Central bankers in the contemporary global field of power: a 'social space' approach

Frédéric Lebaron

In the context of the financialization of the global economy, and the importance of financial elites (see Savage and Williams in this volume) the role of central banks has become particularly important. The financial crisis of August–September 2007, (the 'sub prime mortgage crisis') has given a new illustration of the growing functional importance of these central banks, which are in charge of monetary and financial stability through their particular daily interventions on the markets. As 'lenders of last resort' in case of declining confidence between banks or financial actors and, more generally, 'custodians of monetary stability' as they are often described, central bankers determine the general level of confidence in the set of monetary and financial instruments which have developed in recent years, and contribute highly to the production of macroeconomic decisions, and financial dynamics.

Behind the opaque walls of central banks, well known to be very secretive institutions, particular social agents appear to be a new economic and political elite. Their role, action and beliefs have become determinant for the reproduction of the economic and social order as a whole. This specific 'financial' elite is related to the state bureaucracy (from which it frequently emanates), to the political field and to the dominant actors of the financial markets. In Europe, the creation of the European Central Bank (ECB) has objectified this process by putting the so-called 'independent' governing council of the ECB at the centre of monetary policy but also of macroeconomic policy in general. In the very recent period, European central bankers have been put under political pressure by French politicians, condemning the high level of interest rates and above all the over-evaluation of the Euro, resulting from the specific actions of the ECB.

In this situation, knowledge of the social trajectories which lead to the position of central banker in different parts of the world is a first step to understanding the social reality behind the emergence of these new global elites. It will help for example to determine the degree of homogeneity of this group and its internal structures; this knowledge will also give an understanding of the social 'embeddedness' of monetary and macroeconomic decisions, otherwise seen as structural macro-conditions without any social content. In this sense, the sociology of central bankers is a specific contribution to economic sociol-

ogy, especially to the understanding of the political-institutional basis of the functioning of markets (see Fligstein for an approach centred on this question).

In the next section, I present the centrality of the space of central bankers in the global field of power and its particular structure. I then focus on comparative analyses about the social properties of the members of monetary policy councils in the three most influential central banks (from the United States, Europe and Japan), using specific Multiple Correspondence Analysis.

My results suggest that part of the differences in the strategies of central banks is related to specific social characteristics of their 'leaders' and that, more generally, the social structure of the space of central bankers provides a key for understanding the economic behaviour of central banks.

Towards a sociology of central bankers

There are at least two competing viewpoints in the main discourses about central banks. The first one, dominant in the academic field, is provided by economics, which describe central banks as units of rational choice, involved in a game essentially made of strategic actions and reactions (for elements of syntheses see Blinder, 2004). The central banks are only more or less 'independent' according to various criteria – legal, behavioural, etc.; the preferred functions of the central bankers are more or less 'conservative' (reluctant to inflate) according to the personal tastes of the governor(s). But the behaviour of central banks is above all supposed to be essentially inspired by a universal economic rationality (produced by a scientific discipline: economics); when the differences in the environment are controlled, the strategies of different central banks seem then very close (see for a recent example of this conceptionof the European Central Bank: Gerdesmeier *et al.*, 2007).

1   The second viewpoint is provided by journalists (and actors of financial institutions). Central banks are described as places where singular individuals, usually 'governors' (sometimes called 'president' or 'chairman'), defined by their personal psychological and technical dispositions, are largely the origins of decisions made by the banks: interest rates cuts or rises, economic and monetary strategies in general. An extreme illustration of this second type of discourse is the common journalistic spin regarding Alan Greenspan, the well-known chairman of the Federal Reserve Bank of the United States between 1987 and 2006. This long-lasting central banker is usually taken to be responsible for a period of no-inflation growth, productivity rise, the success of the 'new economy', ups-and-downs of the financial markets; see for example Woodward, (2001): 'Greenspan, an old-school anti-inflation hawk of the traditional economy, is among the first to realize the potential in the modern, high-productivity new economy – the foundation of the current American boom (. . .) who has become the symbol of American economic pre-eminence.'

The first type of discourse lets individuals disappear inside a rational entity (the central bank), whereas the second reduces central bankers to exceptional

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personalities (governors). This double symmetrical reduction leaves a – largely empty – space for analyses inspired by economic sociology (for a short synthesis on economic sociology and money, see: Swedberg, 2003: 151–154). Central banks can also be defined as particular economic administrative and political organizations, defining social spaces that are rooted in historical-cultural contexts. Their decisions are made by social agents, who discuss, argue, and interpret the (economic) world and who try to convince each other (for a detailed sociological study of the minutes of the Federal Reserve Bank, see Abolafia, 2006).

Councils as social spaces

My own analysis, based on biographical data analysis, stresses the importance of these councils ('monetary policy council', 'committee', 'governing council' . . .) as specific social spaces, shaped by legal-institutional rules, where different types of capitals, accumulated by individuals, are at stake. These spaces are inserted inside a more global field, what I call the global field of power. By field of power, I mean, following Bourdieu (1989), a space where agents possessing a relatively high volume of different sorts of capitals compete and struggle with each other to determine their value (for a recent discussion and application using Geometric Data Analysis, see Hjellbrekke *et al.*, 2007). One of the consequences of the current internationalization of fields is the constitution of a global field of power where agents from various national spaces relate to each other across borders. The space of central bankers has a specific position inside this global field. My analysis is therefore a response to Savage and Williams's call in the introduction for Bourdieusian analyses to re-invigorate the study of elites.

This perspective allows me to avoid another usual reduction, which is the assimilation of central bankers' decisions to the simple motive of global financial class interests (as is still often done in the Marxist tradition). In my perspective, the following sociological arguments are decisive:

– the social space of a monetary policy council is inserted in the global field of power;
– this social space is relatively autonomous; 'independence' and belief in independence are related to the characteristics of its members;
– in this social space, various species of capitals are at stake, in a dominant or a dominated role;
– it is a place of symbolic struggle, where language plays an important part (any decision being first 'debated' and 'argued' inside the arena of the council's meetings before becoming the official decision of the bank);
– the strategies of the central banks (monetary policy but also budget discourse, economic position takings, etc.) depend on these symbolic struggles;
– central banks are also inserted in a more global political, economic and financial context.

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These arguments also complete and, to some extent, nuance, the descrip-
tion of an 'epistemic community' ('global community') of central bankers
(Marcussen, 2003), who are supposed to share a common definition of mone-
tary policy and orthodox economic conceptions all over the world. The group
of central bankers is clearly dominated by a neo-liberal creed (on which see
Lebaron, 2006) but the precise monetary and budgetary strategies, economic
policy models, and conceptions of which 'structural reforms' to implement can
vary highly inside this world, and these variations may explain different patterns
of behaviour and/or discourses between the central banks. National specific con-
ceptions, traditions or dispositions toward monetary policy also differ accord-
ing to contexts and modalities of insertion inside the global field of power. The
social networks described among the central bankers are themselves embedded
in more constraining social structures.

More concretely, in this empirical investigation, my aim was to study the
space of central bankers as a sub-space of the global field of power, with three
main questions:

1) What are the principal dimensions of this space, looking not only at the gov-
   ernors but also at the members of the three main councils of monetary
   policy?
2) Are there sociological differences between the three largest central banks
   (ECB, Fed and BoJ)?
3) Are these differences sociologically consistent with differences in a central
   bank's strategies and behaviours?

Methodology

The beginning of this project was a case study of the appointment of the nine
members (one governor, two alternate governors, six members) of the first
'conseil de la politique monétaire' (Council of monetary policy) by the French
government, which occurred after the decision to make the *Banque de France*
'independent' from political power in 1993 (applied in 1994), following the con-
ditions of the Maastricht treaty voted by the French citizens in 1992 (Lebaron,
1997). Since this first study, I have collected biographical data about central
bankers: governors (chairmen / presidents), alternate governors and members
of the councils. At this point, I have not included high civil servants of the
central banks (general directors, alternate general directors, etc.), who can nev-
ertheless have a very important practical and decisional role inside the organi-
zation, but who do not take part formally (namely, with voting rights) in the
main economic and political decisions of the banks, the decisions on leading
interest rates.[1]

It might seem relatively 'easy' to find biographical information about central
bankers. Different professionals from the financial institutions understand very
well the strategic importance of knowing more concretely the persons in this

field. 'Buba'-watchers, European Central Bank-watchers, the economic and financial media practically scrutinize *who is who* in the councils and, especially, who the persons just nominated are and what the possible consequences of their nomination might be for the implementation of the monetary policy of the bank. This practical interpretative work rests on a sort of biographical spontaneous inference: some members are, for example, supposed to be 'hawks' or 'doves' (which means more or less concerned with inflation and close to economic-monetary orthodoxy), according to their various successive positions takings in the press, their institutional and professional backgrounds, their social networks, etc.

