ipso

International and European Public
Services Organisation
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Dear Governors of the National Central Banks of the Eurosystem,

Staffing situation at the European Central Bank (Ref: 2015/005)

This is an open letter addressed to you by IPSO, the recognised trade union representing ECB staff.

You, the Governors of the now 19 National Central Banks of the Eurosystem, hold the overwhelming majority of votes in the Governing Council. We wish to recall that as members of the Governing Council, you are called upon to act independently of any national interests; rather in the jointly held interest of the Eurosystem as a whole. Furthermore, you – together with the members of the Executive Board – are the ultimate decision makers for all matters regarding the Eurosystem; a privilege that must be balanced through responsibility and accountability towards the citizens of Europe.

As members of the Governing Council, you decide upon the monetary policy of the Eurosystem and its other tasks. As a consequence of the legal construction of the Eurosystem, you are also the sole arbiter and legislator regarding the ECB's Conditions of Employment, Staff Rules and all related labour law. Your role as legislator for the ECB staff extends to defining legally binding rules for all aspects of social security provision for ECB staff and their families as well as for non-ECB staff employed to a large extent at the ECB. You also define the rules governing disciplinary procedures, and the application – respectively non-application – of fundamental rights of the "citizens of the ECB state". Clearly, your duty of care for all ECB staff goes well beyond your duties as employer within the context of the National Central Bank that you represent.

The subject of this open letter is the staffing situation at the ECB – the overall level as well as the composition of the workforce – in light of the ECB's current tasks. The level of staffing at the ECB, commonly defined as "ECB headcount", is decided by you in your capacity as members of the Governing Council twice a year.

IPSO is convinced that the ECB's ability to effectively carry out its tasks and responsibilities is impaired through severe and systematic understaffing; a situation made even more acute due to an unhealthy composition of resources. As members of the Governing Council, you are responsible for the decisions that have resulted in this untenable situation. Accordingly, we hold you responsible for taking the necessary measures to resolve this situation and to address the inherent operational and strategic risks and costs for the ECB, its staff and the Eurosystem.

We fail to understand why the ECB is not allowed the level of staff resources it requires for the effective and efficient performance of its mandate and missions upon which you have decided. We have alerted you and the ECB's Executive Board to this untenable understaffing year after year, but to no avail. Therefore we have to conclude that you, when deciding upon the staff levels at the ECB, act more in your role and interest as Governors of the NCBs, and rather less as members of the Eurosystem's Governing Council. We denounce again this severe and structural conflict of interest at the highest level of the Eurosystem: On the one hand, your duty is to act as Governors of your NCB, safeguarding nationally anchored interests. On the other hand, as members of the ECB's Governing Council, you are expected to act and decide devoid of any national bias, influence or position. We have observed over the years that, unfortunately, when it comes to decisions regarding the staffing levels at the ECB, national or apparently even NCB-centric interests seem to have prevailed in many instances, rejecting almost any request to increase the ECB's staff to adequate levels, irrespective of the motivations provided.

Even before the beginning of the financial crisis in 2007, from 2005 onwards, the number of ECB staff had been nearly frozen, despite an undisputable and considerable increase of tasks and workload performed. Allow us to point to the increase of tasks (already pre-crisis and since) in financial stability, in developing the TARGET2-Securities programme, and in implementing and supporting the non-standard monetary policy measures within extremely short time frames. In fact, the number of ECB staff holding a permanent contract has been only marginally increased from ca. 1,200 to ca. 1,300 between 2005 and 2014. These data exclude all staff holding non-permanent contracts and also the staff hired for the SSM, which is a fully new function being built and now performed by the ECB since 4 November 2014. We wish to remind you that when the SSM concepts were initially discussed, a study by the renowned consultancy Promontory, delivered to the Governing Council, clearly demonstrated the need of about 2,000 additional staff (supervisors as well as required increase in support areas) to allow the SSM to function effectively and efficiently. Despite this study, the Governing Council decided that only 1,000 additional staff members – to include staff needed for increased support functions, such as Human Resources, IT systems, Legal advice, Translation services – would be sufficient. Unfortunately, due to the observable track record of Governing Council decisions in such matters, we were not surprised and herewith denounce, with the utmost vigour, the situation of serious understaffing and excessive work pressure within the SSM; a situation that results in a constant flow of complaints from staff and management alike.

Within a federated (as apart from federal) structure like the Eurosystem, it is a challenge – even without the evident conflicts of interest – to find the right balance and to decide on the scope (i.e. tasks) and scale (i.e. staff numbers) of the central element of such a structure, the ECB, and of the scope and scale of the NCBs as the decentralised national components. The Treaty clearly shows the way: The Eurosystem is based on the principle of decentralisation, while central tasks need to be performed by the ECB. This balancing act is not helped by the role of the NCBs as the Eurosystem shareholders, and the deep-rooted (but in our view wrong) belief that any increase in staff numbers at the ECB results in inevitable reductions of staff numbers in the NCBs. We denounce the lack of a Eurosystem-wide view, strategy and perspective on task and subsequently of staff allocation.

In this context, we observe the following:

- A Maslach Burnout Inventory (MBI) assessment carried out by a specialised consulting firm mandated by the ECB Staff Committee has revealed that 31% of staff are at risk of burnout, with an additional 32% showing signs of exhaustion (on the basis of a representative sample of 903 ECB staff who took the MBI test). Furthermore, 4.5% of the respondents have reported having suicidal thoughts and/or thoughts of hurting themselves.

