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ESCB staff representatives worried about ECB employment features and culture – SSM

A joint statement by the three European Trade Union Federations - EPSU - UNI - SCECBU and IPSO, the sole trade union at the ECB, on staff-related issues surrounding SSM

The ECB has been entrusted with the banking supervision responsibilities at the European level from November 2014 onwards. We believe that proper staffing is critical for the ESCB, and in particular for the ECB, to ensure a stable, continuous and sound performance of its tasks while maintaining its independence and good reputation. The European public's confidence in the institutions in charge of monetary policy and financial stability will be strengthened by sound assessments. These require effort, commitment and expertise, all of which are needed for the successful delivery of the two main objectives of the ECB: monetary and financial stability.

The trade unions, representing members at the ESCB, the Eurosystem and the ECB, wish to announce their concerns regarding the staffing policies both within the Eurosystem and the ECB. By communicating these concerns, we aim to contribute towards providing a sound base for continued strong monetary policy and the creation of a more robust financial system in Europe.

A frightening lack of independence

An independent institution needs independent staff. Given their role as supervisors of huge and powerful institutions and given the long-term nature of central banking activities, this independence is best achieved by offering long-term employment. We request the ECB to discontinue its practice of hiring staff on the basis of 3-year time-limited contracts whose conversion into long term contracts depends only on a process of unilateral management appraisal and discretion. The employment relationship must be that of a public service nature with indefinite term employment, loyalty and duty of care. Consequently, we furthermore demand that the ECB stops the excessive use of "alternative" forms of employment, such as consultancy, temporary agency and short term contracts. If the current practice is continued, this policy may soon make the persons working with an ECB permanent contract the minority of the workforce. We strongly believe that staff fearing for their jobs cannot act independently. It is of prime importance that staff identifies with the institution and its tasks. We are particularly shocked that instead of ECB and National Supervisory Authorities staff, Oliver Wyman, a private consultancy, was entrusted to perform a large part of the review of European banks' asset quality. Banking supervision is a highly sensitive matter involving confidential information. A truly independent supervisory staff with long-term vision and objectives is just what the European Union needs. Please remember the roles played by the big rating institutes in the financial crisis.

An alarming lack of planning for the future

While we are aware of budgetary constraints, we call on the ECB Governing Council to provide for a sufficient level of staffing at the ECB and at the level of the National Central Banks (NCBs) and National Competent Authorities (NCAs). The tasks conferred upon the ECB and the NCBs/NCAs can only be performed if the necessary resources, in terms of quantity and of required levels of expertise/experience, are available and properly allocated. Such need and allocation must be based on a sound analysis of the work to be performed. The analysis and medium-to-long term resource planning to ensure that the conferred tasks are carried out, and responsibilities are fulfilled as foreseen, is first and foremost a matter of public interest. As is normal in all institutions, both private and public, staff representatives must be involved in these strategic planning processes. So far, there has been no involvement at all of staff in the resource planning, neither within the Eurosystem nor at the ECB level. Only sound resource planning, including also the need for training and development of staff, can ensure the smooth performance of all functions, reduce operational risk and avoid the undue recourse to agency/external staff and costly consultancy at short notice. The (financial) efforts needed in the SSM-structure have to be fully covered, at every level, by the European financial sector.

Furthermore, as employees of central banks, we are worried about the impact that this new process could have. All central banks have to maintain and enforce their own independence, their duties and their territorial network. We should not forget the principle of decentralisation, established for the Eurosystem.

A startling lack of labour law application

The Statutes of the ECB empower the Governing Council to lay down and to amend the rules applicable to staff in full independence and autonomy. This regime includes not only labour law but also collective bargaining, rules regarding social security, staff's right to communicate, staff's personal investment choices etc. With regard to labour law and social security, the ECB is sole legislator, and as such enjoys wide discretion. In comparison with national legal environments throughout the EU, a legal anomaly can be perceived within the ECB: no parliamentary debate or control, no participation or information of the public on a legislative debate. We, the trade unions consider these issues matters of European public interest. In order to be aligned with its corporate value of fostering transparency, the ECB should disclose all elements of its law making in the field of labour law to the European public.

Indications of a lack of democratic values as well as an upsetting lack of social responsibility and prudence

The ECB does not disclose all its essential rules and rule making to the public. For instance, the rules concerning the conversion of term contracts were not provided to the European Parliament, which recently asked for this information. These principles are of interest to all applicants as well of general interest since they are generally applicable rules of the ECB's service. Workload at the ECB is structurally high but despite continuously increasing work pressure, due to more and more tasks and responsibilities, the Governing Council has repeatedly refused to significantly increase the headcount at the ECB (except for the SSM). We invite the ECB's Executive Board and the NCB Governors, members of the ECB Governing Council, to recognise this untenable situation, which may also put the entire SSM project at risk. There are conflicts of interests among the NCBs and the ECB. The NCBs are the shareholders of the ECB and, at the same time, they are competitors in terms of exercise of tasks. Furthermore they participate in the ECB governance from a Eurosystem perspective.

In this respect, we demand that the ECB presents to the public clear and transparent procedures and ways of addressing this conflict. These procedures need to involve both the European Parliament and the Eurosystem's staff representatives. We believe that the Eurosystem will benefit from this involvement of these key stakeholders. The European public deserves to be informed about the way in which the sharing of tasks and work between the ECB and the NCBs and the National Competent Authorities, as well as the ensuing staffing and resourcing, is decided upon. At this stage decisions are made in secret meetings. The unions are concerned that a high degree of concentration of supervisory tasks within the ECB could emerge without sufficient resources. The use of consultants in the build-up of the SSM to the detriment of National Central Banks and National Competent Authorities is seen as a bad precedent. We see risks in ignoring and underusing the skills accumulated in NCBs/NCAs and in weakening the whole system at the European level while public tasks are being outsourced at the same time to private firms.

The ECB, and all Central Banks, should be seen as a model for European society and the European citizen. Ignoring the valid claims made above is tantamount to ignoring the voice of the citizen. Unions representing the staff of the financial sector are raising this voice in order to turn the existing exchange of general information among employees and employer into a proper social dialogue that deserves that name.

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