Secrets of the temple: How the Federal Reserve runs the country*, New York, 1987, 12.

the strongbox that it is. A building built to last»⁵⁷. Here, Riksbanken's building is explicitly articulated as an everlasting fortification from which Swedish monetary policy emanates.

In some cases, central banks endeavor in even more overt identity policies that go beyond the power of monumental headquarters. The central banks of England, Germany, Japan, Canada, Finland, and Belgium (amongst others), have established permanent currency or bank museums that are directly connected to and operated by the bank. According to the Currency Museum of the Bank of Canada, the purpose of its exhibitions is to «interpret Canada's monetary and economic heritage, increase public awareness of the Bank of Canada, and foster confidence in bank notes and the Canadian financial system»⁵⁸. The Bank of England and its museum have design a designated "kid's corner" where families and schools are able to «discover some of the treasures in our collections, and some surprising facts about the Bank and its history!»⁵⁹. These central bank museums are not neutral disseminators of objective historical fact. Like any other museum or other type of organized cultural heritage, these institutions are inherently political. Museums play an important part in the continuous process of commemoration and are crucial to the politics of national identity. Through the display of national cultural heritage, they act as a force in forging self-consciousness⁶⁰.

National identity and the process of collective remembering or commemoration are sustained by cultural artifacts (i.e., what is sometimes called cultural heritage). In his seminal analysis of cultural politics and nationalism in Quebec, the American anthropologist Richard Handler describes this «fetishism of material culture». According to Handler, the very existence of material culture such as artifacts, monuments, and buildings often justifies and legitimizes the existence of ethnic communities. In order to claim a certain national identity, the display of cultural relics is often used in a tautological fashion to demonstrate that one actually *has* a culture.

⁵⁷ Sveriges RIKSBANK, *The architecture*. Retrieved from <http://www.riksbank.se/en/The-Riksbank/The-building/The-architecture/> on May 22, 2013. The website text is in both Swedish and English. The original Swedish word choice further underlines the supposedly timeless and immutable qualities of Swedish monetary authority. Here, the headquarters are described as "*Ett hus byggt för evigheten*," which can be translated as "a building erected for all eternity".

⁵⁸ BANK OF CANADA, *About the museum*. Retrieved April 4, 2013, from <http://www.currencymuseum.ca/about-museum/>.

⁵⁹ BANK OF ENGLAND, *Bank of England museum*. Retrieved April 4, 2013, from <http://www.bankofengland.co.uk/education/Pages/museum-kids/default.aspx>.

⁶⁰ KAPLAN, *Museums and the making of "ourselves": The role of objects in national identity*, London, 2004, 1.

Communities thus claim and cultivate national identity by pointing to their tangible remnants of material culture⁶¹. Similarly, Johnson points to monuments as important centers around which expressions of local and national identity can be articulated⁶².

Handler and Johnson's points are particularly interesting if we look at the commemorative politics of the Central Bank of Switzerland. *Die Schweizerische Nationalbank* not only celebrated its 100th anniversary publishing a more than 800 pages of commemorative publication with contributions from renowned international scholars of financial history such as Michael Bordo and Harold James, but the bank also launched a publication, more than 100 pages in length, dedicated exclusively to its Bern headquarters that were founded in 1907. The commemorative power and symbolic importance of this building was highlighted in the preface written by the board of governors:

A building makes an institution visible and gives it its own distinct expression. The construction of a new building is therefore a challenging undertaking. It needs not only to be practical, aesthetic and integrated in its surroundings environment, it must also possess a highly symbolic force. Ideally, the building is a symbol of the institution it houses⁶³.

Under the headline 'The Swiss National Bank: A Monument'⁶⁴, the authors set the scene by noting that it is the Swiss Central Bank and not the Swiss Parliament that occupies the prestigious address *Bundesplatz Nummer*

⁶¹ HANDLER, *On having a culture. Nationalism and the preservation of Quebec's patrimoine*, in STOCKING (Ed.), *Objects and others: Essays on museums and material culture*, Madison, 1985.

⁶² JOHNSON, *Cast in stone: Monuments, geography, and nationalism*, in *Environment and Planning D: Society and Space*, 1995.

⁶³ HILDEBRAND – JORDAN – DANTHINE, *Vorwort des Direktoriums der schweizerischen Nationalbank* in BAUMANN – HALBEISEN – RUOSS (Eds.), *Die schweizerische Nationalbank in Bern eine illustrierte Chronik*, Zürich, 2012. Authors' translation of the German into English: [Ein Gebäude macht eine Institution sichtbar und gibt ihr das Gepräge. Der Bau eines neuen Gebäudes ist deshalb ein anspruchsvolles Unterfangen. Es muss nicht nur zweckmässig sein, ästhetischen Ansprüchen genügen und sich gut in die Umgebung einfügen; es muss auch von hoher Symbolkraft sein. Im Idealfall wird das Gebäude zum Sinnbild für diejenige Institution, die es beherbergt.]

⁶⁴ The Swiss German word *baudenkmal* encapsulates the perceived commemorative qualities of the building.

1. This point, the authors argue, will not be lost on an audience with just a little knowledge about Switzerland as a financial center⁶⁵.

