

HISTORY 1964 - 2000

The Committee that started by coincidence and became the most representative trade union organisation within European Central Banks.



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History of the Standing Committee of European Central Bank Unions

“From the upstart to the 2nd start”

Part 1

Events from 1964 to 1978.

Introduction

The Standing Committee exists for more 50 years. From the first period only a few documents remain. It was a fascinating time, a period I personally would describe as one of hope, willingness, personal acquaintances and meetings. In the beginning there were only a few men. They had not the means of communications, we have today. It was only, thanks to the sport organisations of the national central banks that they were able to meet each other. But they had one very important thing the will to build up a new Europe, a peaceful one, an era without the atrocities of war.

Three of them can be considered as the real protagonists of SCECBU.

The first one was comrade Andreini of the Bank of Italy. During World War II he belonged to the Italian Communist resistance, after the war he became a respected trade union leader within the central bank and even outside of it.

The second one was Maurice Gousseau from the Banque de France. He too, belonged to the resistance. After the war he became a great trade union leader in his bank, where he was elected “General Secretary” of the National autonomous Union of the Banque de France (SNA) and later on “Elected councillor by the staff” of the central bank. He was not a Communist but a convinced socialist and a Freemason. During its whole life he continued to defend the interests of the staff of the Banque de France and the workers in general.

The third one, was a German, Wolfgang Clotten. He was a Christian and social-democrat. During the Nazi era he didn't belong to the German resistance against Hitler, but neither did he hide his convictions and opinions. Maybe for that reason, he was sent to the Russian front where he was captured by the Russians and put in a Soviet prisoners of war camp, where he remained until the early Fifties. On his return he was lucky to find a job within the "Bank Deutscher Länder ", the predecessor of the Bundesbank.

The three of them were branded for ever by their war experiences. They were utterly convinced that Europe needed instead of nationalism and radicalism, collaboration and solidarity.

In 1981, at the Congress in Frankfurt, where I was elected as the new president of SCECBU, my predecessor, Maurice Gousseau, described it as follows:

“In 1964, an Italian friend, Andreini, went to Paris to get in touch with us and inform us that the Common Market was becoming increasingly important and that it would not be logical that the European central bank unions would stay on the side-line and would not try to join their efforts to stand up, whenever necessary, for the central bank employees.

French trade unions responded positively and from the beginning, I supported this very enthusiastic friend, who is now deceased, while I underline at the same time that we had from time to time different or even opposite opinions on the Common Market, but we had one thing in common the conviction that we had to take this reality into account.

The Standing Committee was set up thanks to him, although with great difficulties. At the first conference in Rome in 1964 there was a big French delegation and as far as Italian unions were concerned, they were represented by: the “Unione Sindicale”, member of the C.G.I.L.; a minority union of managerial and professional staff and a general minority union.

The Federal Republic of Germany was only represented officially by a civil servants trade union. The second trade union, the ÖTV, was represented by Wolfgang Clotten, who came in his personal capacity because his organization refused to give him the mandate to participate, being suspicious that the Standing Committee was set up outside, what they called the free international trade union organisations.”

First conference of Rome, 25-26 September¹



In 1964 when our predecessors met for the first time in Rome the Common Market was becoming an economic reality. Among the French and Italian participants the fear existed that

¹ There is some confusion regarding the first conference of central banks trade unions trade unions in Rome. In his progress report to Congress in Ragny Maurice Gousseau situated that meeting in 1963. In the article of the SNA, this meeting is situated in September 1964. The article in La Tribune is very explicit and detailed conduct point and on some photographs we can see the participants in Rome. It is very difficult to ascertain at present the exact date. We believe that the 1963 meeting, which Maurice Gousseau apparently attended, was a preparatory meeting for the conference itself.

the new economic alliance would become a capitalist project set up by the Americans to make it easier for them to penetrate the European markets.

"La Tribune", the information bulletin of the SNA, expressed it in the following way:

"At this united front of European mercantile interests we should oppose a common front of all workers in Europe. For them (the workers) it is already clear that working conditions will depend increasingly on market requirements. It is for this reason that the general trade unions (CGT and CGIL) have decided to work together and that unions of European central banks must do the same."

In the mind of the participants in Rome the first conference should be the starting point for an integration process that should lead to a situation in which all trade unions of the European central bank's countries should work together and organise, common actions to protect the salaries and benefits of the staff. Moreover, every, at the national level recognised, trade-union or staff organisation within the European central banks should have the opportunity to become a member of the Standing Committee.

For the first meeting invitations had been sent to the other European central banks of the EEC, but finally only three countries responded positively: Italy, with in the first place the Unione sindacale an official autonomous in-house trade union which represented 85% of the staff and had good relations with the CGIL; France by the CGC, CGT and the SNA and Germany was officially only represented by the Beamtenbund (at that time the Beamtenbund organised only staff members with a public service status, known as Beambten).

As we have seen, Wolfgang Clotten, could attend the meeting only in his personal capacity because his trade union federation ÖTV had difficulties with the presence of Communist trade union representatives.

Remarkable too, was the attitude of the CFTC which did not attend the conference because it wanted to favour its close ties with the International Confederation of Christian Trade Unions.

This simple enumeration of participating trade unions in the first conference, gives us an accurate picture of the difficulties that the organisers encountered at that time. It was only the beginning of similar difficulties we would have in the future.

The attitude of some trade unions can only be explained by the tremendous fragmentation along the ideological lines of a profoundly divided trade union movement². On the one hand we had the major international confederations and on the other hand the in house trade unions and staff associations. That was particularly the case in France, the Netherlands, England and the Scandinavian countries (for more details see the reports on the union structures within the European central banks).

²World Federation of Trade Unions (WFTU), French Fédération Syndicale Mondiale international labour organization founded in 1945 by the World Trade Union Congress. Its principal organizers were the British Trades Union Congress, the U.S. Congress of Industrial Organizations, and the All-Union Central Congress of Trade Unions. The organization was initially oriented toward the Soviet Union. Despite vigorous attempts to reconcile the differences between communist and noncommunist factions within the WFTU, the intensification of the Cold War finally led to a split. The noncommunist elements withdrew from the WFTU and in 1949 formed the International Confederation of Free Trade Unions

What did the participants discuss at this first congress?

They were of course eager to know as soon as possible all about the working conditions in the different countries. Very soon they discovered that it was extremely difficult to compare the situations because they were the result of historic developments, national legal systems and collective agreements).

Deutsche Bundesbank.

The French rapporteur told us that at Bundesbank there were three categories of staff: blue-collar workers; white-collar workers and senior staff (cadres).

As he understood it, wages and other social conditions of the staff were negotiated every two years accordingly to a system that seemed to be national.

Blue-collar workers were only appointed permanently after 15 years of service and at the age of 40 years.

What was going on in reality? The Bundesbank, which is fully independent in the field of monetary policies, had practically no autonomy at all concerning wages and social benefits. Indeed, the bank is an integral part of the German federal public services. Every two-year the social partners, it's to say, on the one hand representatives of the federal government and on the other hand the representatives of the blue-collar and white-collar workers, negotiated for a new wage contract. The representative unions were, at that moment, the ÖTV (Member of the big DGB trade union confederation) the DAG (German trade union for white-collar staff).

The representatives of the public servants (Beamten) did not participate in these negotiations. The reason why, is very simple, under German law wages and social benefits of the staff with a public servant statute are unilaterally determined by the federal parliament (Bundestag).

In practice the Bundestag will always discuss on a proposal put forwards by the federal government. Whereas in practice too, the federal government will discuss beforehand the issue with the recognised trade unions of the public services.

At that time these were the DBB, the association of German public servants (Deutscher Beamtenbund) and the ÖTV, trade union for public services, transport and traffic.

In general, the proposed wage increases were similar to that given to the blue-collar and white-collar workers but the proposal contained also specific provisions for public servants.

Legally, the Bundesbank was forced to apply automatically the wage provisions laid down by Parliament, although the bank had some room of moreover true special allowances and other provisions to improve, to some extent, the basic terms and conditions.

However, Bundesbank wages were still much higher than those in other public services. The reason was that the Bundesbank staff received a special allowance.

This allowance had originally been granted to the staff of the Reichsbank³ in the 30s by Hitler himself when he changed the law on the central bank and abolished its independency.

At the end of the 60s the federal government decided to freeze this allowance, a decision which was very unpopular among the staff⁴.

The rapporteur noted that the Bundesbank civil servant staff did not pay a personal contribution for the pension system. This was true, but for all the public servants in Germany. Public servants are exempt from paying social contributions and they may not be dismissed.

In Germany the status of a civil servant can be granted for subordinate functions as well as for managerial or specialised functions.

In 1964 approximately 40% of the staff had the statute of a civil servant and the other 60% of a worker or an employee.

I wanted to explain these differences to make it clear how difficult it was for the Italian and French colleagues to understand what was going on in Germany. A lack of understanding that led to confusion and even to falls conclusions. Similar differences existed also between the others countries, be it for other issues.

Banca d'Italia.

At the Bank of Italy five staff categories existed. All the staff was hired by a competitive examination. The weekly working time was 40 hours, the annual leave 25 days. The Bank of Italy paid 16 monthly wages to the actual staff and 15 to the retired staff.

After 40 years of service they received a pension of 80% of their last salary. At 20 years this percentage was reduced to 50%. The personal contribution was 5,50% of the monthly salary.

For overtime they received supplements of 25% to 60%.

In 1962, the trade unions had obtained at the national level the legal equal pay for male and female staff. Unfortunately, in practice, woman obtained no access to managerial and senior functions.

Gender equality remained a far dream and the law a dead letter.

³ The seizure and consolidation of power by the Nazis during the years of the Third Reich also greatly affected the Reichsbank. A 1937 law re-established the Reich government's control of the Reichsbank, and in 1939, the Reichsbank was renamed the Deutsche Reichsbank and placed under the direct control of Adolf Hitler, with Walther Funk as the last president of the Reichsbank, from 1939 to 1945.

⁴ In 2006 the Bundesbank allowance of 19% was configured in a new way. In the future the allowance should be limited as follows: 9% for the staff working in the Frankfurt headquarter and 5% for the staff working in the branches. The allowance would be reduced for current staff by limiting future salary increases. New staff would lose it immediately. On the other hand the Bundesbank would have the opportunity to provide performance-based allowances which they could use even stronger and more flexible than before. (Bundesbank press release 16 February 2006)

The organisation of future conferences and meetings.

At the Congress in Rome the participants decided to organise in the future, at regular intervals, meetings and conferences. The first meeting was organised in Paris in 1965 and three years later the second in Frankfurt in 1968.

At the end of the 60s the economic and political situation deteriorated very quickly. All over the world student protests and workers strikes took place. Wide spread social upheaval was glooming. The period of lasting economic growth came to an end. In Germany the student protests became very violent.

1968 was also the year of the Prague Spring, beaten down by Soviet troops⁵, and the flower power movement in the United States⁶.

Second and third conference in Paris and Frankfurt.

On the proposal of the German delegation, during the first conference in Paris, the meeting was dedicated to the memory of a French colleague, René Decoster. He had actively participated in both previous meetings and had been appointed as the responsible person for the centralisation and exchange of information coming from the different central banks.

For the first time, delegates from the National Bank of Belgium and the Bank of the Netherlands (De Nederlandsche Bank) participated as well.

An important part of the conference was devoted to do wage systems within the central banks. For this purpose the French delegation had prepared a report on the evolution within the Banque de France. In addition a colleague of the CFDT, which had reviewed its earlier decision not to participate, had prepared a report on the role of the Banque de France in the French economy.

The two reports were sent beforehand to all the participants.

From the Italian delegation they learned that since 1965 salaries had increased by 40%. At the Bundesbank the increase was much lower and only 18%.

In the minutes of the meeting we can read that the Belgian and Dutch representatives were rather reluctant to give concrete information about the evolution of their salaries and limited their intervention to an explanation about the indexation mechanism by which salaries were linked to the inflation rate.

⁵The three most significant past Soviet-bloc revolutions were Hungary in 1956, Poland in 1956, and the 1968 Prague Spring. The attempts to forge a more humane and democratic system had their origins, in varying degrees, within the respective Communist parties. The men generally recognized as leaders of the reform movements Nagy, Gomulka, Dubcek were devoted Communists of many years' standing. They in turn drew support from a younger generation of party members who believed that a true, liberal Communism could be achieved once Stalinist-imposed "deformations" had been wrung from the system.

⁶ When we think of America in the 1960s, we often have a romanticized idea of a decade of great music, liberal idealism, and Flower Power. It was the time when the post war baby boomers were in their adolescence and embraced counter culture ideals, expanding their minds through all kinds of drugs, and truly, living life to the fullest. The Flower Power movement reached its climax at the Woodstock Festival held in upstate New York in 1969 when an estimated 500,000 people lived in peace and harmony for three unforgettable days.

The rapporteur noticed as well, an increasing difference in attitude and trade union aspirations between the trade unions of northern and southern countries. This difference became, according to him, especially clear between German and French trade unions.