   As main sources of our own research, we used:

– publications and newsletters of Central Banking Publications Ltd, especially the *Who's Who in Central Banking?*, published by Morgan Stanley Bank.
– the official Web-sites of the Central Banks;
– other diverse Web-sites of Central Bank-watchers;
– national and international *Who's Who* (accessible, for example, at the library of the European Commission in Brussels);
– journalistic articles and books;
– interviews.

   Biographical information, of course, is dependent on the official production of biographical data. It has been noted by various scholars that the media and the political field contribute to the social construction of individuals through a collective and individual strategic work on the biographies (Collovald, 1988). This requires me to be prudent in the use of biographical data coming from these kinds of sources; but the direct collection of data through surveys being difficult if not impossible in this field, we are forced to rely mainly on these data.

   The statistical method used in this work is Geometric Data Analysis, and more precisely, specific Multiple Correspondence Analysis (Le Roux and Rouanet, 2004, 369–384). This is the method used by Bourdieu in *Distinction* which seeks to array a range of modalities (variables) in geometric space, using a version of principal components analysis. It is a method that can be used to display the positions of agents within a field, in keeping with the field being researched (according to sociological understandings of the kinds of factors relevant). This allows me to *construct a social space*. The more that individuals differ on a large number of questions and on rare modalities, the more they are distant from each other in the resulting multidimensional cloud. This cloud – the central object in GDA – is projected on the axes according to the criteria of maximizing variance along each axis (applying spectral analysis theorem). Resulting axes are orthogonal to one another. The first axes give a summary of the main distances in the overall cloud: one has to determine the number of axes to be interpreted and providing the best summary, through the use of eigenvalues and (modified) rates of variance. Two related clouds are then studied using relative contributions of questions and modalities to the axes: the cloud of indi-

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viduals (which contains all relevant information) and the cloud of modalities (which can be seen as a synthesis of mean properties of the space).[2]

Finally, supplementary elements (ie, further questions which are not used to construct the space itself, but which may be associated with it) are projected onto the space. This makes it possible to interpret the axes through looking at what kind of additional factors appear to be related with the organization of social space.[3]

This method is consistent with my interest in exploring the nature of inter-individual variability in a social space structured by dominant oppositions. It has been successfully used, for example, in the study of the French space of company managers (Bourdieu, 1978). This approach can be seen as a complementary alternative to social network approach in the sense that it considers fields as strong social structures resulting from the unequal distribution of various social resources. Rather than focus on the networks linking members of elites, it allows us to assess how similar or different they are in terms of a range of relevant attributes, such as their education and career trajectory.

The space of governors in the world around 2000: a first global picture

As already stated, the space of central bankers can be described as a sub-space of the global field of power, which is the field of dominant agents in contemporary global society. This sub-space is even relatively 'central' in the structure of the global field; it is composed of very diverse forces representing most of the main poles of the global field of power: the economic and political powers, the university, the media, etc. These forces compete inside the field defined by the institution of the central bank to impose a certain direction to the monetary (and macroeconomic) control of the economy. The central bank is a State institution controlling the rules and some of the conditions of the monetary market, which makes it a very particular – and to some extent central – player in the global economic field. The precise conditions of its interventions vary, of course, according to national history and specific legal and political conditions; but it is relatively homogeneous now in the context of the liberalization of financial markets since the second half of the 1980s.

The study which I summarize above was conducted in 2000 on a relatively small population of 94 governors (leaders) of central banks in the world. Biographical information being even more limited or difficult to obtain in an international context, this study can be conceived as an exploratory analysis of the structure of the field (Lebaron, 2000). The list of governors (a selection of persons who have been governors in the second half of the 1990s) depended first on accessible information about these leaders in the 'Who's Who' in Central Banking and on the official web-sites. Data were collected in 1998–99. Governors of national central banks integrated in the European Central Bank were included.

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A specific MCA was performed, with 10 active questions and 37 modalities. More detailed results are described in Lebaron (2000). Three headings have been chosen to construct the social space: educational trajectory (8 modalities), career (10) and professional trajectory (19). This last heading contains 19 active modalities, which means it comprises more than half of the total number of active modalities. It means that an important role in the construction of the space is played by the set of institutions that an individual went through, besides the dominant traits of his (all the individuals here are male) educational trajectory and career, which contain 18 modalities, well balanced between both aspects. To summarize, the following modalities are used to construct the social space

– Educational trajectory (8): Discipline (4), Diploma (4)
– Career (dominant) (10): Place of the career (3), Sector (7)
– Professional trajectory (19) has had a position in the following institutions: Central Bank (2), Private Sector (3), Other administration (3), University (3), International Organization (5), Political Field (3).

Four axes have been retained for the complete statistical and sociological interpretations of the MCA (see Table 1). The first four axes represent 31.3 per cent of the total variance of the cloud, ie a modified rate of 79.7 per cent. We will centre in this synthesis on the first principal plane (axes 1 and 2).

The cloud of individuals resulting of this specific MCA has a triangular form in plane 1–2 (see Figure 1). Among these individuals, one can locate well-known personalities: Alan Greenspan (Federal Reserve Bank), a bit down on axis 2, Jean-Claude Trichet (who is now president of the European Central Bank after having been the governor of the Banque de France) on the right on axis 1, Ernst Welteke (then governor of the Bundesbank) and Wim Duisenberg (then president of the ECB), on the top of axis 2.

The relations between these agents can of course also be analysed in terms of social networks (Marcussen, 2003) they are members of certain institutions, which create various institutional or professional links between them. But we can also see that they occupy positions which are structurally impossible to reduce to ties inside a social network, and which relate to variations in their types of social trajectories, and to the specific sorts of capital they have been accumulating. Their position in a social space is not based on the structure of ties in a network but on distances between sociological properties. As Bourdieu noticed, networks are

Table 1: *Eigenvalues and rates of variance*

|	Axis 1	Axis 2	Axis 3	Axis 4
Eigenvalues (λ)	.239	.220	.199	.190
Raw rates of variance	8.9	8.1	7.3	7
Modified rates	30.2	22.1	15.1	12.3
Cumulated modified rates	30.2	52.3	67.4	79.7

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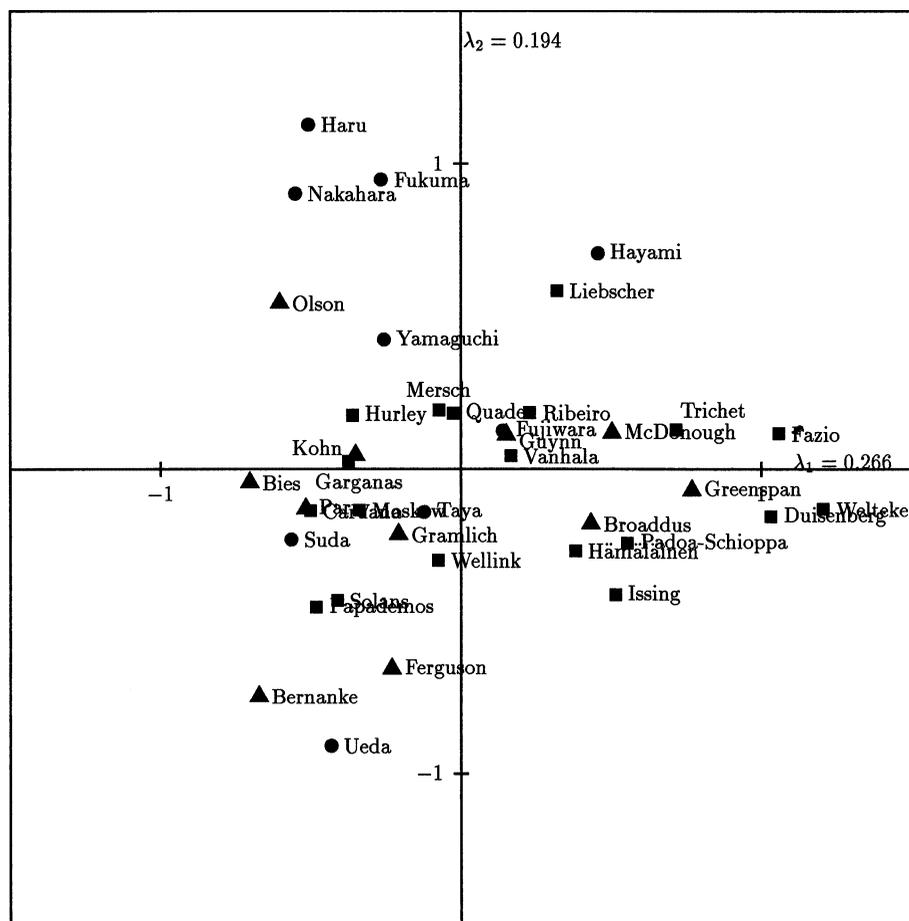
Figure 1: *The Space of Monetary Policy Councils. Cloud of individuals in plane 1-2.*

