Working at the ECB: Institutional structure, work environment and conditions

The views expressed are those of the presenter and do not necessarily reflect the position of the ECB.
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1. Institutional Structure
We are an independent EU institution

We provide stable money

We supervise banks in the euro area

≈120 directly and over 3000 with national authorities

For 340 million Europeans

We have around 3500 staff in 3 buildings in Frankfurt

With a clearly defined mandate

We come from all EU countries
The ECB: organisational structure

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<th>Christine Lagarde</th>
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<th>Isabel Schnabl</th>
<th>Frank Elderson</th>
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DG: Direction General
Article 282 of the Treaty on the Functioning of the European Union:

“The European Central Bank, together with the national central banks of the Member States whose currency is the euro, which constitute the Eurosystem, shall conduct the monetary policy of the Union.”
The Governing Council

Decision-making body
Formulates monetary policy
Adopts guidelines and decisions to ensure the performance of the tasks of the Eurosystem
Meets every three weeks
Monetary policy discussion every six weeks
## Accountability

- Publications
- Press conferences
- Financial controls
- Testimonies
  - before the European Parliament
- Public speeches & interviews
- Accounts of monetary policy discussions
2. Monetary Policy Strategy
Price stability – Objective of the Eurosystem

**Article 127** of the Treaty on the Functioning of the European Union:

“1. The primary objective of the ESCB [Eurosystem] shall be to maintain price stability.

Without prejudice to the objective of price stability, the ESCB [Eurosystem] shall support the general economic policies in the Union with a view to contributing to the achievement of the objectives of the Union as laid down in Article 3 of the Treaty on European Union.”
How can the ECB typically keep inflation under control?

Benefits of price stability

- Recognising changes in relative prices
- Avoiding “inflation risk premium”
- The productive use of resources
- Reducing the distortionary impact of tax and social security systems
- Maintaining social cohesion and stability
- Financial stability
Governing Council in October 1998:
“Price stability shall be defined as a year-on-year increase in the Harmonised Index of Consumer Prices (HICP) for the euro area of below 2%. Price stability is to be maintained over the medium term.”

Clarification in 2021
The Governing Council aims to maintain inflation rates at levels at 2% over the medium term.
ECB’s price stability objective – Why 2% for inflation?

**Measurement buffer**
To account for the fact that inflation figures can be slightly overstated

**Safety margin**
To provide protection against the potential risk of deflation

**Country differences**
To leave room for variations in inflation levels across the euro area
ECB monetary policy strategy

Primary objective: price stability

Governing Council takes monetary policy decisions based on an overall assessment of the risks to price stability.

Economic Analysis: Analysis of economic dynamics and shocks

Monetary Analysis: Analysis of monetary trends

Cross-checking

Full set of information
The monetary policy transmission process in a nutshell

Main channel is by changing...

Official interest rates

↓

Bank rates

↓

Saving, spending, and investment of households and firms

↓

Price developments

↓

Price stability

2%
3.
The ECB as an employer: work environment and entry conditions
Trabajar en el BCE (1/2): contexto institucional y ambiente

- Institución de la UE, grado máximo de “federalización”
- Staff de los 27 países de la UE (exceptualmente también de fuera de la UE)
- Lengua de trabajo, predominantemente Inglés
- Carga de trabajo alta, usualmente con ciclos ligados a las reuniones del Consejo de Gobierno
- Tasa de rotación relativamente baja / busca compatibilizar con vida familiar / inclusividad
- Flexibilidad para viajar, usualmente dentro de UE
- Oficinas de Representación en Washington (FMI). Londres y Bruselas (CE)
- Francfort, un entorno cómodo, pero a la vez complejo profesionalmente para la familia
Trabajar en el BCE (2/2): tres puertas principales de entrada:

1. Contrato de Prácticas

2. Programa Graduado del ECB (ECB Graduate Program)

3. Ofertas pública de empleo

[ 4. Comisión de Servicios desde empleo sector público ]