German trade unions, he explained, seemed to be less protest-minded and more integrated into a system of mutual relations between unions and employers. He noticed more or less the same attitude by the Belgian and Dutch trade unions.

The second part of the conference was devoted to the problems and dangers related to the introduction of computers. In general terms the participants agreed that it was necessary to accept technical progress but that the increase of productivity and efficiency should benefit to the staff.

From an organisational point of view the most important decision was the establishment of a permanent secretariat which was entrusted to the Banque de France. One of its most important tasks was to organise enquiries, prepare reports and further the mutual exchange of information between the trade unions of all central banks.

Taking into account the events in Czechoslovakia it was decided to invite, at the next meeting, trade union representatives of that country as well as of the Scandinavian countries.

During the conference the French delegates received the news that in France a general strike had broken out. They decided to return immediately to Paris and to take the lead of the movement in the Banque de France. When the participants said goodbye to each other, they ignored that in the aftermath of the 1968 events, it would take seven years before a new conference could be organised.

In the spring of 1968 student's dissent became very grim in Berlin. It started a year earlier with the death in June 1967 of student Benno Ohnesorg.

In May 1968 students blocked the Kurfurstendamm, in protest at the shooting of one of their leaders, Rudi Dutschke. The massive student rally ended in violent clashes between police and protesters. The students blamed Springer's press for inflaming public opinion against them and said the man who shot Rudi Dutschke was influenced by views expressed in a Springer publication.

In France the student movement was led by Daniel Cohn-Bendit⁷⁷. The French Communist Party leader, Georges Marchais, described him as the "German anarchist" and denounced the student protesters as "sons of the upper bourgeoisie". But in the end the communist party was forced to endorse the movement and on 13 May 1968 France was struck by a general strike. New elections were called in June 1968.

⁷⁷ He was born in 1945 in Montauban, into a German Jews family that fled Nazism in 1933. In 1958 he returned with his parents to Germany. In 1966 he started sociology studies at University of Nanterre and became a member of the "Fédération anarchiste" and the local student leader. In that period he started to have very close contacts with, Karl Dietrich Wolff, the leader of the Socialist German Student Union. When in May 1968 massive student and workers riots erupted in Paris against Charles de Gaulle's government. Cohn-Bendit quickly emerged as the public face of the protests. Afterwards he became a member of the Green party and a respected member of the European Parliament.

Why an interruption of seven years?

It's a very difficult to answer that question. The student protests were certainly a trigger for the social upheavals but not the only reason for what happened afterwards in the overall society and the central banks.

Of course the students criticised the existing political establishment, and for them the established trade union confederations and federations were a part of it.

But their movement didn't last long enough to destabilise the trade union movement. Although, we cannot deny that in the aftermath of the 1968 events, in practically all the European countries, the trade unions have been shaken by the cry of their members for more involvement in the internal decision-making processes. Their members were not students but working people of the younger generation, the baby boom generation.

This generation, born after World War II, had generated an unprecedented number of young people who became potentially more and more disenchanted with and disaffected from the society build up by their parents, notwithstanding the fact that in most cases they had no material worries.

When these young people started to work in the factories and the offices, they brought with them their feelings of discontent.

The post war trade unionist generation had obtained unprecedented increases in salaries and improvements in living conditions. Although, not necessarily in well-being and welfare.

For trade union leaders the reaction of their young colleagues came as a surprise. They couldn't understand why they were not grateful for what they had reached!

Trade unions didn't new how to react to this new situation. They promised more participation in the decision-making process. The employer side did the same and even the churches did it.

The question was how. In Germany they tried to do through a review of the so-called codetermination legislation in big and small companies. In Great Britain the socialist governments and the trade unions did the same, at least until the winter of discontent and the election of Mrs Thatcher.

In France the left tried to rebuild the "Front populaire", the only way in their view to win, one day, the general elections. In Italy the Communist Party introduced the concept of "Euro-Communism".

The results from all this was that in all European countries, the political and social organisations, including the trade unions in the central banks, were refocusing on their own problems.

Personally I think that this was the main reason.

But I have to admit that these are only considerations without material evidence.

Even Maurice Gousseau and Wolfgang Clotten couldn't give me the answer. The only thing Maurice Gousseau told me that "it were very difficult years" during which it was not easy to convince colleagues of the other central banks to go on with the Standing Committee.

The only possibility he saw was to take his "pilgrim's stick" again and to make a new tour of Europe.

Congress Standing Committee in Rome from 15 to 16 May 1975.

Since the last meeting in 1968, the political situation in Europe had changed dramatically. 1973 took place the Carnation Revolution in Portugal, followed by the fall of the Salazar regime. In Spain the Franco regime touched almost at its end and the Greek colonels' regime fell in 1974.

It was a joyful see again for those who had participated in the first meetings. For the new participants, it was a meeting with great expectations. The reception reserved to the delegates of the bank of Portugal was very emotional. For them, it was the first trade union conference outside the Portuguese borders.

The organisers of the Congress were also very pleased with the presence of delegates from the Bank of England and the Bank of Ireland. During the conference we heard that the first contacts with the representatives of the staff of the bank of Greece had been taken place.

Unfortunately, one of the founders of the Standing Committee, Paolo Andreini, passed away during the interval of seven years.

As in the first round of meetings, the fourth conference paid great interest to the wages and the working conditions of the staff. Before the Congress, Jaqueline André of the Banque de France, had launched an enquiry among the participants on the terms and conditions of employment.

The first attempt to create a European central bank.



Minister Werner of Luxembourg

One of the hot political issues was the project to set up a common structure for European central banks (the Werner Plan, launched in 1970).

It was the first major attempt to move to a common monetary policy. The first one that seemed to have a real chance of succeeding.

We knew that, at that time, contacts took place between the heads of personnel of the central banks of the ECC.

They had received from the governors and presidents the mission to prepare the terms and conditions of employment for the future staff of the new European institution.

For the trade union representatives it was clear that such new institution could have, in the long run, a great repercussion on the social status of the staff of the National central banks. Taking that into account, they proposed that every national trade union delegation⁸ should officially ask what was going on at is Governor or president. The

⁸ When we talk in this document of trade union delegation of the central bank, we mean all the recognised trade unions and staff associations together.

Congress proposed therefor to give a special mandate to Maurice Gousseau. He should request as soon as possible an encounter with the president of the Committee of Governors.⁹

In its statement the Congress declared (translated from French):

"They (the trade unions) believe that such a new structure could lead to the creation of a European central bank. Such a change cannot be pursued, given the social consequences for the staff of central banks, without the participation of the trade union and social organisations within those central banks.

They are ready to do the almost to prevent that such a body becomes a pure techno-structure without any control of the representatives of the workers and any possibility to defend their vested interests."

Wages and salaries.

Regarding the question of wages and salaries, the debate focused on the question whether the indexation of salaries was good or bad. Most reluctant to any form of indexation were the German delegates who had not forgotten the catastrophic consequences of the inflation of 1923.

The delegates from the central banks, were existed an indexation of salaries and social benefits, defended such systems because in their eyes they were a fair, and protected in an efficient way the purchasing power of the workers. They advocated also the involvement of the trade unions in determining the salaries should be linked to the evolution of the purchasing power.

How to strengthen the collaboration among trade unions?

After all these meetings the trade unions became aware of the diversity of the staff representation systems within the European central banks. This was primarily due to the existing national laws and collective agreements. The only international legislation that existed at that time was that of the ILO (International Labour organisation, a branch of the United Nations which was created after the First World War).

Firstly, big differences could be observed concerning the legal framework of trade unions. Their legal and practical powers stretching from the so-called codetermination rights in Germany to vague information and consultation rights in other countries.

Secondly, in a lot of central banks the collective representation of staff was quite different from that in the other branches of industry and offices.

Within central banks existed general trade unions, to which the local branch was affiliated, industry specific or categorical trade unions, house-in trade unions and staff associations.

One of my first duties when I became a member of the coordination committee and later on the president of the Standing Committee, was to write a comprehensive report on the union structures within European central banks. This was certainly one of the most useful tools we

⁹ Indeed, article 1 of the statute of the fund stated that it would be directed and managed by a Board of Governors and that this board should be the members of the Committee of Governors of the Central Banks of the Member States of the European Economic Community.

The agendas and minutes of the committee of governors can be found on the website of the ECB:
<https://www.ecb.europa.eu/ecb/history/archive/agendas/html/index.en.html#y1975>

ever created. And I am very glad that my friend, Thierry Desanois, continues to actualize this document.

A closer collaboration among the trade unions was an absolute necessity, if we wanted to have a real chance to influence the decision making process concerning the activities of European central banks.

But therefore we needed a better understanding why some unions were in favour of something and other were totally opposed to it. Personally I discovered very quickly that most of the time they had good reasons to react in the way they did and that we had to take into account the local circumstances when judging their behaviour.

A great concern of the delegates expressed during the Congress was how to promote the development of new activities within central banks.

The Congress decided to establish a coordination committee composed of one delegate per central bank. The committee should meet twice a year and was in charge of pursuing the work that started after the first meeting in Rome.

The members of that committee would have ongoing contacts. Their duty was to analyse the information is coming from all the central banks and to make synthetic reports in preparation of the committee meetings. Committee conferences should take place every two years. The secretariat should make minutes of every meeting.

The French delegation agreed to remain in charge of the secretariat under the direction of Maurice Gousseau and with the support of Jacqueline André as secretary. From that day on he became the acting president and she became the acting secretary of the Standing Committee.

The coordination committee became the forerunner from what would become the bureau of the committee. As we will see in the next chapters the Standing Committee agreed upon a statute and would be able to adapt this statute to the ever-changing needs and situations.

First meeting of the Committee in Paris on 26 and 27 January 1976.

The main purpose of this meeting was to organise the follow up of the guidelines approved by the congress.

As I indicated above, the secretariat had been informed of the existence of a working group under the aegis of the EFMC¹⁰ and chaired by Mr. Emde, a board member of the Deutsche Bundesbank, responsible for writing a draft statute for the staff of the new organisation.

¹⁰ On 3 April 1973, the Council of Ministers approved the establishment of the European Monetary Cooperation Fund (EMCF) in order to keep exchange rates under the control of the Council. The EMCF made clear reference to the Reserve Fund that had been envisaged in 1955 under the European Monetary Agreement to help the signatory countries overcome their balance of payments problems. The initial task of the EMCF was to narrow the currencies' margin of fluctuation, to provide for multilateral settlement of payments resulting from intervention by EEC Member State central banks and to manage short-term monetary support among the central banks. The Fund was the precursor of the European Central Bank and was also given the task of pooling official foreign exchange reserves as well as managing loan and exchange-rate mechanisms of the snake in the tunnel.

According to the decisions taken in Rome, the Committee gave a mandate to Maurice Gousseau to solicit a conversation with Mr Hofmayer, president of the National Bank of Denmark and acting President of the EMCF at that moment.

The mission of Maurice Gousseau became a great success, as each president or central bank governor gave his consent to give a progress report to their trade union representatives and to keep them regularly informed about the evolution of the project.

In the social field, the coordination committee had compared the different systems of wage indexation and came to the conclusion that apparently the Belgian one seemed to be the most advantageous.

It was agreed to examine at the next meeting:

To improve and update the so-called social documentation (a description of the social systems in each central bank);

- the evolution of the activities of central banks, moreover the situation in the branches.
- the impact of the ongoing automation processes on the organisation and activities of central banks.

The coordination committee launched an urgent appeal to all French and German trade unions that didn't, for what reasons ever, participate in the SCECBU activities and meetings to become a member of the Standing Committee.

List of participating trade unions.

West Germany: ÖTV Abteilung Deutsche Bundesbank

Belgium: LBC-CNE BBTK / SETCa, ACLVB / CGSLB

Denmark: NATIONALBANKENS PERSONALIEFORENING

France: SNA, CGT, CFDT

Great Britain: BANK OF ENGLAND STAFF ASSOCIATION

Ireland: CENTRAL BANK OF IRELAND STAFF ASSOCIATION

Italy: UNIONE SIDACALE PERSONALE ISTITUTO EMISSIONE

Netherlands: VERENIGING VAN WERKNEMERS VAN DE NEDERLANDSCHE BANK NV

Second Meeting of the coordination committee in Brussels, on 4, 5 and 6 November 1976.

After the new start of the Congress of Rome in 1975, the Standing Committee found its second wind. The general social and political climate contributed to the new dynamism of the committee.

- Notwithstanding the fact that the meeting in Paris took only place some months before, four draft reports were prepared and discussed:

- an updated and improved version of the social documentation (Jacqueline André, Banque de France);
- development of activities of central banks and the implications for the network of branches (Perdue Williams, Bank of England);
- repercussions from the automation processes (Helmut Fritz, Deutsche Bundesbank);
- social works in favour of the staff (Perdue Williams, Bank of England).

Wages.

Regarding the wages it became clear to us that this was a very complicated issue. Wages were by nature and history a national matter. In the course of the last decades they had developed very differently in the European countries.