grounded on a kind of 'interactionist' view of social relations. For him, people who never meet each other are nevertheless objectivly related, through the different volumes and compositions of assets they possess. Social capital can not be seen as entirely independent from other sorts of capital and, on the contrary, it tends to the reproduction of unequal positions (Bourdieu, 1989).

The first opposition described by MCA in the space of governors separates the insiders (who made their career inside the central bank, at the International Monetary Fund, or at the World Bank, which appear to be closely related to a career in the central banks) and 'personalities' who were appointed at the head of the central bank after a mainly academic, political or economic trajectory and whose symbolic capital has been accumulated inside the global field of power but *outside* the bank. This first axis corresponds to competing definitions
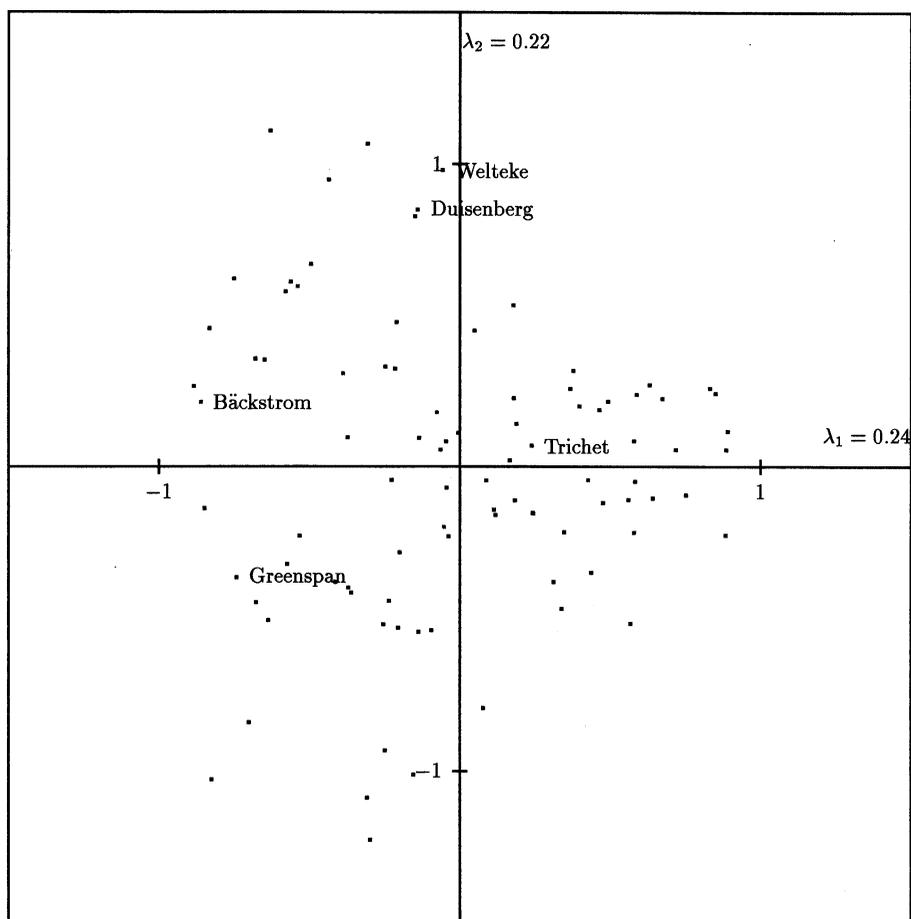
Figure 2: *The Space of Governors with personalities. Cloud of individuals in plane 1-2.*

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of economic excellence, which depend on the length of time with national and international public monetary and financial institutions: the position of governor can be described as the end of a specifically achieved internal career or can be, by contrast, a position invested by political, academic or financial actors at a certain moment of their personal trajectories.

The second axis corresponds to the opposition between the universe of global private finance and private enterprise on one side and the university and politics on the other, between individuals with a Bachelor of Arts (less educational capital) and the ones with a PhD. It is an opposition between an intellectual-political definition of excellence and a more pragmatic one, which can be observed as a principle of definition in many debates concerning monetary policy.