5.1. Frankfurt as Europe's monetary heart?

Does the ECB hold the same promise and potential monetary monument and *baudenkmal* (a commemorative building) that reflects and reinforces European identity? Until recently, the ECB resided in the looming Eurotower building in Frankfurt. Adjacent to the main entrance, a euro-symbol that was more than 20 feet tall welcomed visitors and marked the building as the absolute epicenter of the European monetary union and its central bank. The symbolic qualities of the European Central Bank headquarters became very overt when construction of a new ECB premise began in 2010. In fact, the building was explicitly framed as a symbol of European identity. According to the bank's website, «The ECB's new premises will not only create a single base for its operational activities, but also stand as a visible symbol of the ECB's identity»⁶⁶.

In a speech at the ground stone laying ceremony in Frankfurt in May 2010, Lord Mayor Petra Roth articulated the spatiality of monetary policy when she addressed EBC President Jean-Claude Trichet. «The European Central Bank», Roth declared, «is the heart of hearts of this financial centre and within the last few weeks it has perhaps been the most important European institution of all. Brussels is the decision making centre of the European Union and Frankfurt is the nucleus from which Europe's financial policy emanates»⁶⁷. The heart analogy outlines a metaphorical European physiology in which Frankfurt, and the ECB building in particular, becomes the absolute epicenter of European monetary authority. In September 2012, at the topping out ceremony of the new ECB premises, ECB executive board member Jörg Asmussen once again underlined the symbolic qualities of the new building, expressing a «hope that our new premises will be viewed by the people of

⁶⁵ BAUMANN – HALBEISEN – RUOSS, *Die schweizerische Nationalbank in Bern eine illustrierte Chronik*, Zürich, 14.

⁶⁶ ECB, *A symbol of identity.*, retrieved from <http://www.ecb.europa.eu/ecb/premises/intro/vision/html/index.en.html>, on May 13, 2013

⁶⁷ ROTH, *Grundsteinlegung Europäische Zentralbank am 19. Mai 2010 um 17 Uhr. Ansprache Oberbürgermeisterin Petra Roth*, 2010. Retrieved from: http://www.ecb.int/ecb/premises/pdf/20100519_speech_ob_roth.pdf?e22b95869b0a35bf58ca7959d51a43d on May 16, 2013.

Frankfurt, and beyond, as an enrichment of Frankfurt's skyline and the landscape of Europe»⁶⁸.

Whether the ECB building will actually work as a commemorative monument of Europeanness and enrich "the landscape of Europe" remains to be seen. At least one obstacle challenges the potency of the ECB premises as a commemorative site; the continued existence of central bank buildings across the different euro-countries reinforces the image of national monetary sovereignty. These central bank headquarters are often located at conspicuous and prominent addresses adjacent to parliaments and other official institutions. Each day thousands of individuals pass these buildings, and when they do so they are banally confirmed of the potency of their state institutions, becoming situated in a national landscape rather than a European landscape on a regular basis.

6. Conclusion

In this essay, I have used a range of different materials in a combination with various theoretical concepts to suggest four ways in which central banks might reinforce collective identities. First, I suggest that central banks reify the sense of national or supranational community by designing and circulating banknotes. However, in contrast to most existing research on currency iconography, I downplay the idea of top-down identity cultivation through currency iconography. Instead, by drawing on the work of Penrose, I argue that we must instead consider the design and circulation of the European currency as a form of "state practice" that makes a European state and a European community seem ontologically evident. This practice of statization through currency production is one potential way that the ECB could contribute to a European community and identity.

Secondly, following Helleiner, I argue that central banks contribute to community and identity by binding people together in a shared monetary fate and by giving impression of popular sovereignty. Although the stability culture of the ECB could potentially bind Europeans together in a shared monetary fate, the general economic conditions across the euro-zone are still very uneven. Other economic circumstances such as unemployment and the development of a national balance of payment might prove stronger sources

⁶⁸ ASMUSSEN, *New ECB premises topping out ceremony. welcome address by Jörg Asmussen, member of the executive board of the ECB, Frankfurt am main, 20 September 2012.*, retrieved August 22, 2014, from http://www.ecb.europa.eu/press/key/date/2012/html/sp120920_1.en.html.

of a collective sense of shared economic fate than one that stems from the anti-inflationary policies of the ECB.

Thirdly, I suggest that central bank governors contribute to national identity when they are perceived as national heroes, safe-guarders of the economy, and as symbols of collective prosperity. I argue that is unlikely for the ECB president to develop into such a pan-European hero and icon that inspire feelings of Europeaness and forges European community. On the contrary, in southern European euro-countries, the ECB president has sometimes been framed as a villainous character that inspired nationalist, and not European, feelings. Also, the continued existence of national central bankers across the euro-zone potentially mitigates the strength of the ECB president as a symbol of Europeaness.

Finally, I argue that central bank buildings and headquarters constitute theaters of national memory and work as monetary monuments able to sustain a collective memory of the nation and contribute to national identity. Although European politicians and central bankers explicitly consider the ECB premises to be a European monument, the presence of various central bank headquarters across the euro-countries undermines the potency of the ECB premises as an integrating symbol of European *baundenkmal*.

The four suggestions developed in this essay might very well prove to be overlapping, and I claim no clear cut boundary between the different phenomena. Instead, my ambition has been to propose a conceptual framework for the role of central banks in forging community. By concisely considering these ideas within the context of the European central bank, I have pointed to a range of opportunities, but also to considerable challenges, that face the ECB in the task of cultivating European identity.