If we wanted to make an objective comparison we had to take into account the different administrative structures and social legislations. The definition of remuneration was different in each country. Should we consider only the basic wage or also all types of allowances and supplements? What to do with subsidies for renting an apartment, interventions in the mortgage burden, reimbursements for medical expenses, holiday and sport clubs? Should pension costs be included in the overall social expenses?

A lot of questions we still continue to discuss! The coordination committee decided to go on with its research and analytical work.

The most controversial discussion remained the indexation of wages and social benefits. Indeed, after the oil crisis of 1973 Europe was facing again a runaway inflation. The danger existed that these high inflation rates would generate a general economic crisis. That was the reason why practically all European governments wanted to stop the sharp increase of wages.

The trade union representatives of the Deutsche Bundesbank defended the idea that limiting wage increases in the mid of severe economic crisis should be acceptable, provided that the purchasing power of families would be maintained by an increase of allowances and social benefits.¹¹

Other delegations were fiercely opposed to any attempt to change the indexation systems. Others advocated limiting the wage increases to a certain lump sum.

¹¹ Remarks concerning the attitude of the German delegates.

The oil crisis of 1973 marked the end of the post-war golden age. The European economies were profoundly shaken. One big economy recovered sooner than the others: the German economy.

To most of the observers that was due to the unique model of social relations and the collaboration between the state, the employers and the trade unions.

Between 1970 and 1990, German exports, as a percentage of GDP, increased from 21 to 32 percent, the balance of trade was negative in only one year (1980) and the trade surplus increased from an annual average of 2.4% in the 1970s to 3.2% in the 1980s.

The role of the Bundesbank in that period may not be underestimated. The reaction of the trade union delegates of the Bundesbank must be seen in this unique social context. Although they belonged to different trade union organisations, the delegates accepted the basic values of the German model (all so called Reinland Model).

Whatever their reactions, the delegates were aware that the staff of central banks would be hit by the austerity measures, although staying confident that they would find, within the central banks, the way to soften the pill.

More dangerous in their eyes, was the reaction of some central banks, like the Bank of England, which attacked the staff social benefits because in its view they were exaggerated, compared to the earnings in the services or in the commercial banks.

According to the German trade union delegates, the freezing of the special allowance for the staff of the Bundesbank had yet resulted in a reduction from 30% to 28%.

The trade unions of the Bank of France, feared in the first place, the implementation of the anti-inflation plan of Minister Barre ¹².

In the bank of the Netherlands they applied the principle of “geen procenten maar centen” (literally: no percentages but real money). That meant up to the ceiling of 24,000 florins the wage increases were calculated in percentage and above that ceiling as a lump sum corresponding to the application of the percentage on the maximum wage amount.

The discussion about the wages and (extra) benefits was not new. Public opinion and the politicians were not convinced at all that the central bank’s staff should receive higher wages than in outside world.

For the trade union representatives the wage system was justified, if one took into account the required skills, special knowledge and responsibilities of the staff.

Social activities.

The different delegations explained in detail how social works were organised in their central bank. In some central banks, like the Banque de France, they were self-managed by the staff representatives. In other central banks there were different types of codetermination or advisory rights.

Some central banks granted a percentage of the wage bill, while others granted a lump sum for sporting, cultural and social activities.

In some central banks staff members had to pay a small fee for membership, in others it was entirely free.

Just like the definition of wages, the definition of social works was totally different from country to country. In some central banks social works were limited to sport activities and recreation. In others they included social benefits, whereas in some the same social benefits were considered as being part of the remunerations and were included in the wage bill (Belgium).

¹²On 25 August 1976, the French Prime Minister Jacques Chirac resigned. President Valéry Giscard d'Estaing called Raymond Barre to succeed him as head of government. Its main task will be to slow down inflation. The French economy is experiencing a series of setbacks since the first oil shock in 1973. On 22 September 1976 the Council of Ministers adopts the first austerity plan of Prime Minister Raymond Barre. His priority is the same as in many other Western countries. The trade union movement is reacting furiously.

Introduction of Information Technologies in central banks.

The subject of IT deployment was brand-new for all of us.

The introduction of big computer systems started in the beginning of the 60s, replacing the previous mechanical ones. But yet the computerisation of the office work had started too. One thing didn't exist at that time: interconnecting software and the internet.

Compared to today the storage capacities of the computers were very limited.

In the years before rapid developments in the field of industrial automation systems had taken place. In the central banks we were confronted with these new technologies for the counting and sorting machines for banknotes and in the printing works.

In this field, commercial banks had taken the lead before us and we started to feel the repercussions.

Combined with the ongoing deregulation process it constituted a real danger of which all delegates were well aware!

But it didn't mean that all the delegates reacted in the same way. Some of them were willingly to accept technical changes. Like for example the English representative who saw in the computerisation and automation opportunities for the trade union movement.

Other representatives, like the French, were less optimistic. They feared that computerisation would lead to more and more rationalisations in order to maximise profits.

A fundamental discussion that would continue to dominate the agenda in the coming years.

Which model of central bank?

Another fundamental question that appeared at the horizon was the choice between two opposite models of central banks: the Anglo-Saxon like central bank and the Bundesbank like central bank, or European mainland central bank.

In the first case the activities of the central bank would be limited to the so-called core business or activities. In the second case the protagonist of that modal wanted to keep these core businesses too, but they were convinced that a central bank had public duties and obligations too!

This constituted it in their eyes good reasons for the citizens to ask for maintaining the network of branches of central banks. Only in that way central banks would be able of staying in close contact with its public and clients.

Activities of central banks and¹³ deregulation.

As we mentioned in the previous chapter the option for one of the two models of central bank was not innocent. Indeed, the choice for an Anglo-Saxon like central bank, provoked in many cases a social carnage!

¹³ The deregulation movement of the late 20th century had substantial economic effects and engendered substantial controversy. The movement was based on the intellectual perspectives that deregulation created a substantial scope for market forces.

The choice was neither purely organisational nor technical, but above all political.

In the previous chapter we mentioned the fact that the delegate of the Bank of England, John Ward, saw not only danger in the modernisation process but also opportunities. Nevertheless, he was not optimistic at all concerning the development of new activities by the Bank of England. The reason was that for pure political reasons the Bank wanted to reduce the cost price. One of the possibilities that were contemplated were the limitation and outsourcing of a lot of activities.

In the Banque de France the winds of change started to blow too. The bank had developed in the 60s a series of activities at regional and national level, thus becoming more and more involved in the local and regional economy. These new activities should counterbalance the loss of the traditional ones.

But in 1967, a restructuring scenario, projecting the closing down of 50 branches, out of more than 300, circulated within the corridors of the bank. The protagonist of this restructuring plan was Governor Wormser himself, an admirer of an Anglo-Saxon like central bank.

The trade unions responded promptly and resolute! They called for a strike all over the country. The movement was followed massively. They won the battle but not the war. The bank's government decided to reduce the closing down from 50 to 27 branches and to consider the creation of three new ones. A joint working party was set up. Maurice Gousseau, who was at that moment the elected councillor by the staff, and his successor as Secretary-General of the SNA, Fernand Delmas, played a decisive role in the conflict.

The government of the Banque de France followed the recommendations of the joint working party and accepted to develop computer services and economic research services in Paris and at department level. Moreover, it accepted to prolong the activity of the industrial branches of the bank, i.e. the printing works and the paper mill, but refused to give political guarantees about the maintaining of credit control and the banking supervision, as asked by the trade unions.

This rather positive outcome was followed with great attention in the neighbouring central banks from Belgium, the Netherlands and Germany. Indeed, the representatives of those central banks knew very well that they would be confronted with the same problems.

Later on the Belgian trade unions obtained the creation of a joint working group on the activities of the branches, as well.

The EMCF.

The movement toward greater reliance on market forces has been closely related to the growth of economic and institutional globalization between about 1950 and 2010.

Critics of economic liberalisation and deregulation cite the benefits of regulation, and believe that certain regulations do not distort markets and allows companies to continue to be competitive, or according to some, grow in competition. Much as the state plays an important role through issues such as property rights, appropriate regulation is argued by some to be "crucial to realise the benefits of service liberalisation".

May 1964	A Committee of Governors of the central banks of the Member States of the European Economic Community (EEC) is formed to institutionalise the cooperation among EEC central banks.
1971	The Werner Report sets out a plan to realise an economic and monetary union in the Community by 1980.
April 1972	A system (the “snake”) for the progressive narrowing of the margins of fluctuation between the currencies of the Member States of the European Economic Community is established.
April 1973	The European Monetary Cooperation Fund (EMCF) is set up to ensure the proper operation of the snake.
March 1979	The European Monetary System (EMS) is created.

During the meeting, Maurice Gousseau, announced that the request from the different trade union delegations to obtain information about the EMCF project had been crowned with success. For the first time they the Governors and Presidents seemed being prepared to recognise the existence of SCECBU as a trade union umbrella organisation within the central banks.

Armed with the mandate that he received during the Paris meeting in January 1976, he had contacted Dr EMDE, a member of the general Council of the Bundesbank and the president of the working group on the social statute of the staff of the EMCF. During the meeting, Dr EMDE had welcomed the existence of a supra trade union committee.

He told Maurice Gousseau that the statute of the EMCF staff had been drafted, but that it had not yet been approved by the Governors and Presidents of the European central banks. However, they were prepared to give information about this project at the national level. In the meantime he stressed that the actual political and economic situation was not of the nature to give priority to the ratification of the text. When this would be the case, the Presidents and Governors were prepared to give ongoing information on the implementation to the Standing Committee.

As a result from this intervention, some delegations had indeed received the draft text of the statute. In their proposal the heads of staff advocated strongly for granting the statute of the BIS to the staff of the new institution.

In his closing remarks, Maurice Gousseau, concluded that the hiring of new staff would not be for tomorrow. He was right, the issue reappeared only ten years later, at the time of the creation of the European monetary Institute.

Unfortunately, in the meantime the attitude and the thinking of the heads of staff had changed. In the central banks the old generation of them had retired and were replaced by so-called human resources managers. Their new credo was "flexibility and productivity".

Second meeting of the committee in Amsterdam on 12 and 13 May 1977.

With the meeting in Amsterdam ended the period of the second start up in Rome. During the three successive meetings we were able to consolidate the existence of the committee and to take the first important steps for the final recognition of the Standing Committee.

The 70s many aspects quite different from the 60s, in the 80s the European Community found its second breath under the presidency of Jacques Delors.

During the Amsterdam meeting we became convinced that the organisation of a new Congress was necessary. There was an urgent need to consolidate further the committee. We needed guidelines for the future that were democratically approved and supported by all the member unions. It became also indispensable to define the exact role and mission of the Standing Committee.

The official agenda included the following items:

1. activities of central banks;
2. participation of trade unions in discussions on activities;
3. defending the special benefits of the staff of the European Central Bank;
4. training (professional and general) and recruitment in European central banks.

The activities of central banks.

The discussion on the activities of European central banks had been placed on the agenda at the request of Maurice Gousseau. This was fully understandable, as it was one of his most important responsibilities as elected councillor of the Banque de France.

Moreover, as a councillor he had the legal capacity to do it and received very useful information on the issue. Therefore he was in an exceptional position. In the other central banks the function of an elected council member didn't exist.

In the Bundesbank the function was considered as incompatible with legal statute of independence of the bank. For the same reasons the Bundesbank trade union delegation didn't want to intervene in such discussions. For them the activities were laid down by the Bundesbank law and they had no information of intentions to change the law.

They were wrong. Years later it was discovered that in 1970 existed already a secret study to change the federal structure of the Bundesbank and to downgrade the Landeszentralbanken to administrative units and to review your organisation and the activities of the branches. Due to the resistance within the Bundesbank and among the German politicians, the General Council decided to throw the draft in the trash¹⁴.

The French delegates were convinced that it was their duty to intervene in the definition of the monetary policy. From their point of view monetary policy could have such negative consequences for the workers that their voice should be heard.

The Scandinavian delegates felt that in their countries the things were well organised. Parliament was in charge of an effective democratic control on the central bank. Contrary to what happens today in the European Parliament, the control of the Scandinavian parliaments was "ex ante" and not "ex post".

¹⁴ David Marsh, THE BANK THAT RULES EUROPE, page 220, 1992.

The Belgian delegates defended an intermediate position. They explained that in the National Bank of Belgium existed a “Conseil de Regence” or “Council of Regency”, in which the leaders of the most representative social organisations such as employers; trade unions; farmers; self-employed and so on, had a seat. As the council discussed general questions relating to the monetary policy and the economic situation of Belgium, the trade union leaders of both confederations were well informed and could express their opinion.

Finally the different delegations agreed on the following conclusion:

the first duty of trade unions is to defend the interests of their constituents; so they must vigilantly monitor the consequences of changing activities, including employment, working conditions, promotions of vocational training;

In addition, although the legal competence of trade unions within central banks differ across countries, most trade union organizations present in Amsterdam consider it as an important part of their role to defend the public duties, authority and competences of the central bank. Therefore, they confirm their right to discuss with the governing bodies on the future activities and the practical means to promote them. They are aware, that depending on the manner the central banks implement these roles and duties, the social impact and consequences are totally different.