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Coming back to the cloud of modalities (Figure 3), one can interpret the characteristics of an agent as personal structural properties. The position of an individual in the cloud of modalities lays at the barycentre (centre of gravity) of its own modalities. We see for example in Figure 4 that Alan Greenspan accu-
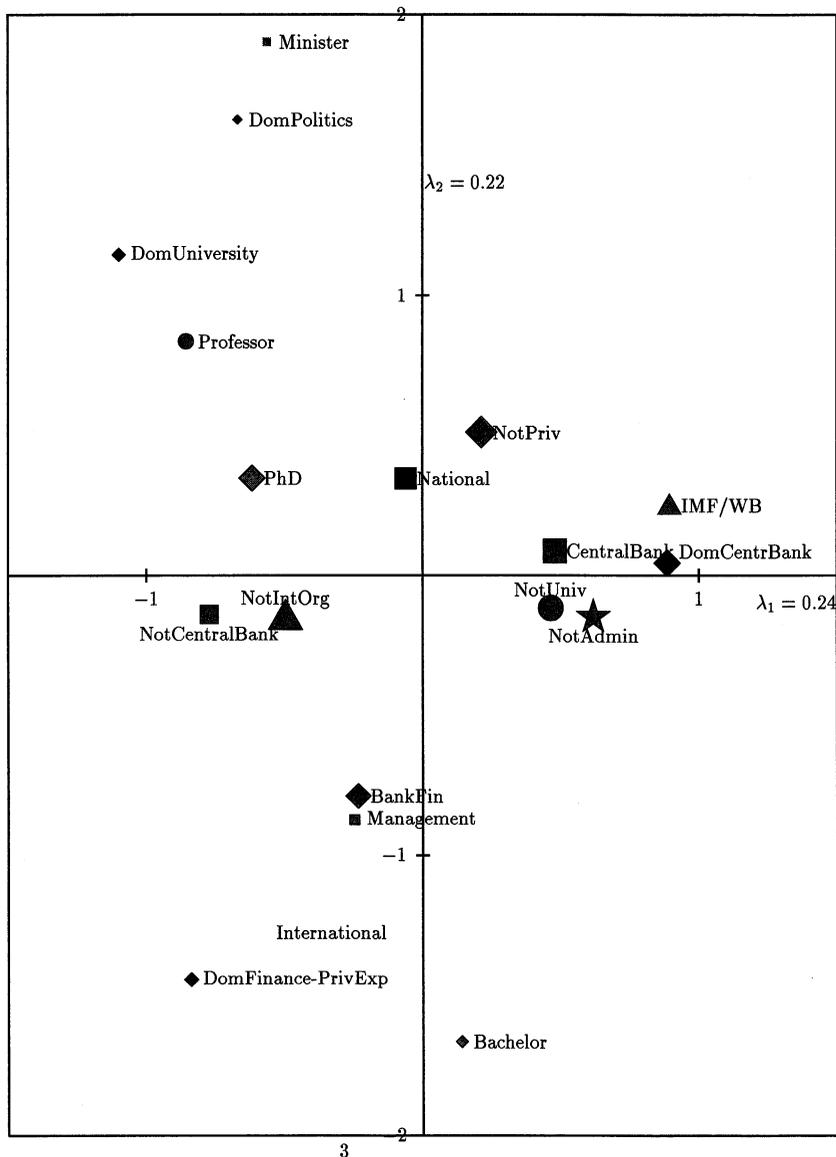
Figure 3: *The Space of Properties of the Governors. Cloud of modalities in plane 1-2. Modalities contributing the most either to the first or to the second principal axis.*
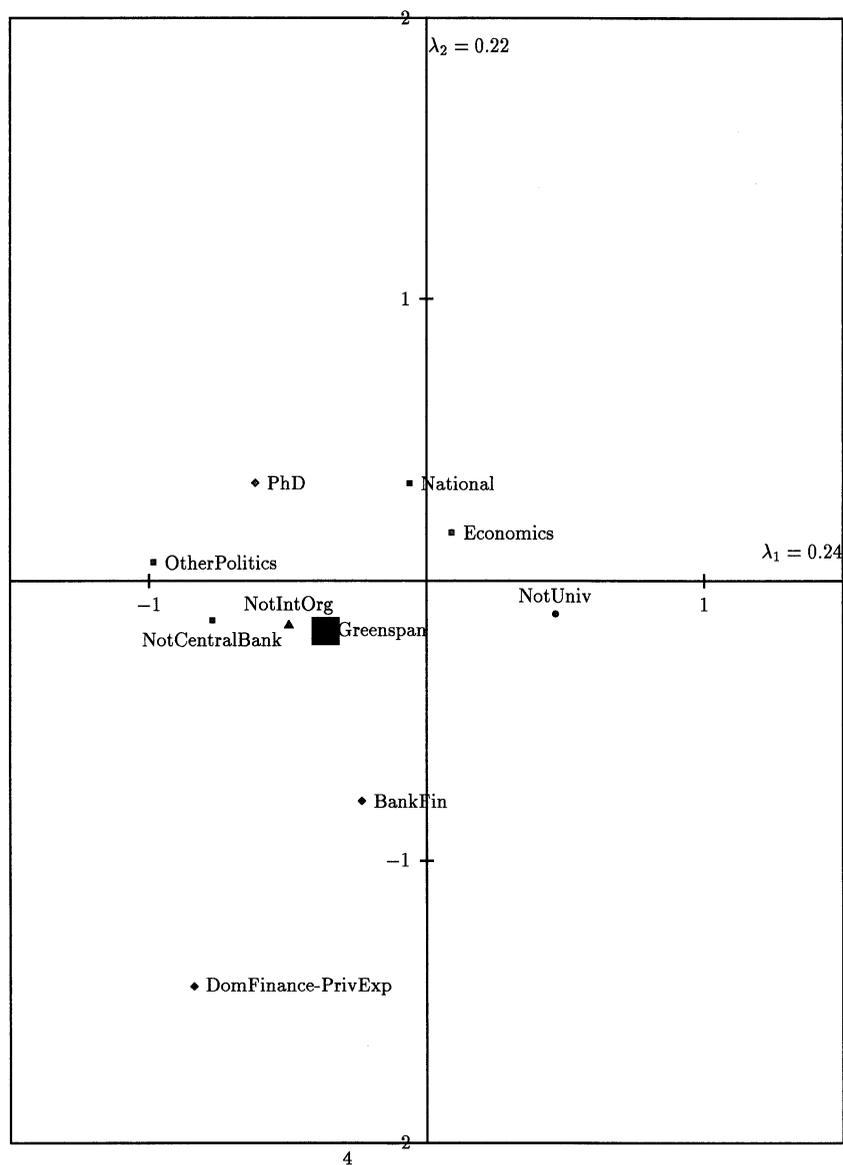
Figure 4: *Greenspan in the space of his properties. Cloud of Greenspan's modalities in plane 1-2 with mean-point.*

mulates properties which are often opposed, like the links with the political field, the highest academic degree (PhD in economics) and a career of economic expert on the financial markets. This may help to explain the exceptional struc- ture and volume of his symbolic capital, which made him one of the most pow-

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erful economic actors in the 1990s, especially through his 'influence' on the world
financial markets.

Differences between the regions of the world, projected as supplementary ele-
ments of the MCA, also appear, mainly on the second axis, with an opposition
between Europe (eastern and western) and Latin America on one side (politi-
cal) and other regions on the opposing side (see Figure 5). This opposition is
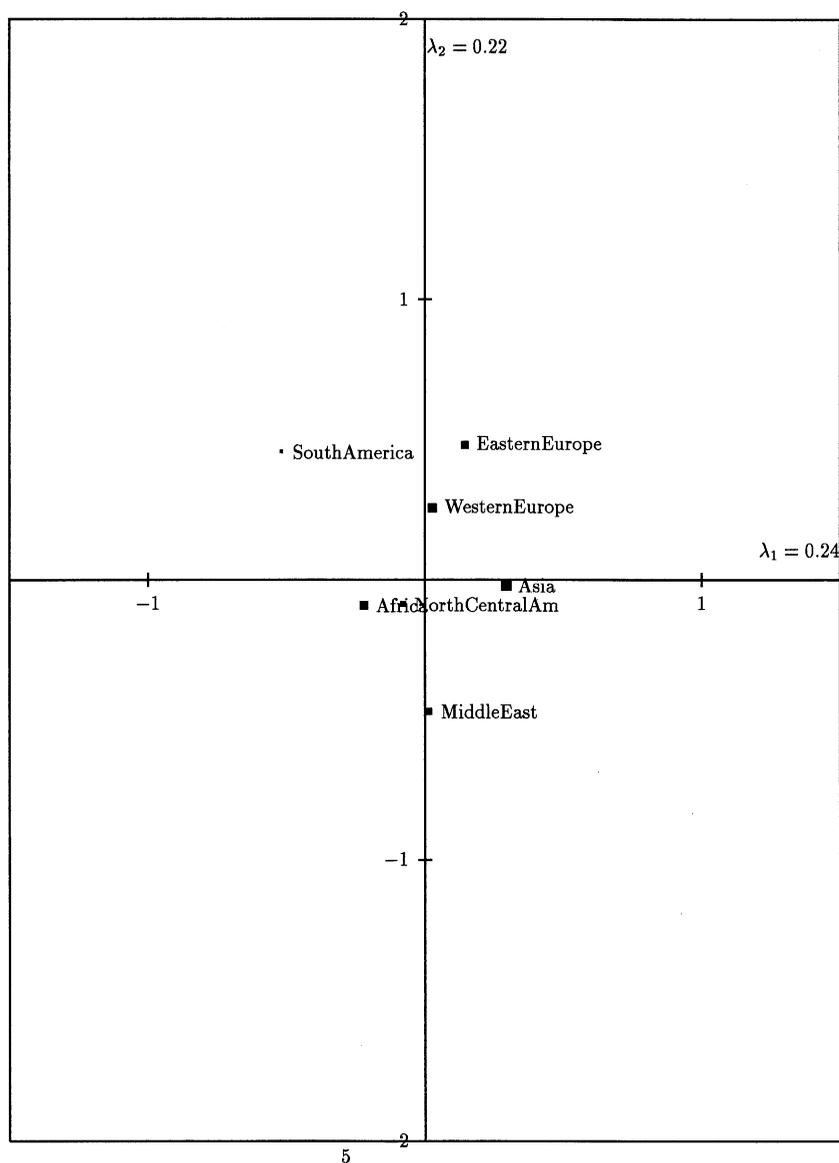
Figure 5: *Regions of the World. Supplementary modalities in plane 1-2.*

interesting, since it has often been said that Latin America is a place where the central banks were an important political target investigated by academics with political orientation (the 'money doctors'). Europe (East and West) is also more clearly on this politico-academic side. This study also shows the differentiation of economic excellence according to regions. This should be the subject of a more in-depth investigation with the help of new data.

To summarize, this study reveals different aspects of the social space of central bankers:

– There is a plurality of social definitions of excellence allowing access to the position of 'governor' in the World (more or less internal more or less intel-lectual, political or financial);
– the weight of economics (with around 40 per cent of PhD economists) is very high, and probably increasing: economics, which is linked with law in the training of central bankers, tends to get a monopoly in leading positions in the recent period;
– An opposition between internal and external legitimacy;
– An opposition between a political and academic pole, on one side, and a pole of finance and private expertise on the other, which relates to some extent to an opposition between Europe and the US. The creation of the ECB was a highly politically-driven construction of an economic institution, which needed the accumulation of much symbolic capital and political intervention (as we will see below).