Todas requieren:

• candidat@ sea ciudadn@ de la UE
• conocimiento inglés ("C1" – aprox.) + segundo idioma oficial de la UE
1. Contrato de Prácticas

- Duración: entre 3 y 12 meses (no prorrogable)
- Categorías: a) Master; b) Doctorando o Doctor
- Contenido: En áreas analíticas: trabajo cuantitativo (investigación) y/o tareas regulares del área
- Condiciones: sueldo más un vuelo más hospedaje
- Valoración: Muy útil como experiencia con valor para el CV y puertas de entrada más duraderas
2. Programa Graduado del ECB (ECB Graduate Program)

- Adapta para el BCA el modelo de recursos humanos del FMI
- Mínimo Master, se valora Doctorado y/o experiencia laboral
- Proceso: Entrevista; Selecciona perfiles “mixtos”, combinando especialización y “generalista”
- Duración: 24 meses, prorrogable a 36
- Contenido:
  - Rotacion de 12 + 12 meses en dos áreaes diferenciadas
  - En áreas analíticas: trabajo cuantitativo (investigación) y/o tareas regulares del área
- Condiciones: sueldo a nivel profesional más un vuelo más hospedaje
- Valoración:
  - Muy útil como experiencia con valor para el CV y vías de entrada más duraderas
  - Buenas condiciones contractuales para profesionales al inicio de su carrera
3. Ofertas pública de empleo

- Contrato laboral privado (no funcionario de iure – pero approxima status de funcionario de facto)

- Proceso de selección: Entrevista; filtra perfiles más especializados

- Duración: 3 posibilidades (en todo caso periodo de prueba de 6 meses)
  - Contrato a corto plazo, “Short term” (no-renovable, entre 3 y 12 meses)
  - Fijo-Renovable “Fixed term” (renovable, entre 12 y 72 meses)
  - Fijo-con clausula de Renovable (renovable, 72 meses o más)

- Contenido:
  - Profesional, movilidad a largo plazo

- Condiciones: sueldo a nivel profesional más beneficios laborales (pensión, escolarización hijos…)

- Valoración:
  - Vias de entrada en principio más duraderas
  - Buenas condiciones contractuales para todos los profesionales
El camino a la información:

Vacancies
We are looking for highly competent European citizens with a strong sense of integrity, team spirit, and an intrinsic motivation to work for Europe.

We offer a dynamic, multicultural work environment, ample opportunities for professional and personal development, and a competitive remuneration package.

We regularly advertise vacancies for typical central banking positions, e.g. macroeconomists, statisticians, payment systems experts, operations and back-office experts, risk analysts, banknotes production and counterfeit experts. However, we also look for a wide variety of corporate service personnel, e.g. HR specialists, legal counsels,
Welcome to the ECB!

- Banknotes and Coins
- Organisation: The ECB and the Eurosystem
- Monetary policy decisions
- Learning more!


Educational

Games, simulations and animations

The ECB and the Eurosystem explained in three minutes

Do you know who is looking after the euro? What is inflation? And why is price stability important for you?

Find the answers to these questions and much more in this three-minute introduction to the role and tasks of the ECB and the Eurosystem.

TOP FLOOR - Make Your Way Up!

Think you know the ECB and the Eurosystem? Try this quiz-based game to find out! You'll answer questions on the roles and tasks of the ECB, Eurosystem and European System of Central Banks.
Thank you for your attention
Article 130 of the Treaty on the Functioning of the European Union:

“When exercising the powers and carrying out the tasks and duties conferred upon them by the Treaties and the Statute of the ESCB and of the ECB,…

…neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Union institutions, bodies, offices or agencies, from any government of a Member State or from any other body.”
Transmission mechanism – How interest rates affect prices

Official interest rates

Money market rates

--

Money, credit

Asset prices

Bank rates

Exchange rates

--

Supply and demand in goods and labour markets

Wage and price-setting

Wage and price-setting

Domestic prices

Import prices

Price developments