Publication of a newsletter by the Standing Committee

An important initiative from the SCECBU was the decision by the Amsterdam conference to publish regularly a newsletter. The first letter was published on July 1 July 1977. The letter gave an overview of the discussions during the meeting, focusing especially on the future activities of the central banks.

The newsletter stressed very rightly that within the central banks there was a big difference between “legal” and “de facto” independency. This was due, as we explained before, to the existence of different types of central banks and not only to the relevant legislation but in particular to the position of the central bank within the country and the trust of the citizens in the institution.

Some personal observations about the Amsterdam meeting.

To my personal surprise, during the conference neither spoke about the collapse of the Bretton Woods monetary system in 1971, nor over of the oil crisis of 1973.

It proved that most of the delegates were still living in a world blown away by the winds of change.

The participants continued also to see in the EMCF primarily an organizational intermediary structure outside and even in competition with the national central banks. For most of them, if there should be a European central bank, it should be a small common agency of the existing national central banks.

As we have seen in the previous chapters possible creation of the central bank was faraway and a far from my bed story for most delegates. In 1977 the EMCF had already become an empty shell. The reasons are explained fully in the official history of the ECB (European central bank history the, role and functions, by Hans Peter K. Scheller).

The idea of a common currency for the EEC Member States was first launched in the European Commission's Memorandum of 24 October 1962 (the *Marjolin Memorandum*). In its Memorandum, the Commission called for the customs union to lead on to an economic union by the end of the 1960s with irrevocably fixed exchange rates between the Member States' currencies. However, since the Bretton Woods system was ensuring widespread exchange rate stability, the Member States considered that intra-EEC exchange rate stability could be secured without the need for new institutional arrangements at the Community level. Thus, no follow-up action was taken on the Memorandum, except that a Committee of Governors of the central banks of the Member States of the EEC (the Committee of Governors) was established in 1964. The Committee of Governors complemented the Monetary Committee provided for by Article 105(2) of the EEC Treaty.

As we have seen the committee of governors which existed since 1964 became the board of the EMCF. Originally the mandate of the committee of governors was very limited. But with the creation of the EMCF and plans for the EMU the mandate was enlarged and progressively the committee of governors became one of the most influential advisers on monetary affairs and the European monetary union for the European commission and the European Council.

So, while the EMCF disappeared to real power of the Governors and Presidents of the European central banks grew steadily. All of them wanted to develop these new powers in the shadow and not in the spotlights of the daily policies.

Seldom or never, had they mentioned the subject in the discussions with their trade union representatives.

Personally I became more and more convinced that it would be very important for us to establish a direct link to the committee of governors as well as to the economic and monetary committee of the European Parliament.

When two years later, I was elected President of the Standing Committee, it was the first thing I did. This was for me the only way that would lead to the official recognition of the committee. The road would be very long and painful. On our way we had to face the opposition, even the obstruction, of major international trade union confederations.

Although until that time, they had never taken care of the staff of central banks, they claimed to have the exclusive representation right of the staff. They pretended even the same rights for the new institutions which would be created in the future.

Banking supervision.

Another hot item, we discussed in Amsterdam, was banking supervision. What we used to call today: financial and banking supervision. The difficulty was that not all the existing national central banks were entrusted with banking control.

Just like for other activities, the participants had very different ideas about the issue. They were heavily influenced by the situation in their own central bank. Some of them, who defended

fiercely the possibility for a central bank to control other financial institutions and markets, were categorically opposed to any kind of European control.

They were not alone! A lot of politicians taught in the same way. But how efficient national banking control could be in a time of liberalisation of the financial markets and globalisation of the economy?

The debate would last for more than two decades.

Vocational training programmes for the staff.

All these changes would require great efforts to develop staff training programmes. We were aware that vocational staff training would become very soon one of the key assets allowing us to defend the employment within central banks.

The central banks of major countries such as Germany, France, Italy and Britain, already had set up training centres offering a wide range of training programmes.

In Germany the Bundesbank had created a training centre for senior managers "gehobenen Dienst" in "Hachenburg im Westerwald" and a second one for managerial banking staff "mittlerer Bankdienst" in "Eltille" on the borders of the Rhine.

In the medium and small central banks special training programmes were in preparation, but the emphasis continued to lay on the traditional training on the spot.

These banks encouraged the staff members of following external training programmes or to sign in as a student at a higher institute or university.

In the same period in some countries, collective agreements for all the workers were signed, providing for the setting up of joint training programmes. This was for example the case in Belgium. In this respect it is interesting to remind that the Bundesbank is also involved in the apprenticeship system for banking staff.

Fourth meeting of the Coordination Committee in London on 17 and 18 November 1977.

This meeting was mainly devoted to the draft statute for the Standing Committee. Moreover the practical possibilities to organize another congress in 1978 were examined and the first practical details discussed.

Maurice Gousseau, followed by the vast majority of other delegates, was a great supporter of the organization of such a conference because he feared that without guidelines or clear orientations the committee was in danger of becoming a merely technical working group without political and social ambitions.

(See the chapter on the status project)

Bilateral contacts between national trade union organizations.

The frequent personal contacts during the official meetings demonstrated to need for deepening the analyses of the issues on a bilateral basis. The aim was to raise awareness among the rank

and file members of the trade unions of boat countries for the social situation in the other central bank.

Therefore Belgian and German delegates met on 21 and the 22 November 1975 in Aachen.

The meeting was attended from the side of the Bundesbank by, Wolfgang Clotten and Helmut Fritz, both members of the union OTV. The National Bank of Belgium was represented by Jacques TASSIER (CNE) and Frans VANDERSCHELDE (BBTK SETCa).

They discussed the following items:

- wage indexation systems;
- workers' participation in decisions making proces;
- staff training;
- the organization and mission of the Deutsche Bundesbank and the National Bank of Belgium;
- rationalization measures envisaged by the two central banks;
- examining the possibilities to organize a regular contacts across borders between delegates from the branches along the border from Germany, the Netherlands and Belgium.

As often in such contacts the agenda was too full to be discussed in depth within two days. However, it was the starting point for a lot of regular contacts in the next years.

Interesting was the fact that the Belgian-German example was followed by others and many bilateral contacts were established between French, Italian, Greek, Spanish and Portuguese trade unions.

Another solution that permitted to foster mutual contacts was to invite each other's representatives at the trades union Congresses.

Ragny Congress (France), the 17-18-19 May 1978.

The conference was prepared by a working group during two meetings. The first meeting took place in London at the Bank of England in 1977 and the second one in the spring of 1978 at the Bundesbank in Frankfurt.

As we have seen in the previous chapters, the mean topic of the London meeting was the discussion of the draft statute of the committee.

At the Frankfurt meeting the draft text was finalized and the official agenda of the Congress was prepared.

The official agenda of Congress.

- Activity Report.
- Computers and automation.
- Labour relations in central banks and union influence.
- Training.
- Working conditions of female staff.
- Future of the committee.
- The final guidelines

Representatives of central banks of the following countries attended the Congress:

National Bank of Belgium

DanmarksNationalbank.

Deutsche Bundesbank

Bank of England

Banque de France

Central Bank of Ireland

Banca d'Italia

Nederlandsche Bank

Bank of Greece

Banco do Portugal (1)

Östereichische Nationalbank (1)

Sveriges Riksbank (1)

(1) new delegations

New participants to the congress.

As you can see on the list of participating central banks, there were four new central banks represented. The National Bank of Austria, whose country was occupied by the Allies until 1955, and became only free after the departure of the last Russian troops and the acceptance of a special neutral statute.

The Bank of Sweden whose country was hesitating between traditional neutrality and membership of the European community.

Furthermore Greece that had just emerged from a long dictatorship in 1974.

There was a third country, Spain, which after the death of Dictator Franco, November 20, 1975, was evolving to a democratic system¹⁵.

As at the conference in Rome the new participants were received enthusiastically.

But for the Standing Committee some crucial questions needed to be answered. How could we know for sure which were truly representatives of the staff?

Should membership of the Standing Committee be limited to central banks of the countries which were full members of the EEC, or should we open the door for accessing countries?

Who could we respond in a positive and practical way to their great expectations?

[Activity Report to Congress by Maurice Gousseau.](#)

In his opening speech, Maurice Gousseau, gave an overview of the different initiatives the committee had taken since the Congress in Ragny. He remembered that without this mandate this had not been possible.

He focused particularly on the evolution of the activities of central banks and the creation of the EMCF. Then he stressed the need for reciprocal information about the social situation of the staff of the different central bank. In the past years, he said, the committee had tried to improve the enquiries system and to speed up the information gathering.

He urged the participants for continuing to defend the interests of the staff of central banks. We know, he said, that when we are doing this, we are seen by the outside world as being corporatist. We must all do we can to correct this force picture of a central bank and to remember the media and the citizens that for becoming an employee within a central bank you require a lot of knowledge, special skills and experience. Taking into account these elements our remuneration is perfectly in line with that of other international organisations.

He recognised that the European central banks had to operate in a changing world. One of their main duties is to remain the guardians of the currency or the citizens. While they should never forget that for doing so they need a lot of collaborators who are dedicated to their job and fateful towards the values that central banks should defend..

He recognised also that central banks were bearing huge responsibilities, especially in the field of monetary policy. But they should never forget the consequences for the economy and social situation in the country.

He recalled that during the first congress in Rome the participants launched an appeal to all the trade unions of central banks to join the Standing Committee and enlarge the committee with new members.

¹⁵ The Spanish transition (in Spanish, Transición democrática española) is the process that permitted after the death of the Franco to establish a democratic regime in Spain. From an institutional point of view, we can consider that it extends from the death of General Franco in 1975 until the first political change in 1982 with the coming to power of the Spanish Socialist Workers Party of Felipe González.

Unfortunately, during the interruption of seven years, a lot the established contacts were lost. Personally he so no other solution then to take his pilgrim's stick, to make a new tour of Europe trying to convince new delegates to join the club.

After the described the difficulties he had encountered in establishing contacts with representatives of the Bank of Portugal and Spain. These difficulties arose because the social and political situation had not yet stabilized in these countries.

He referred also to the growing interest from the side of the FIET (International Federation of employees and technicians). TIET followed with increasing concern the expansion of the Standing Committee. At its Congress in Stockholm in 1975, which I personally attended as a delegate from my trade union the SETCa, it put the issue on the agenda and claimed the right to represent all the staff of the central banks.

After the activity report each country presented its own activity report. We mention here only the most striking points.

Belgium.

For the Belgian delegates the most striking evolution since the Congress in Rome was the closing down of the five of the 42 branches. As said before the restructuring programme for the branches was discussed in a joint working party. The direction of the National Bank of Belgium had promised to do it in a socially acceptable way. The trade unions had negotiated a very good social plan. But nevertheless it remained a hard decision for the staff working in the branches.

The direction of the bank wanted to encourage the early retirement in some services, notwithstanding the fact that the work load was still growing.

An agreement had been signed providing the possibility for the trade union delegation to ask for the creation of working groups on specific issues.

For legal reasons, at that time, the National Bank of Belgium could not have a works Council which existed in private companies. To fill up that gap an agreement has been reached to confer the main competences of a works Council to the trade union delegation.

Danemark.

The staff of the Danish central bank enjoyed a preferential system granting that salaries should be 10% higher than in the commercial banks and that they would be automatically linked to the evolution of the purchasing power.

The staff has the legal right to strike but use that weapon seldom an prefers a negotiated agreement.

Germany

The law of 1975, providing the freezing of the special allowance was still in force. In the meantime the allowance decreased from 30% of the salary to 27,1%

Great Britain

The direction of the Bank of England was eager to give the good example and decided to stop any subsidy to the staff Association. In this way the direction wanted to force the Association to convert itself to an independent trade union, or to join an existing one. This decision has to

be seen against the background of the social situation in England just before the "Winter of discontent¹⁶").

Notwithstanding the mounting pressure on the side of the direction, the Staff Association obtained great victory in the fields of gender equality.

The direct interventions of the direction of the Bank of England in the wage negotiations produced a boomerang effect limiting their own room of manoeuvre for conducting their own pay policy once the government started to implement the recommendations and the example of the Bank of England.

The response of the trade union movement to the austerity policies of the government were wage increases linked to the productivity in order to bypass the blocking of wages.

France.

Concerning the wage policy the attitude to the French trade unions are divided into blocks.

One block is in favour of collective wage agreements and was ready to negotiate on the basis of the proposals of the government. The other block rejected the proposals of the government as that which results in a blocking of wages compared to the increase of the cost of living.

Although, the Banque de France was not directly ~~not~~ concerned by the mounting unemployment, the trade unions of the bank feared the indirect repercussions of the governments' policy.

Ireland

In Ireland the situation was more or less the same as in Great Britain. The trade unions tried to obtain wage increases by an increase of productivity, while avoiding the impact on employment and the career development.

Italy

Wage policy based on maintaining the purchasing power, while linking it to the increase of productivity. However, staff of commercial banks and the Bank of Italy had specific wage scales and were better protected against loss of purchasing power than in other public and private sectors.