The space of members of monetary policy councils: eonomic position-takings and monetary strategies

Our exploratory study about the governors gives a first global picture of the world of governors but no precise information and results about the set of agents who take direct roles in the monetary decision itself, namely the ones who have the right to vote regularly on the interest rates controlled by the Bank. That is the reason why we decided to investigate a set of agents who participated in central monetary decisions without being chairman or president. If they have far less political specific capital, their functional role is still very important in the formation of monetary policy.

The creation of monetary policy councils has more generally been described as a recent important evolution in the functioning of monetary institutions, related to the move toward 'independence' and 'transparency' in monetary deci-sions. One usually distinguishes between more 'collegial' and more 'individual-istic' councils, according to the practices of the councils regarding consensus or majority votes in the process of decision making; for example, the European Central Bank and the Federal Reserve Bank are described as 'collegial', whereas the Bank of Japan is described as more individualistic. (Gerdesmeier *et al.*, 2007; Chappell *et al.*, 2005).

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In a more in-depth perspective, biographical information was collected about the members of the French *Conseil de la politique monétaire* (CPM, 'monetary policy council'), which existed between January 1994 and the end of 1998 as an independent central bank council (it was not abolished after this period but it lost its decision-making role over the interest rates); and, more recently, about the three councils which manage the three dominating currencies of the World, namely the Federal Open Market Committee (Fed), the Council of the Bank of Japan (BoJ) and the Governing Council of the ECB.

The 'Conseil de la Politique Monétaire': under the control of 'énarques' (alumni from Ecole Nationale d'Administration) and of the Treasury

Is there a French specificity in the definition of monetary excellence as it is objectified by the nomination in the council of the central bank? To answer this question, information about the members of the CPM was collected mainly through the *Who's who in France*, the press (mostly the economic press) and interviews (an interview of a former member and interviews of members of the staff or economists). A comparison was made between an 'ideal' council, proposed by an economic newspaper (*Le Nouvel Economiste*) a few months before the appointment of new members, and the real council which was finally constituted (after a decision by the prime minister Edouard Balladur).

The main conclusion of this monograph assesses the strong stability of the definition of monetary excellence in France, even after important changes like the beginning of European monetary unification. Still in leading positions are the Ecole Nationale d'Administration (ENA), the '*grand corps'* of the Inspection des finances and the Treasury, as the heart of financial administration. These still dominate in the banking sector, as shown in Bauer and Bertin-Mourot, 1997). Weaker in contrast is the more academic definition of economic excellence, which tends to be defined by the PhD in economics and a career trajectory in the universities in the Anglo-Saxon world. This leads us to the question of the competition between the French type of bureaucratic 'economics' capital and the Anglo-Saxon definition of practical economic expertise, in a context of the globalization of economic institutions. The social trajectories of the members also seem defined by a rapid social ascension, predominantly inside the public sector but sometimes in the corporate world. The study describes the central bank council of the Bank of France as a '*lieu neutre'* (neutral place), in the sense of Bourdieu and Boltanski (1976), which means a place where different dominant social interests are discussed, confronted and synthesized. This actually corresponds to the official ideology of the colleges, defined as pluralistic, apolitical, independent of parties. I have shown that the structure of the field of power is present, with a particular refraction, inside the specific space of the French central bank.

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The space of council members in the world

I now report a more systematic account of the variations between different councils. In order to construct a space of the world-leading monetary policy councils, more diverse information than that collected about the governors was necessary: information about the symbolic capital of agents; socio-demographic data; indicators of position-takings (including textual data). We used the *Who's who in central banking*, European and national *Who's Who*, information and texts on various websites. A global indicator of symbolic capital of the members (coded in three positions: + / = / −) was constructed after a specific study of citations in the two journals *Le Monde* and *The Financial Times* over a definite period covering the 1990s (which probably over-represents the symbolic capital of Europeans).

In the exploratory study presented above, a small number (n = 39) of individuals have been retained. They are the voting members of the three leading monetary councils in the World: Federal Open Market Committee, Governing Council of the European Central Bank, and the Policy Council of the Bank of Japan. The period of study is the beginning of 2003.

The composition of the population is the following: Federal Open Market Committee, 12 members: 7 members of the Board of Governors and 5 members of the district banks (who are permuting regularly, except the representative of the Federal Bank of New York); Council of governors of the ECB, 18: 6 members of the Directory and 12 governors of National Central Banks; Policy Council of the Bank Of Japan 9: 1 governor, 2 alternate governors, 6 members. This structure gives more weight to the members of the ECB, who are twice as numerous as the members of the BoJ. But our aim was to integrate only the agents having a right to vote on interest rates during the period of data collection. This composition also gives an idea of the institutional differences between the three councils, which can be more or less federal, give more or less formal independence to the bank, etc.

A Specific MCA was performed, with 10 active questions and 28 active modalities (with 'unknown' information put as passive modalities). The headings, active questions and active modalities of the specific MCA were:

General trajectory

– socio-demographic characteristics (age [3] 1 = born before 1940; 2 = between 1940 and 1950 (not included); 3 = 1950 and after).

Symbolic capital

– symbolic capital (presence in the *Who's who in Central Banking 1997* [3] and symbolic capital indicator [3]: 1 = strong (+); 2 = intermediate (=); 3 = weak (−)).
– number of years in the position (years [3]): 1 = 2000 and after, Seniority − 2 = 1998 and 1999, Seniority =; 3 = 1997 and before, Seniority +)

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Professional trajectory

– academic trajectory (diploma [5]: 1 = PhD in Economics 2 = Master in Economics 3 = BA in Economics 4 = law and political science 5 = management)
– professional trajectory (enterprise [4]: 1 = banking sector, finance 2 = expertise, consulting, journalism 3 = industry, public enterprise 4 = No enterprise], university [2], administration out of CB [2], CB [2], political field [2], for a total of 12 modalities).

The first axis of the analysis is defined by the questions *Who's who in Central Banking* (.242), symbolic capital (.212), seniority (.160) and diploma (.138). It is an axis of specific symbolic capital.

One finds on the first axis (see Figure 8) an opposition related to the volume of symbolic capital, the level of seniority and between political trajectories and academic ones. On one pole, agents are characterized by their high level of symbolic and institutional capital, acquired during a long period on the council, and on the other one, they are newcomers into this space, which have more recent and scholastic resources. This axis opposes a political pole (on the side of accumulated and established capital) to a more academic one (on the side of the newcomers).

On the second axis (see Figure 9), the questions that contribute the most are diploma (.347), corporate trajectory (.185), academic trajectory (.153) and age. It is an opposition between industry, practical competence (relatively distant from economics), and scientific expertise. We have here an opposition between an economic-practical (industrial) and an intellectual-academic pole inside the field of power. This opposition, already somewhat evident in the global field of governors (esp. on axis 2) is more clear-cut here. Maybe we find here a first basis for the opposition between pragmatics and 'dogmatics', doves and hawks, which is attested in the general literature about central banks: academics appear closer to the economic dogmas than the more practical economists. The position of notorious 'hawks' like Ben Bernanke (now chairman of the Fed), or Otmar Issing, seems to go into that direction. But more information on the social origins and the position-takings of the individuals should be added here.

Axis 3 (see Figure 10) opposes private expertise accumulated in the longterm corporate world and trajectories which are more recent and more related to the

3 **Table 2:** *Eigenvalues and rates of variance*

	Axis 1	Axis 2	Axis 3
Eigenvalues (λ)	.2663	.19425	.18648
Raw rates of variance	14.7%	10.7%	10.3%
Modified rates	50.8%	16.3%	13.7%
Cumulated modified rates	50.8%	67.1%	80.4%

