

Modern central banks put more and more attention to the precision of their communication with market participants. They address their message not only to financial market's specialists but also to ordinary individuals. Thus, their releases are simpler – a presentation of infographics and use of social media to communicate (blogs and chats) are a good example of such a simplification. The most remarkable modification of central bank's dialog with general public is related to enhanced intention signalling. This research project **evaluates transparency and communication of primarily 16 European central banks**. Our sample covers: Albania, Armenia, Czechia, Iceland, Georgia, Hungary, Kazakhstan, Moldova, Norway, Romania, Russia, Serbia, Sweden, Poland, Turkey, and the UK. The central banks of these countries conduct monetary policy in the frameworks of inflation targeting. For comparative purposes, selected central banks of the countries from different geographical areas and economic organizations (e.g. Brazil or Canada) are also included. The examination is held for entire sample and for subgroups classified on the basis of economic development and experience in targeting inflation. The main goal of our project is fulfilled via several specific research goals realizations. The first specific goal is of a methodological nature. In our opinion, a lack of sufficient tools of transparency and communication assessment exists. We expect satisfactory tools to cover modern trends of transparency (which refers to the extent of information revealed) and communication (which refers to the willingness of intention revealing and actual publication of such intentions). We aim at elaborating on such tools. A comparative assessment of central bank transparency and communication is our next specific goal. Finally, a set of empirical goals aims at verification whether transparency and communication influence inflation expectations of market participants and their sentiments, actual economic performance (inflation rate, interest and exchange rates, economic growth), and the stability of financial sector.

We apply many **research methods** to ensure our goals' fulfilment. Examination is preceded by the completion of a novel, large database. The database covers: macroeconomic indicators, expectations of economic agents, and systematised description of the central banks' information extent revealed. A substantial part of our database embodies monetary policy committees minutes. After preliminary pre-treatment, English-version of minutes will be subject of textual and dictionary analysis as well as of the procedure that extracts central bank's intention while analysing the clusters of words that refer to intentions indirectly. The body of empirical part of examination is conducted with the application of statistical and econometric procedures, including panel data modelling. Finally, we conclude on the existence of the relationships that we are expecting to find in our sample.

There are a few reasons why **we find this research subject interesting**. **The first one** has already been mentioned: the change of central banks' communication with the markets occurs. This change covers the content and the way of this content publication. The evolution of communication was launched in seventies of 20<sup>th</sup> century and it has accelerated since nineties. In nineties, inflation targeting has become the most common choice of the central banks that decided to introduce a new monetary framework. The eruption of global crisis and its consequences have enforced the importance of transparency and more explicit intentions signalling. Communication has begun to play a role of curtail monetary policy tool. **Our second motivation** to cover this subject relates to the gap in the economic literature: the most recent practices of the central banks have not undergone a comprehensive empirical evaluation. The existing studies examine mostly euro area and the US. Our analysis opens the possibility to conclude about actual behaviour of the central banks, their evolution over time, especially during the post-crisis decade, and about the impact of transparency and communication on expectations, economic performance, and financial stability. To our best knowledge, such studies have not been conducted for the sample that we cover in this examination. **Thirdly**, the gap in the literature encompasses not only empirics but also tools of transparency and communication assessment. The problem of qualitative aspects of monetary policy arises since they have gained importance in policy-making. Proposed tools are insufficiently described, arbitrary, or out-of-date – as the most recent practices cannot be anticipated when the tool is proposed. This is why we aim at delivering alternative tools. **Finally**, the subject and our research problems are worth dealing with as they are in the scope on central banks' interests and constitute the part of their research priorities (post-crisis communication and its effects, financial stability issues).

The project will create a new knowledge in economics in the area of methodology and empirics.