The average age of the staff of the Bank of Italy was 36 against 50 years a few years earlier. This meant that the wage blocking would have a greater impact on the younger employees that

¹⁶ The Winter of Discontent refers to the winter of 1978–79 in the United Kingdom, during which there were widespread strikes by public sector trade unions demanding larger pay rises, following the ongoing pay caps of the Labour Party government led by James Callaghan against Trades Union Congress opposition to control inflation, during the coldest winter for 16 years.

The strikes were a result of the Labour government's attempt to control inflation by a forced departure from their social contract with the unions by imposing rules on the public sector that pay rises be kept below 5%, to control inflation in itself and as an example to the private sector. However, some employees' unions conducted their negotiations within limits above this limit with employers. While the strikes were largely over by February 1979, the government's mutually agreed inability to contain the strikes earlier helped lead to Margaret Thatcher's Conservative victory in the 1979 general election and legislation to restrict unions

were at the start of their career as the older ones that were at the end and had benefited from the seniority salary scale increases.

The Netherlands

Under the 1977 Act (polder model) the national government had the right to control the evolution of the wages in all economic sectors and in the event of a serious economic situation, the government could block the implementation of the agreements for six months.

Risk of a reduction of staff following the installation of automatic counting and sorting machines for banknotes.

The bank was inspired by the French example and wanted to create a staff training service.

Greece

This agreement took into account the tax increases and runaway inflation, although not completely to offset the increased cost of living. However, the unions signed the agreement to protect the interests of the staff in long term.

Relative improvement achieved by the reorganization of the working week, through the implementation by the Bank of Greece of the collective agreement signed by the general union of bank employees, the banking association and the labour minister.

This collective followed the introduction in 1977 of the five-day week instead of the six day work week.

Portugal.

Before the nationalization of banks in 1975, the remunerations at the Bank of Portugal were much higher than those in the commercial banks. Following the nationalization any differentiation between people with the same function and responsibility, especially those of the execution staff, was forbidden.

Annual negotiations had to take place within the limits imposed by the government, after negotiations between the banking trade union organisations and the Minister of Finance. In case of disagreement, the trade unions could ask for an arbitration procedure by the Minister of Labour.

The unions claimed 15% increase. Even when they would obtain it, it would not compensate the loss of purchase power.

Austria.

In Austria a national price index existed that covered all consumer products and luxury goods. This index was an important benchmark for wage negotiations in commercial banks as well in other sectors of industry.

In the Austrian National bank the collective negotiations took place in the special consultation bodies set up by the law.

The unions obtained a 5.9% wage increase. A satisfactory result taking into account the economic context.

A serious problem that the Austrian delegates had to face was the decision taken by the bank to stop a series of commercial activities which could lead to a staff reduction.

[A statute for the committee.](#)

The Congress in Rome in May 1975 set up a committee, called “The Standing Committee of European central bank unions” and a coordination committee. The committee had to deal with a number of important subjects during the past three years. From those meetings emerged a high degree of trust and cooperation among the participants.

In discussing the future, the coordination committee had formed the view that:

- it would enable the committee to function more effectively if clear guidelines were let down for its operations in a statute;
- the committee had been in existence long enough for it will be possible to formulate such guidelines;
- it insisted upon an agreement on the statute in which would be set out the powers of the committee and the issues which it may properly be concerned.

For these reasons the coordination committee had drawn up a draft statute. The committee agreed anonymously on the final proposal at its meeting in Frankfurt, on 4 April 1978. It decided to recommend to the Congress the adoption of this statute.

In his report the rapporteur reminds that it was difficult in drowning out the statute to find words which carried the same meaning when translated into the various different languages. The Congress decided therefore that the original English text should be regarded as the official text of reference, leaving it to the responsibility of the delegations to translate the statute in its own languages, but recommended in the meantime that documents and working papers should be provided at least in English and French.

Concerning the question to which extends union representatives should participate and influence the decisions taken in the area of the activities of a central bank, the congress stand for certain basic aims, but how these are to be translated into reality in the different central banks within the different national frameworks was left to the individual committee members to decide. Therefore the Congress decided that the Standing Committee will support initiatives to fulfil the aspirations of the individual members.

The committee stressed very clearly that it did not seek to usurp the right of the unions and staff associations within each centre bank to negotiate on behalf of their members. It accepted as a fundamental principle that the staff of central banks are entitled to decide how they shall be represented without interference from outside. One area however of the negotiations which the committee should have to conduct was the terms and conditions of service of the European monetary cooperation fund (FECOM) if it ever would become a reality.

As we have seen before the FECOM became only an empty shell. Nevertheless, during the different reviews of the statute, the basic principles remained and it was on the basis of these principles that we negotiated in the 90s the conditions of employment of the staff of the European monetary fund (EMF).

The same principle would apply to other matters where the management of central banks or the representatives of more than one central bank would be involved, i.e. issues of trans-European

dimension. Until yet, it didn't happen in practice. What happened in practice was that trade union organisations of a central bank requested for help and solidarity. In those cases the President and the bureau could intervene, in principle, only as far as the majority of trade unions, in terms of representativeness, would ask for help and solidarity.

Concerning the important questions of membership, the Congress decided that full membership should be open to a union delegation representing the staff of the central bank of any country which is a member of the EEC and as far as it was recognized at the national level.

That associated membership should be open to a delegation representing a central bank of any country that has applied for membership of the ECC. Furthermore it was decided that delegations from other countries could attend the meetings as observers. This possibility lead down in the statute has been frequently applied when the committee was confronted with the enlargement of the European Community in Eastern Europe after the fall of the Iron Curtain.

According to the draft statute there would have been only three officers of the committee: a Chairman, a President and a Vice president. The office of Chairman should rotate between members accordingly to the place of the next meeting of the committee. The Chairman would have the responsibility to organise the meetings during his time of office. The President and the Vice president should be responsible for the general operation of the committee. There should be a repartition of duties between them as taught fit and the President should provide a permanent secretariat for the committee as far as his resources would permit it.

Those last provisions were a real stumbling block during the Congress. We were forced to set up a special working group to clear out the situation. The opposition to the proposals came from different sides, notwithstanding the fact that in theory all delegations had noticed their agreement with the proposals before the start of the Congress.

The first point of discussion was concerning the role of the rotating president. Should he be part of the bureau or have only a ceremonial and temporary function?

The second and most important objection was concerning the number of members of the bureau. Delegates from small countries feared being outnumbered. The Christian trade unions feared that their tendency and ideology would not be represented. They remembered that in some countries they were in a majority position and in other they represented an important part of the staff.

After a day and a night of the discussions the following consensus was found concerning the setting up of a Bureau:

- One President and one Secretary in charge for the secretary coming from the same central bank ;
- Two vice presidents coming from two different central banks and representing, if possible, different social and trade union traditions or ideologies ;
- Possibility to enlarge the bureau with maximum tree persons.

Unofficially it was also agreed that those six persons should comprise delegates from big, medium and small central banks from the different European member states.

The Congress accepted this compromise, provided that each national delegation would approve it at the national level before the statute entered into force.

The following persons were elected by congress:

President:	Maurice Gousseau, Banque de France.
Secretary :	Jacqueline André, Banque de France
Vice president:	Frans Vanderschelde, National Bank of Belgium. Peter Blessing, Bank of the Netherlands.

For Maurice Gousseau and Jacqueline André it was the official recognition from what they were doing since 1968 and a reward for their lifetime achievement. For the vice presidents it was the recognition from what they had done since the second start-up of the committee.

Although, it was a hard birthing, it provided a practical and efficient tool to manage the committee. In the course of the history of our committee some other adaptations of the statute have been agreed upon by Congress, but very important in my eyes is that the basic ideas of the first statute have been preserved during all these years.

Information and automation technologies.

At the Congress the delegates reported no worrying developments in the field of automation announced. However, they stressed that in practically all the European central banks big IT projects were in the pipeline which could have a significant impact on the employment and the career planning of the staff members.

The big question was whether to accept or not these reorganisation plans and if so under what conditions.

As for other issues the reactions were twofold:

- Accepting the reorganisations as inevitable from a technical and practical point of view, but asking social compensations in terms of employment and social conditions;
- Accepting the reorganisations, provide they would not have any impact on the working and social conditions.

As we will see in the next chapters, this was not the end of this principle and ideological discussion, only the beginning.

Evaluation of the congress Ragny.

The Congress of Ragny was certainly a milestone in the history of the committee. On the one hand it was the end of the period of the second start, and on the other hand it allowed to render the committee a stable basis with the new statute and to assure its sustainability.

Of course we did not find the answers to all our questions. Defending the interests of the staff is an ongoing process and a continual struggle. Social achievements last never for ever.

To defend them trade unions must try to maintain the awareness and support of their members and of the staff of central banks in general.

History of the Standing Committee of European Central Bank Unions

Part 2

“A period of stabilisation of the functioning of the Standing Committee and enlargement of the European community.”

Events from 1979 to 1988.

Meetings of the Executive Committee in 1979.

Dublin, 3-4-5 May 1979

Immediately after the Congress of Ragny during which the Standing Committee had adopted its statute and elected the first Bureau of the Committee, we met twice in 1979. The first meeting took place in Dublin on 3-4-5 May 1979. It was the first meeting in the Irish capital in the weeks just before Easter. Therefore most delegates arrived in light clothing expecting sunshine and a blue sky. Unfortunately for us it was very cold and snowing. What we didn't know either was that in Ireland in the month of May the hotels cut off the central heating. Nevertheless it became one of the meetings that we will remember for a long time. The reception by the Irish delegates was warm and enthusiastic. We had plenty of time, during the night, to discover the special qualities of Guinness.

Besides some practical points the two main issues of the meeting were in the first place an analysis of the statute of the staff of the future EFMC (European fund for monetary cooperation). In the second place an encounter with Leif Mills the Secretary-General of BIFU in England and at the international level the President of FIET.

Concerning the statute of the EFMC we examined every paragraph in detail and made a lot of comments and suggestions. We decided to send a letter to the different Presidents and Governors of the European central banks. Although everybody was free to use the wording he preferred, concerning the content we accepted to follow the draft letter to the Governor of the Banque de France, Mr Clapier.

In that letter we'd insisted to work in the first place by secondment staff and to limit the use of local staff. We regret that that the trade union rights were not explicitly recognised in the draft proposals of the heads of staff. We noticed too that in many respects the statute was less beneficial for the staff of the fund than in many European central banks. We stressed that in many articles the emphasis led on individual labour contracts, ignoring the provisions laid down in the collective agreements.

We expressed the hope that the new statute would not be the beginning of a levelling down of the terms and conditions of employment within the central banks.

The discussion with Leif Mills was very polite but it became immediately clear that he had a different view on the way the Standing Committee should collaborate with FIET than we had. For more details about the person and the policies of Leif Mills see part 3 of this paper.

As usual we discussed the social evolution in the different central banks in the last year. The delegate of the Bank of England, John Ward, indicated that they were able to sign a very good salary agreement. The delegates of the Banque de France indicated that they had started with a campaign in favour of the 35 working week. In Ireland there were important salary increases too (between 9% and 7%). In Italy Parliament was discussing a new law on pensions. Salaries as well as pensions continued being indexed. Salaries were increased between 3.5% and 10%, but the cost of living increased in the meantime to 26%. In Portugal the trade union federations of the banking staff in the southern part and the islands, the centre in the north of Portugal were becoming more powerful. This has led to discussions about the competences of the so-called workers commissions versus the trade unions.

Brussels, on 10-11-12-October 1979

During the meeting in Brussels, on 10-11-12-October 1979, we approved the analyses made by the Executive Committee in Dublin and discussed the whole range of hot items.

- reduction of working time and the position of the different trade unions;
- security within central banks (rapporteur Peter Blessing, Nederlandsche Bank);
- the activity of the Standing Committee and the powers of the President and the Bureau (rapporteur Frans Vanderschelde);
- the implementation of union rights (rapporteur Frans Vanderschelde);
- automation within central banks (rapporteur Frans Vanderschelde);
- the problems of the managerial staff;
- a survey on female working conditions (rapporteur Jacqueline André, secretary of the Committee);
- Next meetings of the Executive Committee and organisation of the next Congress.

Discussion about the reduction of the working time.

- Belgium 35 hours and 50 min weekly working time (no negotiations on a further reduction);
- Deutsche Bundesbank, 40 hours.
- Bank of England, 35 hours including five hours per week of breaks, real working time 30 hours.
- Banque de France, theoretical weekly working time 40 hours, in practice between 32 and 38 hours. As said before the trade unions endorse the National campaign for a 35 hours working week;
- Central Bank of Ireland, officially 7 hours, in practice 32 hours and a quarter;
- Bank of Italy, 38 hours and 30 min;
- Bank of the Netherlands, 40 hours;
- Bank of Greece new weekly working time 39 hours. In reality this resulted in a longer weekly working time combined with the implementation of the so-called central European working hours, from 7:30 to 3:30 PM. Taking into account the climate of Greece, especially in the summer, this was totally unacceptable for the trade unions, so they decided to go on strike as soon as possible;

- Bank of Portugal 35 hours.