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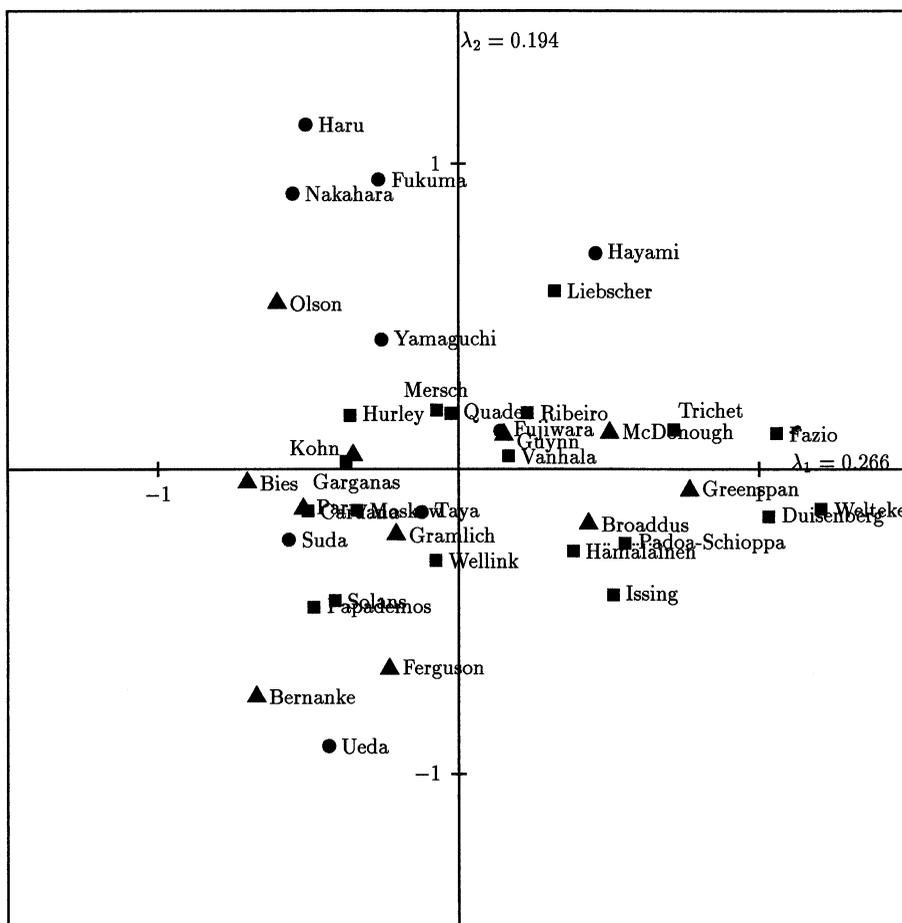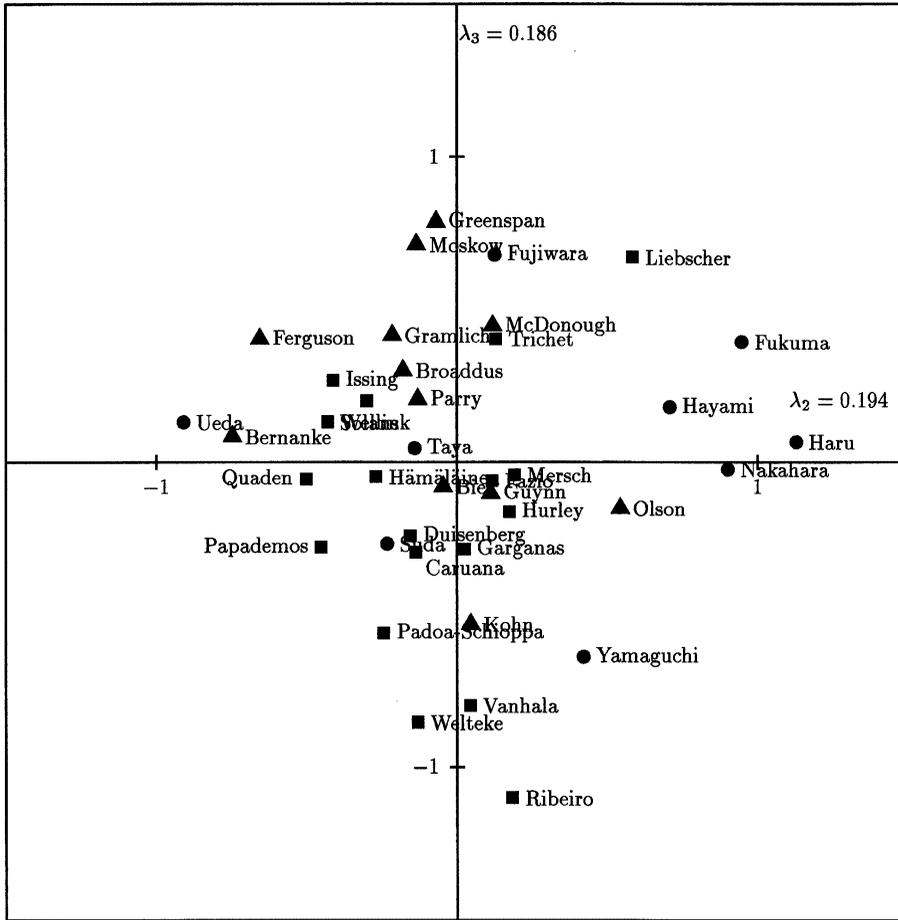

Figure 6: *The Space of Monetary Policy Councils. Cloud of individuals in plane 1-2.*

political field or the world of central banks itself. This axis opposes two models of trajectories related either to the private or the public sector (including the political field).

It is well-known that the three leading central banks have many institutional and practical differences, which make a systematic comparison complex (Gerdesmeier *et al.*, 2007). An important discussion has taken place about the differences in their monetary behaviour. It is usually stated in the economic press and among many economists that the ECB is more dogmatic and anti-inflationist than are both the Fed and the BoJ. The BoJ is less independent and still more related to the networks of industrial powers in Japan; its policy, in a context of deflation, was very expansionist (zero percent rate).

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Figure 7: *The Space of Monetary Policy Councils. Cloud of individuals in plane 2-3.*

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Table 3: *Contributions of headings*

	Axis 1	Axis 2	Axis 3
General trajectory	.20	.50	.38
Symbolic capital	.62	.16	.22
Professional trajectory	.18	.34	.40