- Only 1/3 of the total workforce working at the ECB (now including the SSM and term contracts as well as temporary agency staff and trainees) benefit from holding a contract of an unlimited duration, i.e. until retirement age. Having been frozen in its capacity to add additional staff, and having to cope with the rapid expansion of the workload, the ECB has been forced to resort to a number of alternative forms of employment, such as temporary agency staff, trainees, short-term contracts, fixed-term contracts, consultancy, managed service contracts etc. As a matter of fact, since 2004, even in case an ECB-external candidate is appointed to a permanent position based on a regular ECB employment contract, this person will not get a permanent contract before serving a period of three years. Such constructs do not exist in any NCB, and rightly so. The resulting composition of the ECB workforce threatens the robustness and resilience of the ECB. We are aware that institutional memory has been lost, and that operational risks were increased due to the loss of relevant experience and expertise. Furthermore, time and efforts spent in recruitment (ECB staff and "alternative staff") are enormous and add further unnecessary workload onto already overburdened staff. Allow us to repeat one of our core claims: Permanent tasks require permanent staff to perform them.

The arguments, if any, communicated to us as having been stated by you, the NCB Governors, have failed to convince us. We are convinced that a total increase of 1,000 permanent staff at the ECB would already provide a significant relief. Any decision within such a range would allow to "regularise" the precarious, i.e. non-permanent, position of a considerable number of our colleagues, especially as their contributions are very often highly appreciated, and as some of them have worked with us under very diverse contractual situations over up to ten or even twelve years.

The ECB, performing Eurosystem-central tasks, has ca. 1,300 permanent staff. This compares to ca. 60,000 staff in the NCBs. Irrespective of any discussion regarding scale and scope of the ECB (hence on the desired level of centralisation / decentralisation), our proposal of a significant increase in permanent staff at the ECB would in no way distort the proportion of staff allocated to the "hub" (ECB) with that allocated to the NCBs – to say the least.

Of course we are aware that one argument commonly used to refuse increasing the staff level at the ECB is that the NCBs had to reduce their own headcount over the last years. The reductions we could observe seem to be mainly driven by technological or institutional developments as well as a result of strategic decisions at the Governing Council level and even started in some instances decades before the set-up of the Eurosystem.

From different perspectives or positions, it cannot be argued that an increase by the before mentioned number could be considered inappropriate. Even with the potential addition of 1,000 more permanent staff, the ECB would remain lean and competitive, and, we are convinced, would even gain in effectiveness and efficiency, as less effort would need to be diverted for permanently prolonging contracts or for replacing non-permanent and temporary staff. A more stable workforce would reduce operational risks and considerably improve our institution's resilience and flexibility; especially important in these times of unforeseen challenges and extraordinary demands on all of us.

No economic or financial consequences for your NCB would arise, as the resulting budget would not deviate substantially from today's budget requirements; the final costs for all the currently used "alternative staff" models do not differ so much from that of permanent ECB staff. The increased headcount would, for the most part, result in a switch between budget positions. We refuse to believe that an economic area of the size, scale and scope such as the Eurozone is not able to finance a sufficient level of staffing at the ECB. The cost of the materialisation of any of the risks mentioned before would by far outweigh and surpass that of endorsing and maintaining sufficient ECB staff levels, without having to resort to non-permanent workforce members to fill permanent needs.

We invite you to consider the staffing of the Eurosystem altogether: All staff members of the Eurosystem work under your governance, and we are convinced such Eurosystem-wide view, assessing objectively and without national bias the Eurosystem needs required to perform its tasks, will on the one hand result in granting the ECB the staff it needs. On the other hand it will stop the long-term trend in staff reduction in the NCBs. Taking the neutral, objective view your mandate as member of the Governing Council requires, we believe you will realise that most if not all NCBs are also struggling to perform their functions with the current level of staffing. As guardians of the Eurosystem, you may actually wish to increase, where appropriate, the number of employees in individual NCBs.

We kindly invite you to consider that all staff of the Eurosystem work under the Governing Council's governance for joint and common tasks and objectives, irrespective if deployed in the ECB or in any of the NCBs. Together we perform our duties and tasks in line with our joint mandate and according to the expectations you have set for us. We are motivated by the trust you place in us.

We are all too well aware of the heavy commitments assigned to the Eurosystem by the European governments. We trust in the Governing Council's sense of responsibility and accountability when we call for much more than a cosmetic increase in the ECB headcount. We are convinced that you, as much as we, wish to ensure that the ECB, our common institution at the centre of the Eurosystem, is equipped with an adequate level of resources necessary to perform its tasks in a proper way. Furthermore, you will contribute to a substantial decrease of operational and strategic risk currently caused by the chronic understaffing of the ECB.

Last but not least, we would also like to invite you to take a balanced view, and to respect the spirit of the commitments taken by the European governments when – based on the draft of the Delors Committee (in which central bankers held a pivotal role) – they decided for the institutional changes, culminating in the establishment of the ECB and in the setting up of the current governance for the Eurosystem.

Sincerely yours,

Emmanuel Larue
President

Johannes Priesemann
Vice President

Wolfgang Hermann
General Secretary

CC: President Draghi, all Members of the Executive Board of the ECB