During the discussions some delegates were in favour of the publication of a declaration in favour of the 35 weekly working week. For others that would be considered as unrealistic and wishful thinking by the staff of their bank.

The President, Maurice Gousseau, declared that in his opinion it would be better to have a nuanced declaration instead of no declaration at all.

In the end the Executive Committee agreed on a resolution that contained the following points:

- the Committee noticed a great disparity concerning the working hours, although working conditions in central banks were in general favourable, the Committee regretted that in some of them to working time was still more than 40 hours;
- the majority of the delegates confirmed their will to obtain a working time of 35 hours, even if the Committee recognised that this aim could not be reached in all the central banks in the foreseeable future;
- therefore it decided to endorse the trade unions which were prepared to undertake initiatives to reduce the working time;
- it demanded the management of the central banks to move in that direction.

Security within central banks

The rapporteur, Peter Blessing, commented the different reports that he had received. On the basis of these reports it became clear that one should make a distinction between different types of security:

- security measures against aggression (most of the time secret);
- the so-called health and safety legislation which was different in every country;
- the occupational medical services;
- the awareness campaigns.

Although, the legal framework in the different countries was different, the problems were not. In most central banks to trade unions considered security as an integer part of the working conditions.

Some delegates, such as the delegate from the Bank of England, declared to be scandalised by the way in their countries absences for sickness were controlled on behalf of the employers. In principle British trade unions were not against some control, but in a normal and respectful way.

When I look back to these discussions one point that today is becoming the principal one was totally absent in those years: occupational stress!

The activity of the Standing Committee and the powers of the President and the Bureau.

One of the areas where Maurice Gousseau obtained his greatest successes was his ability to promote the Standing Committee and to convince trade union delegations to join the Committee. As we stressed in the previous part of this history the democratisation process in the new member countries, such as Spain, was not stabilised yet.

Although the Spanish trade unions had been invited to participate in the work of the Committee, officially they were not recognised as members of the Committee. That needed the agreement of the Congress of the Standing Committee, or the provisional agreement of the Executive Committee (provided the confirmation by the next Congress).

In Spain all the trade union organisations had been contacted by the President, Maurice Gousseau, PUSSE, BEAT and ASBE¹⁷. The two first ones had responded positively and the last one had written a letter to the President, stressing that they needed the approval of their general Council. Apparently ASBE had become the biggest one of the three. The two smaller ones feared that it would use its majority to monopolise the representation in the Standing Committee. Maurice Gousseau declared that in conformity with the letter and the spirit of the statute that would not be correct. The only solution in his eyes was that the Spanish trade unions should try to have an agreement among them were by the minority trade unions should not be excluded or discriminated. Afterwards, when we adapted the statute that aspect of the question has been clarified. Today it is a common practice of the Standing Committee. The Committee can only operate as a conciliator but can never become an arbiter.

Conflict resolution (rapporteur Frans Vanderschelde).

One of the questions we had to answer was how far reaching the powers of the President and members of the Bureau could be when they intervened as mediators in a conflict.

In the past months the President had been requested by the Irish and Greek trade unions of the central bank to intervene and to help them to find a solution in a dispute with their respective governments. With the new Bureau, we had discussed the matter and I had been charged write a note on the problem. I stressed that when we wrote the statute we talked in the first place about conflicts with the direction of a central bank. In the conflicts mentioned above it was a conflict with the national government. Some delegates felt that such an intervention would be behind the competence of the Standing Committee.

In practice the President, if possible after consultation of the members of the Bureau, has to take quick decisions. If he had to consult every trade union his intervention would come in most of the cases too late and being useless.

If such an extraordinary initiative of the President and the Bureau would not been accepted the implementation of article 30 of the statute would become in practice impossible. The President, Maurice Gousseau, confirmed this point of view. He added that in practice he had consulted always boat Vice Presidents. After a lively discussion the Executive Committee accepted the procedure I had proposed.

¹⁷ The trade unions participated in the change of regime with the reputation and hopes of the protagonists of the opposition democracy movement, although they were internally divided and at loggerheads. The Spanish trade unions of the 1970s and early 1980s were characterised by two major fault lines: (i) there was a historical borderline between the so-called »historical« and »new« workers' movement; (ii) ideologically, the trade unions were divided into communist, socialist, social democratic-Catholic, anarchist and nationalist organisations and groups. When the invitation was sent to the Spanish unions it was further difficult to say to which of the above-mentioned groups they belonged. Apparently most of them belong to the new workers movement. The two big is to recall trade union confederations, UGT and CCOO were, at least officially, absent in the Bank of Spain. In reality he had members in the above-mentioned trade unions.

Automation and information within central banks (rapporteur Frans Vanderschelde)

In my report I had tried to map the utilisation of computers and information technology by central banks. Such a mapping would be a useful tool to understand what was going on and to channel the discussions on the subject.

We had to be aware of the complexity of the problem but, and even more important, the means we had at our disposal to influence the decision making process.

In the continental countries one of the most important means were the works councils or bodies with a same purpose but another name. Important was that those bodies had received legal information and consultation rights. Moreover from a legal point of view the managements of central banks had to give them comprehensive information about their projects.

But there was more, we noticed in all the countries an increased intervention of the public authorities. The information at the disposal of central banks was a very sensitive one and needed in some cases regulation. This regulation could only come from the public authorities.

We defended also the idea that new technologies should be implemented in a socially acceptable way.

The points I had stressed in my report were lively discussed. The conclusion was that we should continue to react in the sense that I had indicated. So I was invited to continue the research on the subject.

The problems of the managerial staff.

The problems of the managerial staff (cadres) were discussed on the basis of a note written by the Banque de France section of the CGC, the French trade union federation for managerial staff.

In their note they asked to collect more accurate information on the following subjects:

- the definition of managerial staff;
- the remuneration, way of recruiting and career planning for managerial staff;
- to training programmes;
- the hierarchical levels of managerial staff.

They insisted also on the necessity of giving full trade union rights to the managerial staff and to organise them within trade unions.

From the first discussion it appeared that the notion of managerial staff, as expressed in the French word “cadres” didn't exist in most of the central banks. There were of course employees which had the same duties and responsibilities but they were not seen as a separate group of staff.

Moreover the social legislation and the representation bodies within central banks were quite different. Notwithstanding, the Executive Committee agreed to collect the requested information and to analyse in the future meetings.

Survey on female staff working conditions (rapporteur Jacqueline André.) And union rights (rapporteur Frans Vanderschelde)

The discussion of these points was postponed to the next meeting by a lack of time.

Next meetings of the Executive Committee and organisation of the next Congress.

The Executive Committee decided to organise two meetings of the Committee in 1980, the first in Copenhagen and the second in Athens. The Congress would take place in Frankfurt in 1981.

Meetings of the Executive Committee in 1980. Copenhagen, 2-3-4 June 1980.

The agenda from the meeting in Copenhagen contained two points which we had never discussed in-depth: female working conditions and the problems of the senior staff (cadres).

Besides those two new points we had the classical overview of the social and trade union situation but also a discussion about the organisation of the next Congress in Frankfurt in 1981.

As it had become a tradition the Governor of the Danish national bank offered a reception to the participants.

In a letter sent to the unions from the 19 way 1980, Jacqueline André, the secretary of the Committee, complained that she didn't received the promised reports in due time. For those reasons she said the meeting could suffer from a lack of preparation.

On 7 March 1980, the President, Maurice Gousseau had sent a letter to, Mr ZOLOTAS, the Governor of the Bank of Greece concerning the endearing pay dispute that lasted for several weeks and became very harsh. After some weeks the Governor of the Bank of Greece had taken disciplinary measures against two active trade union members. He did it totally unilateral without giving the two persons the possibility to defend themselves and without any discussion with the trade union leaders.

For that reason, Maurice Gousseau, asked the Governor to reconsider his decision as the procedure he had followed was not in conformity with the ILO directives.

An important point to mention is also that in February 1982 the Bureau of the Standing Committee met for the first time in London at the invitation of the successor of John Ward¹⁸, Ian Partridge.

When we came back from London we heard from Papamagaris¹⁹ that the strike was going on for six weeks and still followed by 95% of the staff.

¹⁸ John Ward had resigned because he was not happy at all with the conditions laid down in the merger agreement between BESO, the staff Association, on the one hand and BIFU the overall banking union of Leif Mills.

¹⁹ He participated in the strike against the military junta. On November 14, 1973 students at the Athens Polytechnic (Polytechnion) went on strike and started protesting against the military regime (Regime of the Colonels). As the authorities stood by, the students, calling themselves the "Free Besieged" (Greek: Ελεύθεροι Πολιορκημένοι, a reference to a poem by Greek national poet Dionysios Solomos inspired by the Ottoman siege of Mesolonghi), barricaded themselves in and constructed a radio station (using laboratory equipment) that repeatedly broadcast across Athens.

Moreover, we had the opportunity to have a long discussion with a senior member of the Bank of England, who had followed the Greek pay dispute from within the bank of Greece where he was on mission. He confirmed our analyses of the Greek problem.

In his answer, Maurice Gousseau, confirmed that he had sent telegrams to the international press agencies and we invited the trade unions to do the same thing at the national level.

Athens, 8-9-10 December 1980.

At the meeting in Athens we continued the discussions started in the beginning of the year in Copenhagen although, the emphasis lay more and more on the preparation of the Congress in 1981.

It was in Athens that I presented two comprehensive reports, the first one on the activity of the branches, the second one on the trade union and consultation structures within central banks as well as the union rights and the protection of trade union representatives.

Branches.

In my report on the branches I noticed that all over Europe the central banks were losing or abolishing their commercial activities.

Moreover, the situation of the branches was influenced by the following factors:

- the legislation on the central bank;
- the complementary role the bank played within the financial sector (development of commercial banking);
- the institutional and administrative structure of the country;
- the tasks entrusted to the central bank by the public authorities;
- the technological evolution.

I noticed too that some central banks were reconsidering the closing down of their branches in the framework of decentralisation of their activities. In any case, in the central banks with well-developed commercial activities the closing down of the smallest seemed to be inevitable.

During the discussions of my report the question of the independency of a central bank transpired vigorously between the German and French delegates. On the one hand we had Mr Schlüter²⁰ who defended the independency of the central bank and on the other hand Maurice Gousseau who didn't believe in such an independency.

Outside the official meeting of the Committee, the Bureau of the Committee, had late in the evening a very lively discussion with the delegates of the branches of the Bank of Greece. They had come to Athens to discuss with us the consequences of the integration of Greece within the European Community. They feared especially that the small and local economy of Greece would suffer and that the smallest branches on the islands would disappear.

²⁰ The same Mr Schlüter who became later on the Director responsible for the Staff Department of the EMI and with who we would have to negotiate the terms and conditions of the future staff of the EMI. On the

They were right but only 35 years later. All these years the Greek delegates and especially Georges Kaskarelis succeeded to prevent their closing down, thanks to his analyses of the activities of central banks and the proposals he put forwards.

Senior staff.

Concerning the discussions about a senior staff, every delegation explained in detail the task and duties of the staff within its central bank. They recognised also that in the future we would have more and more people with university degrees or specialised in some tasks.

The real stumbling block was the question whether senior staff should be organised in separated trade unions or not. The Scandinavian and the northern European continental countries saw no reason why senior staff should be organised in separate trade unions, while the southern part of Europe was more in favour of separated unions or sections of trade unions.

In order to understand better the staff structures every delegation had been invited to draw the staff pyramid of its central banks. The analysis of those pyramids made clear that different names were used for more or less the same functions and that the names in the different languages didn't mean the same thing.

The most used names were: senior staff (cadres), managerial staff (encadrements), technicians and so on. Each of those big categories was often subdivided into subcategories what made it very complicated and difficult to compare. In percentage of the total staff the senior staff represented 5% to 30%. In some central banks the so-called support staff had another statute and was represented by different corporate trade unions. A difference was also made between the so-called specialised senior staff and the hierarchical senior staff.

In some central banks the trade union was represented in the so-called promotion Committees. In most of the central banks that was the exclusive right of the management. Although in many cases the criteria for promotion and career planning were determined after consultation or negotiation with the trade unions.

Social situation.

The social situation in the different central banks remained more or less the same as in the beginning of the year except for the two big pay disputes which had broken out, one in Greece and one in Ireland. The inflation rates ranged from 30% to 7%.

TRADE-UNION	MADRID		BRANCHES	
	Seats	%	Seats	%
ASEBE	8	32	48	49,48
UGT(1)	6	24	7	7,21
SIBE	4	16	0	0
CCOO	4	16	0	0
SICUBE	3	12	1	1,03
Non-affiliated(2)			39	40,20

In the bank of Spain the trade union representation had changed dramatically. Besides the trade unions mentioned above the big confederations UGT and CCOO had created a section within the bank of Spain. In the elections of the December 1980 they had obtained the following results.

The members of PUSBE had formed a common list with UGT, but had not decided

yet if it would join that union in the future. Another union that disappeared was BEAT.

Congress of the Standing Committee 19-23 October 1981 in Frankfurt. Election of the new Bureau.