Table 4: *Relative contributions on Axis 1*

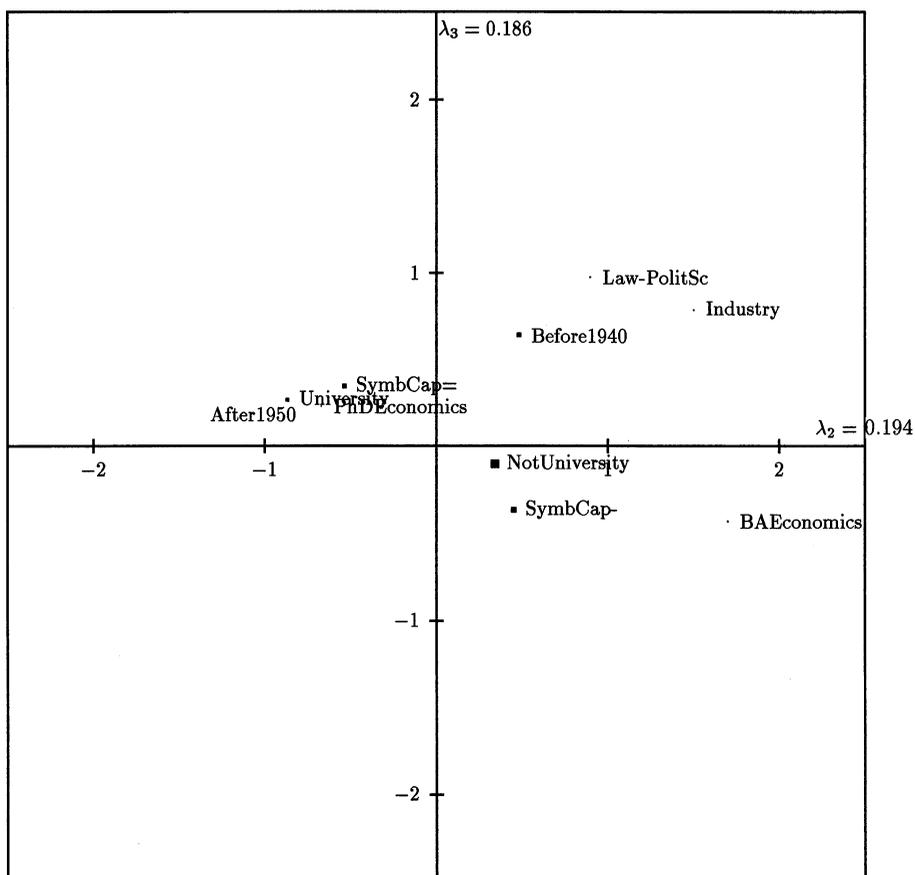| Relative contributions (Ctr)	Left side	Right side
Symbolic capital +		.171
Who's who in Central Banking		.167
Seniority −	.100	
Master in Economics		.083
Not Who's who in CB	.074	
Political trajectory		.073
Academic trajectory	.049	
Seniority −	.040	
Symbolic capital −	.036	
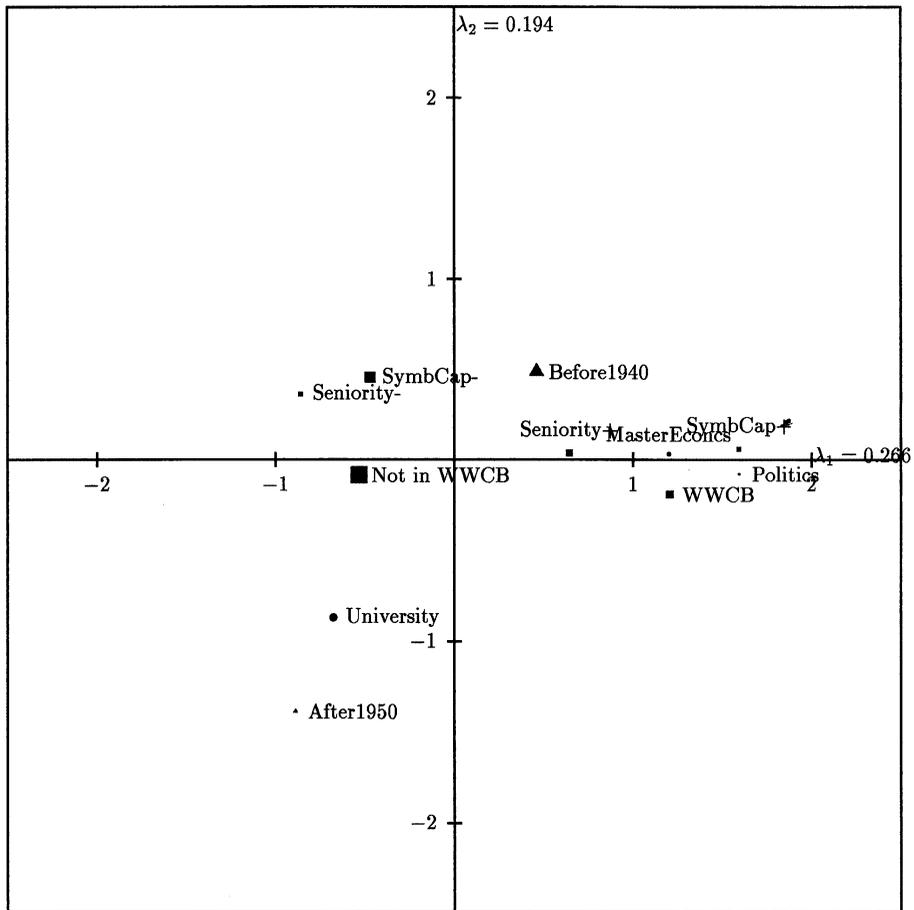
Figure 8: *The Space of Monetary Policy Councils. Cloud of modalities in plane 1-2.*

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Table 5: *Relative contributions on Axis 2*

| Relative contributions (Ctr)	Left side	Right side
BA in economics		.152
Industry		.119
PhD in economics	.119	
Academic trajectory	.110	
Born after 1950	.102	
Symbolic capital =	.057	
Born before 1940		.046
Symbolic capital −		.045
Not academic		.043

Figure 9: *The Space of Monetary Policy Councils. Cloud of modalities in plane 2-3. Interpretation of axis 2.*

Table 6: *Relative contributions on Axis 3*

| Relative contributions (Ctr)	Left side	Right side
Political trajectory	.119	
MA in economics	.106	
Seniority +		.105
Born between 1940 and 1950	.096	
Born before 1940		.084
Expertise, consulting and journalism		.068
Law and political science		.066
Not corporate	.061	
Trajectory in central bank	.046	
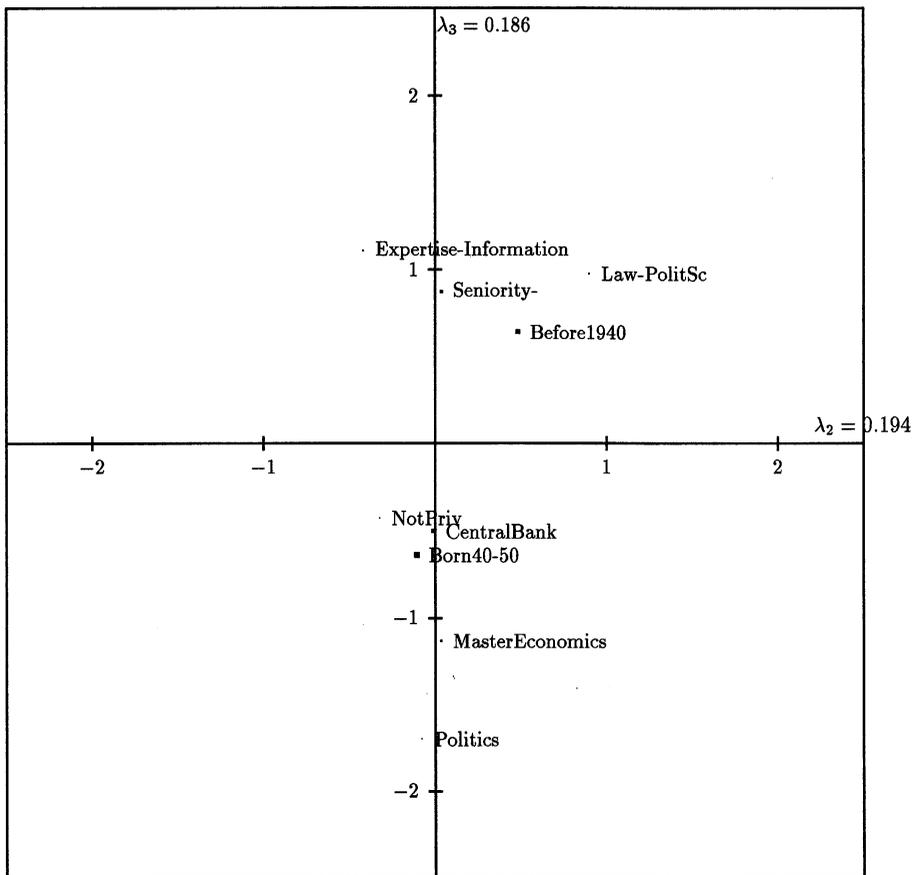
Figure 10: *The Space of Monetary Policy Councils. Cloud of modalities in plane 2-3. Interpretation of axis 3.*

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For some scholars of the ECB (Gerdesmeier *et al.*, 2007), referring to so-called 'Taylor-rule estimations', there are no important differences between the Central Banks' recent monetary behaviour. If this point is still a matter of debate, it seems nevertheless very difficult to deny any difference, since the relatively high interest rates in the Eurozone combine to very low inflation and to a structural and long-lasting over-evaluation of the euro. The 'real' consequences of this policy are another point.

We have studied the variable 'central bank' (3 modalities: ECB/Fed/BoJ) as a structuring factor in the space of individuals (on structuring factors in GDA, see Le Roux, Rouanet, 2004:214, 237). As figures 11 and 12 show, the sub-clouds and the modality mean-points of the central banks occupy different positions
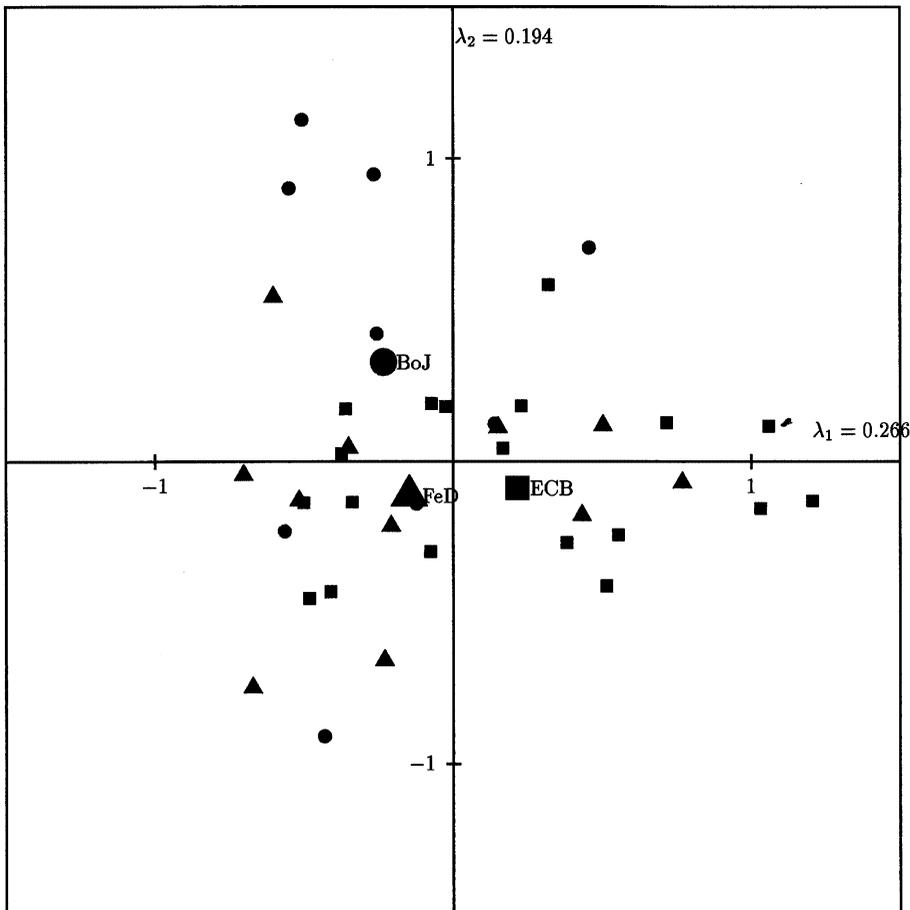
Figure 11: *The Space of Monetary Policy Councils. Cloud of individuals in plane 1-2 with mean-points of the Central banks.*
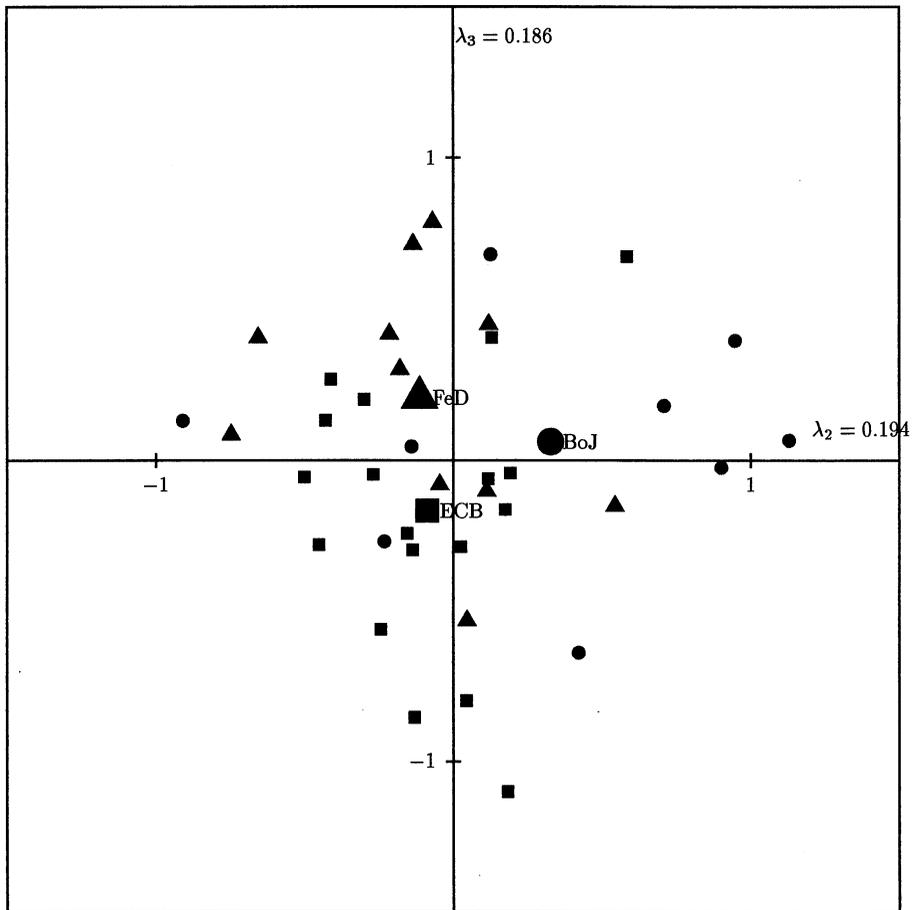
Figure 12: *The Space of Monetary Policy Councils. Cloud of individuals in plane 2-3 with mean-points of the Central banks.*

in the space. On the first axis, the ECB is on the side of higher levels of symbolic capital. Both other councils are on the other side. On the second axis, the BoJ appears on the side of 'practical' and industrial legitimacy, whereas both other banks are more 'academic'. The third axis opposes the ECB, on the more political and internal side, and the Federal Reserve Bank much closer to the private sector. This result is consistent with our previous findings about the space of governors.

I conclude that the governing council of the ECB is composed of agents with a higher level of symbolic capital than the other councils, which is consistent with the idea that the ECB had first to accumulate its legitimacy in the first years of its existence, which was by no means the case for the Fed.

A second aspect here is the specificity of the Bank of Japan as (still in 2003) closely related to industry, which is rooted in the particularities of the Japanese industrial historical model of development, the monetary policy being subordinated in the long term to the industrial strategy and its specific elites. In the period of study, the central bank, though reformed and made more 'independent', has adopted a very 'accommodating' monetary policy (with zero percent rates) in order to get out of a deep and long-lasting recession and deflation. This behaviour was completely opposed to that of the ECB, which since its creation has tended to adopt an over-reactive anti-inflationist behaviour.

The differences between the ECB and the Fed may also be founded on the particular politico-administrative mood of the ECB as opposed to the more markets-flexible attitude at the Fed, and which could be related to the trajectories of its members, professionally younger and closer to private economic and financial expertise.

Central banks strategies depend of course on their global environment, that is to say the social and economic situation and the strategies of other central banks and economic authorities in general. But the practical sense of economic agents, their more or less 'tacit knowledge' of the economy and the monetary stakes, their national and professional habits, also seem important factors in understanding the global strategies of banks.

Concluding comments

We have seen that there is a plurality of social definitions of excellence allowing people to occupy the position of 'governor' in the World's central banks (more or less 'internal' in the organization, more or less intellectual, political or financial). We have also seen that the comparison between the properties of the members of three councils reveals systematic differences between three main banks, very probably related to their economic behaviour. But the sociological relation between the properties of the members, the specific characteristics of the councils and their monetary strategies is still difficult to assess with any certainty on this empirical basis, especially due to the lack of direct and comparable information about the position-takings of the members, which are not all made public at the same level.

The general sociological model illustrated in this paper stresses the hypothesis of the existence and stability of socially structured oppositions inside the field of central bankers, which are related to its insertion inside the global field of power, which is itself divided between fractions and poles according to a set of social resources. Central banks are composed of very specific social agents whose decisions depend not only on the contexts of their action, but also on their personal social properties.

Reference to the social 'embeddedness' of economic actions and decisions can then be extended to macroeconomic policy-making and to the structural conditions in which economic practices take place, which do not reduce to ties

in a network. This economic-sociological approach is a way to integrate inter-individual variability in the understanding of economic processes and to uncover social regularities and structures inside (dominant) social fields.

Notes

1 Specific MCA consists of putting certain modalities of active questions as 'passive modalities' (which means that they do not create the distance), without disturbing the main properties of symmetry of the method.
2 Readers not familiar with multiple correspondence analysis may find it useful to refer to the worked through example by Modesto Gayo-Cal, Mike Savage, and Alan Warde, (2006) where the method is unpacked for a non-expert audience.
3 In a recent study about members of the European Commission, French scholars focus, on the contrary, on the intermediate administrative high-level (General Directorates and Alternate General Directorates, see Georgakakis, de Lassalle, 2007) more than on the corresponding level of the Commissioners.

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Programmes

Specific Multiple Correspondence Analysis is a programme of the ADDAD library written by Brigitte Le Roux and Jean Chiche
Download: http://www.math-info.univ-paris5.fr/~lerb/
The figures were created with LaTeX. Our thanks to AsTeXassociation and especially to Michel Lavaud.
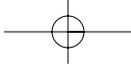
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