At the meeting in Copenhagen, the President Maurice Gousseau, had announced that in 1981 he would receive a new job in the Banque de France and become the director of the social service. He considered that this function was incompatible with the presidency of the Standing Committee. So during the two meetings preceding the Congress we discussed in a unofficial way who could become the new President. All delegations expressed the view that I would be the best candidate and that Peter Blessing and Jacqueline André would best become the Vice Presidents. Jeanine Dauchot (CNE) a Belgian colleague would become the Secretary.

So nobody expected a discussion during the Congress concerning the election of the members of the Bureau.

When I arrived in Frankfurt the Italian delegates were waiting for me. One or two days before, the secretariat in Paris, had received the names of the delegates and apparently all three of them were new and unknown by the other members of the Committee. Even, Sergio Luciano, who had represented the Italian central bank during the two past meetings, had disappeared from the list. We honestly didn't know what was happening.

They declared me that they represented the new majority. Two of them Nastasi Vincenzo and Veroli Sergio represented the USPIE/CGIL entered third one, D'Aacunto Franceso, the UIB/UIIL.

Nastati, who was the spokesman, declared me that they had organised a meeting in Rome and that they had decided that he should become the new President of the Standing Committee.

I answered him that the Italian delegation was of course free to present him as a candidate for the job, but that every delegation had only one vote. So he would have to convince the other six delegations to vote for him. I informed him also that during the unofficial discussions a consensus had emerged for my candidacy.

The agenda foresaw that the candidacies should be announced the first day of the Congress (21 October 1981) at the end of the morning session. The following candidacies were received:

- President Frans Vanderschelde;
- Vice Presidents Jacqueline André, Peter Blessing, Nastasi Vincenzo and an anonymous German candidate;
- Secretary Jeanine Dauchot.

The election would take place at the end of the morning session of the third day of the Congress (23 October 1981).

I knew that the Germans had introduced their candidacy at the last minute and as a reaction against the way the team new Italian delegates were acting.

Immediately the discussion started about the letter and the spirit of the statute. Maurice Gousseau employed all his diplomatic skills to find a solution. During the debate I made the personal proposal, namely that as well the German as the Italian candidate would retrieve their candidacy. The German accepted and the Italian candidate refused.

The result of the election was as followed:

- I was elected President by unanimity as well as Jeanine Dauchot as secretary.
- The vice Presidents were elected in the afternoon. Eight votes, one for each country could be casted. Jacqueline André obtained 8 votes in favour, Peter Blessing 5 votes in favour and 3 abstentions, Nastasi Vincenzo²¹ one vote in favour and seven abstentions.

The Congress decided to postpone the request for a discussion on the enlargement of the Bureau and the review of the statute until the next meeting in Amsterdam.

From a political and trade union point of view the Congress of Frankfurt was a very good one.

The reports on automation and the activities of the branches were lively discussed. The same can be said from the syntactic report on the social situation presented by Peter Blessing and the report on the EFMC and the Committee of Governors presented by Mr Schlüter.

As newly elected President I tried to summarise in my speech during the official reception offered by the President of the Bundesbank, Karl Otto Pöhl.

Dear Mr. President,

After Mr. Gousseau's introduction I will try to give you a brief explanation of the main aims of our Committee in the future.

When we started to plan congress we were aware that Western Europe was facing the deepest economic and political crisis since the Second World War.

The staff of the Central banks will be, whether we like it or not, affected by this crisis.

At the moment we see that in many countries the terms and conditions of service of employees have suffered as a result of direct intervention from national governments. These actions are a real threat to us and we are most concerned about it.

Although most congress members are prepared to endorse a policy which will bring us out of the crisis we cannot accept that only the staff of the Central banks should be the preferred target.

We are also concerned about the restrictions imposed on the activities of our institutions.

Sometimes we are considered as a state within the state, outside normal parliamentary procedures. On the other hand, some see us as the real embodiment of state power in the economy, the means by which the state exerts control over its financial system.

We know that the role of central banks has changed fundamentally in recent years. But we are more than ever convinced that our institutions must be capable of adapting themselves to everyday change. The state interference already mentioned can be a real constraint on the further development of our institutions in fields such as economic research, cooperation with local authorities and devolution of our institutions.

At the European level our Committee was invited two years ago to give its advice and opinion about the social statute of the FECOM. Although this project has been

²¹ After the Congress I never heard something from the three Italian delegates again.

postponed for political and monetary reasons, we think that we have the right to be consulted and to participate fully should this project be realised in the future.

Mr. President, we know that inside the Central banks a Committee of heads of staff has been formed and we hope that in the near future some links will be established between that Committee and our own. The first step in that direction could be the exchange of information connected by both Committees. In the medium term we hope that an informal but nevertheless meaningful dialogue can be established, for example concerning the problems of automation, the provision of training, and general working conditions.

I propose now to give some attention to the question of automation, which presents a real turning point for the Banking industry. Two courses re open, one positive and one negative. On the positive side, new technology could be the starting point for a new future. On the other hand however, it could make the current crisis in employment even worse.

Whilst in principle we are certainly prepared to take advantage of the benefits of automation into account, we feel that the whole question needs to be approached with caution, and we think that the special position of the Central banks should enable them to ensure that the introduction of new technology is done in a manner which is carefully planned and sociably accountable.

To conclude, I would like to emphasize the special nature of our Committee, which comprises representatives of our unions and points of view in the Central banks.

This diversity of ideas is certainly not always easy to accommodate but it has the enormous advantage that at least we are the representative body of the trade union movement in the Central banks.

We know that at this time it is not realistic to think that tomorrow will see the beginning of international negotiations on pay determination and conditions of work. But even if this is regarded as too optimistic by some, we are more than ever determined to persevere in our efforts to close the gap."

The end of an era.

Contrary to the long interruption of our activities between 1968 and 1975 this time there was no interruption. On the contrary in the following years we became more and more active. We were in the centre of a changing world, also within the central banks. We were aware of it and we tried to influence the decisions. Acting in that way we became the protagonists of changeover in a social acceptable way.

During the Congress we had a very appreciated and emotional intervention of Wolfgang Clotten, one of the founding fathers of our Committee. In his speech he said, among other wise things: every time when I attended a trade union meeting I wondered myself why they were always looking for solutions on paper and in resolutions. Then I thought on the famous quote of Martin Luther. "The best in a church, are those who do not follow the normal route and are heretics, i.e. those who say get up and act."

I thanked Maurice Gousseau for his friendship and regretted that he didn't manage to learn sufficient French to have a normal talk with him.

We too must be grateful for those three men who started up Standing Committee. Especially for Maurice Gousseau and not to forget Jacqueline André his alter ego.

I continued to see him and to invite him at our Congresses as honorary president. After he retired he continued to help us and he played an active role as adviser of the Socialist party of France.

Thanks Maurice, for all what you have done for us!

Executive Committee meeting in Amsterdam and 5, 6 and May 1982.

Part of the meeting was dedicated to practical and organisational matters. Moreover we decided to continue and to intensify the publication of the information bulletin. The idea was that in that information bulletin we should not only publish articles written by the members of the Bureau but also take over articles published by the member trade unions.

The first part of the initiative was a real success, the second part was disappointing. First of all we received only a few articles but the main problem was the translation. When in Belgium we translated for example a Dutch text into French, the French trade unions didn't publish it because for them it was not in the usual wording. The second difficulty was that if you had more than one trade union in one central bank each trade union had more or less its own style.

At that time we tried to publish every document in French and English and sometimes in other languages.

During the meeting in Amsterdam we accepted officially the candidacy of Austria as an observer.

We made also a review of the so-called social documentation. It became a very good and useful instrument for understanding the social structures, the way wage negotiations were conducted and social benefits granted.

I had also received an invitation to attend the first Congress of the newly created autonomous trade union of the Bank of Spain. I decided to go to Spain and to have contacts with all the trade unions before assisting at the founding congress of the new union

We decided also to set up a working party on the activities of the branches. To our astonishment the German delegates declared not to be interested in the subject as there was nothing new to be said about it in the foreseeable future.

I'd also received the request to set up a working party on the revision of the statute. Personally I was not in favour of this idea as I thought that that was the duty of the Bureau after due consultation of the member unions. My proposal was accepted.

Social situation.

As mentioned before, the beginning of the 80s was a difficult period with high inflation rates, and high in unemployment caused by a lasting economic crisis.

The key question during the meeting in Amsterdam was not so much to make the classic inventory of the social situation and the recruitment policy, but to discuss how we were reacting in the different countries. To examine in which way we could set up a common action.

We decided to focus our action on four main points:

- to safeguard and defend the trade union rights and liberties by intervening at all possible levels, ea. towards the European Parliament, the central banks and for the national problems through our Federations and Confederations;
- to demand in all central banks negotiation rights;
- to maintain the social protection and the social security;
- to request in all the central banks the same basic information about the social situation.

Vocational and trade union training programmes.

We had a very long and detailed discussion about the training programmes, as well the vocational ones as the training of the members of the trade unions and staff representations. As said before we considered training them as the key for protecting the employment in the future.

One of the very positive initiatives was that the trade unions which organised training sessions for their members would also invite a limited number of participants from the other central banks.

Of course one of the big difficulties was the language.

Personally I have been invited as President to many congresses and training sessions for trade union members in practically all the countries, as well as the members of the Bureau.

These contacts have allowed us to promote the ideas and the action of the Standing Committee.

First encounter with Mr Duisenberg.

The meeting in Amsterdam gave us the opportunity to meet for the first time the new President of the Bank of the Netherlands, Mr Wim Duisenberg. I had immediately a very good contact with him and in the following years I met him practically once a year.²²

²² Duisenberg subsequently worked for the International Monetary Fund in Washington D.C. for years followed by a year as an advisor to the director of the Nederlandsche Bank, the Dutch central bank in Amsterdam. He was then appointed a professor at the University of Amsterdam where he taught macroeconomics.

From 1973 to 1977, Duisenberg was Minister of Finance under Prime Minister Joop den Uyl. Shortly afterwards, he gave up his seat in the Dutch parliament to become vice president of Rabobank, a Dutch bank. Two years later, he was appointed director of the Nederlandsche Bank, serving as its president from 1982 to 1997.

His tenure at the Dutch central bank was marked by caution and reserve. Under his direction, the Dutch guilder was linked to the German Deutsche Mark, and this benefited the Dutch economy, owing to the strength of the German currency. He also followed German central bank's interest rate policies closely, which earned him the nickname "Mr Fifteen Minutes" because he quickly followed any interest rate changes made by the Deutsche Bundesbank.

Executive Committee meeting in Brussels on 26, 27 and 28 January 1983.

Originally the meeting should have taken place in London. Just before Christmas I had received a letter that the Bank of England had agreed to host a meeting and that an option had been taken in one of the London hotels. In January, 15 days before the start of the meeting, I received a second letter indicating that the Bank of England had refused to put simultaneous translation at our disposal and that the meeting had to be annulled.

We decided immediately to organise the meeting in Brussels at the premises of the National Bank of Belgium.

The key question for us was whether that attitude of the Bank of England was a political decision where the government was preparing new legislation to forbid trade unions being subsidised for their functioning by employers.

Indeed, in their answer on my invitation the English colleagues from BESO indicated that they couldn't attend the meeting in Brussels for financial reasons.

Social documentation.

Jacqueline André indicated a delay in receiving the inquiries for updating the social documentation. Some central banks declared that this would be a question of some weeks because they had some difficulties in understanding what the Bureau expected exactly from them. Others declared that they were waiting for the English translation of the scheme. The latter was a false excuse because we had sent the English translation of the scheme to everyone.

Nevertheless we had to admit that for some central banks, as for example the Bundesbank, it was really difficult to answer the questions and this was due to the very complicated social legislation of the civil servants in that country.

We explained that we did not expect a fully detailed answer as the only purpose was to understand the structures of the Bundesbank.

Working party on the activities of branches.

The composition of that working party had been finalised. The participating countries were Belgium, Greece, Spain, France, Italy and Portugal.

New membership.

The meeting accepted the new founded autonomous trade union SAT from the Spanish national bank as a new member. They had won the elections for the Staff Council within the bank of Spain. As the new trade union accepted a double affiliation most members of the UGT had joined the new union.

Contacts with the European central bank's management.

As we knew that the Committee of Governors had decided to create an informal Committee of the heads of staff of the European central banks. We had discussed the issue in our respective Banks and during the meeting of the Bureau in Paris.

Moreover, Jacqueline André had been given the opportunity to explain the functioning and the aims of the Standing Committee to the members of the “General Council of the Banque de France. In her Exposé she stressed the point that the Standing Committee wanted to collaborate with the management side of central banks in a lot of social areas such as for example vocational training. For her this encounter was not only an honour but also an important sign of the recognition of the Standing Committee.

Implementation of article 48 within the central banks²³.

On the one hand article 48 of the European treaty granted the free circulation and the access to the jobs of all European citizens within the European community. The European legislation accepted only some exceptions for functions necessary to exercise of the powers of the state.

In some of the European central banks all the functions were reserved for their national citizens (for example Belgium and Italy). The question that had arisen was to know whether in those circumstances an exchange of staff for training purposes was in breach of the national statutes of those banks or not.

In our eyes this was not the case. Indeed, the participants were seconded for a limited period of time. Our interpretation was right, in the number of cases the European court of justice had confirmed it.

Social evolution.

In the beginning of the 80s Europe was facing a lot of economic, social and political crises. Although the European central bank constituted a more or less protected area, the staff of central banks felt more and more the impact of the so-called austerity policies of the national governments.

In France the left had won the elections and François Mitterrand beginning new Pres of France. After a honeymoon of about a year he was forced to change his policy. The government decided a series of tough austerity measures. The new political course divided deeply the trade union movement in the country.

Review of the statute of the Committee.

After a lot of unofficial discussions Jacqueline André presented her report on the review of the statute. She made a series of proposals to improve it. The principal points were:

- define the different significations of Committee: the name of the organisation; the Congress; the executive Committee ; the Bureau ;
- stipulate how the elections for the President , the vice-Presidents and the secretary will be organised;
- define that all the members of the Bureau have "political" and administrative functions (including the secretary as it has been always in practice);

²³ Article 48

The European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall adopt such measures in the field of social security as are necessary to provide freedom of movement for workers; to this end, it shall make arrangements to secure for employed and self-employed migrant workers and their dependants.

- define the exact duties of the Bureau and of the rotating presidency (in fact as the Bureau is in charge of implementing the guidelines approved by the Congress and the Executive Committee as well as the organisation of the meetings, the organising country remains only in charge of the practical organisation of the meeting);
- define exactly the votes that every central bank may cast (the proposition was to give every trade union delegation of the central bank six votes that they can redistribute among the trade unions in conformity with their representativeness);
- define for which issues a unanimity is necessary and for which once a qualified majority;
- examine if, except for the elections of the members of the Bureau, a unanimity vote should be maintained.

She proved to be clairvoyant when in the future meetings of the Committee practically all her suggestions have been integrated in the statute.

The working conditions of the manual and technical staff.

For the first time in the history of the standing Committee we discussed the working conditions of the blue collar workers in depth. As for other categories of staff we needed a comprehensive enquiry and some representatives of that category of staff were charged with preparing it.

Meeting of the Executive Committee in Rome under 28, 29 and 30 1983.

At the end of the meeting in Brussels we decided to organise the next meeting in Rome. For the Standing Committee the city of symbolic importance because it was there that the adventure of our Committee started.

The agenda was more or less the same as in Brussels. In the meantime the social situation in Europe had deteriorated dramatically.

So we decided to put on the agenda the way the trade unions were able or not able to react to this situation. A logical decision but also a dangerous one. Indeed, if in normal times the diversity of the Committee is its main asset, in times of severe crisis it can become very fast a source of internal division.

Social situation.

In Greece, Spain and Belgium large strike movements had broken out. In practically all the central banks the relations between the workers representatives and the management of central banks were deteriorating. This creates a lot of stress on the work floor.

In most central banks we observed an ambiguity between the role played by the central bank authorities at the national level and their responsibilities as employers towards their staff.

The Standing Committee was also worried about the fact that in many countries the basic principle is of the social security systems had been infringed. The Committee stressed that a social security system based on solidarity and spread efforts should constitute the real base of an equitable society.

Moreover in many countries the economic recession had given a pretext for changing the balance of power between trade union organisations and employers. In practice new legislation was being prepared to limit the trade union liberties and basic rights.

However the resistance of the trade union movement in a lot of countries and central banks started to bear fruit.

Tax measures, in French “mesures fiscales”.

A very long and confused discussion took place about the burden of the tax measures taken by the national governments. One of the reasons was a fundamental difference between the English and the French language in the meaning of the word “fiscal”. For the English speakers the word "fiscal" had the meaning of being related to government expenditures, a revenues and debt.

For the French and other Latin languages speakers the meaning was exclusively related to taxation matters.

As many non-English speakers intervened in English but used the word fiscal in the French meaning the confusion was complete.

Everyone agreed that tax measures could have a tremendous influence on the income of the workers and that it was necessary to examine how important the impact was, the position of the northern countries was that a trade union section within a central bank had no say on the budgetary policies of the national government. They considered this as a task for the federations and confederations.

The only solution I found as President was to stop the debate while saying that I understood perfectly well what participants wanted but that we needed time to put it on paper. After a new long discussion with the same confusion they accepted my proposal.

The Cyprus question.

At the beginning of the meeting the Greek delegates presented a draft resolution to condemn the independency of the northern part of Cyprus as they considered it as a threat for the independency of Greece.

Indeed in 1983 the Turkish Cypriot assembly declared independence of the Turkish Republic of Northern Cyprus. Immediately upon this declaration Britain convened a meeting of the United Nations Security Council to condemn the declaration as "legally invalid". United Nations Security Council Resolution 541 (1983) considered the "attempt to create the Turkish Republic of Northern Cyprus is invalid, and will contribute to a worsening of the situation in Cyprus".

I felt immediately that this would become a very difficult debate. The question was whether such a statement was acceptable in the tradition and in conformity with the statute of the Committee or was it a pure political statement behind the competence of the Standing Committee?

The request of the Greek delegates provoked a very passionate debate. For most of the northern countries such a statement was unacceptable as it was behind the competence of the Committee. They condemned the initiative taken by the Turkish Cypriot but they were of the opinion that political statements should be done by the Confederations or Federations. As the Standing

Committee was not a new international trade union body but a umbrella organisation and the staff of the Bank of Greece was not under threat by the independency of the northern part of Cyprus they had serious doubts.

From the side of the Greek delegation they augmented that for them this was a national question. Seen from the Greek prospective and knowing the history of Greece this was an understandable attitude. However the problem was that if we started with such statements we could have a similar request from the Spanish delegates, the British or the Irish and perhaps the Belgians.

The Bureau of the Committee requested some time to consider it. In adverse reaction we came to the conclusion that the statement was behind our competence. After a new discussion we put forward a new draft statement in which we confirmed to understand the feelings of the Greeks and noticed the condemnation by the United Nations. For the Greek delegation that was not enough and for the majority of the other delegations adding other considerations was a step too far. So finally the Greeks retired their statement.

After the discussion everyone had that feeling because we felt that was going on in Cyprus was indeed something which was totally unacceptable. That was also the reason that we accepted that such statements in the future in some cases as for example for Poland where the trade union movement of Solidarność had been beaten down by the Polish military.

Meeting of the Executive Committee in Vienna on 7, 8, 9 and 10 May 1984.

Election of a new vice President.

The vice President Peter Blessing, who participated since 1976 in the work of the Committee, had requested to be discharged from his function for reasons of health and professional life.

He was elected as vice President at the Ragny Congress in 1978 and re-elected by the Congress in Frankfurt in 1981.

The Executive Committee elected as new Vice President, Sergio Luciani, from the Bank of Italy and member of the CGIL. We had had the occasion to appreciate the knowledge and the capacity of Sergio Luciani during the past meetings.

Organisation of the next Congress.

The Belgian delegation had accepted to organise the next Congress in Belgium.

Items discussed during the meeting in Vienna.

In general we discussed the same items as in Rome.

- The evolution of the European central banks activity especially in the branches and enter printing works.
- The organisation of an awareness campaign among the staff of central banks about the future challenges.
- The result of the enquiry on the different tax measures taken by the national governments.

- The question of employment of subjects of other EEC countries by the central banks. As we heard the Committee of Governors had charged a working party of legal experts to prepare an opinion but they had made no concrete proposals until yet.
- The competences and the way the Standing Committee sure to react in political sensitive matters. We agreed on a set of guidelines.
- The participation of the senior staff in the trade union activities and the organisation of the staff by the trade unions.

Congress of the Standing Committee in Belgium, De Panne, 21, 22 and 23 May 1985.

Before the start of the Congress in De Panne in a small town at the Belgian coast the participants had been received in Brussels by the Governor of the National Bank of Belgium and some members of the direction Committee of the bank.

At the beginning of the Congress the participants were welcomed by René Janssens, the general President of the Belgian trade union delegation.

He deplores especially the absence of the representatives of the Bank of England.

Activity report by Jeanine Dauchot, Secretary.

She gave a comprehensive overview of the activities of the Committee in the past four years.

In general the tasks conferred to the Bureau by the Congress in Frankfurt had been executed. Nevertheless it was a pity that the social documentation could not be updated for this Congress. As decided by Congress we had published several information bulletins.

Concerning the social evolution she said, the principal conclusion was that Europe was still facing a period of increasing austerity and that many trade unions wonder up to which point they should accept a moderation of salary increases.

Review of the statute of the Committee by Sergio Luciani, Vice President.

Sergio Luciani commented the different new elements that the Bureau and the Executive Committee proposed to add to the statute (see report meeting Vienna).

One of the most important changes was a definition from what we understood by a qualified majority. We proposed three quarters of the casted votes.

He stressed to that the second document on the internal rules had not to be considered as a new statute but rather as a commentary and interpretation for a lot of practical matters of the statute.

The proposals were discussed by special working group and accepted by the Congress.

“The social dimension of Europe, the experience within the European central banks or utopia becoming a reality?” by Frans Vanderschelde, President.

In my report to the Congress I decided to use a provocative title. My main purpose was to put two elements together, the social and economic situation in the mid of the 80s and the necessity to believe in a final solution of our problems even if it appears at that time as believing in utopia.

In my report I analysed the nature of the trade union movement within the central banks. The fundamental changes in the organisational patterns of the workflows and the necessity for reconquers the control of the workplace and he work post for the trade union movement.

Trade unions should also be able to discuss the big taboo of the security measures taken in a unilateral way within central banks.

To end my report I stressed the need for the trade union movement to react against the devastating impact of the crisis.

[Central banks: activities; responsibilities and powers in tomorrow's Europe by Jan Smets, President of section of the senior staff within the trade union delegation of the National Bank of Belgium.](#)

At that time, Jan Smets²⁴, was a junior economist in the research development of the national bank.

In his report he had analysed from a trade unionist point of view and economic point of view the different activities within the central banks:

- core businesses;
- activities in relation with the core business;
- activities as advisers of the public authorities;
- some reflections on the previous points;
- branches, decline and possible reactions;
- independency of central banks, formal rules and the real authority;
- central banks in actual European economic policy, achievements and the unemployment problem.

Jan Smets has never denied his origins and his belief in the values of the Christian Labour

[Evolution of the means of payment by Jeanine Dauchot, secretary of the Committee.](#)

In her report she described in a detailed and very comprehensive way the evolution of the means of payment in the past as well as the possible future developments.

[Manual and technical functions.](#)

During the Congress the director of the printing works of the National Bank of Belgium favour very appreciated overview of the latest on the future developed bands within the European printing works.

²⁴ He started his career in 1973 in the information service and afterwards he worked as an economist in the research departments.

He was a close collaborator in the Cabinet of the Prime Minister of Belgium. Became the head of the research Department, Director, Vice Governor and Governor of the bank.

He obtained a degree in Economics - Rijksuniversiteit Gent (1972). Governor of the National Bank of Belgium (since 11.03.2015). Member of the Governing Council and the General Council of the European Central Bank (since 11.03.2015).

The main decision of the Congress in that field was to set up a permanent working party on manual and technical functions. The coordinator of this party was Lucien Bleyaert, a printer and trade union representative in the printing works of the National Bank.

Election of the new Bureau.

All the candidates were elected by unanimity. The new composition is as follows:

- Frans Vanderschelde President ;
- Sergio Luciani Vice President ;
- Inger Jensen Vice President ;
- Jeanine Dauchot Secretary.

Jacqueline André had preferred not to renew her mandate for professional and family reasons.

As well René Janssens as President of the Congress as I as President of the Standing Committee thanked her very warmly for the many years during which she dedicated a very important part of her time to the Committee . Although we speak always of the founding fathers I said to her, we should not forget the funding woman. She was undoubtedly what we call in French “une grande dame” , a real lady. Thanks Jeanine for all you have done for the Committee and the staff of central banks.

Inger Jensen was Danish who worked in the research departments of the Danish national bank. She spoke fluent English and French and quite well German. She had worked for the BIS in Switzerland and the OECD in Paris.

The period between 1985 and 1988.

That period was one of the most fascinating ones. It was a period of the great expectations for Europe. We organised a lot of meetings and participated in numerous trade union Congresses and training programmes.

As a Bureau we visited in three years practically all the capitals of Europe.

During this hectic period I succeeded to establish a good relationship with the most important Governors and Presidents. Governor de Larosière in Paris, President Tietmeyer in Germany, President Duisenberg in Amsterdam and not to forget my own Governor Verplaetse.

We had also a lot of encounters with the heads of staff of practically all the central banks of the European community.

But the most fascinating time would come after the publication of the Delors report.

History of the Standing Committee of European Central Bank Unions

Part 3

“From the quest for an European currency to the change over to the Euro” *Events from 1988 to 2000.*

Introduction.

In the first part of this history of the Standing Committee we examined its activities from the upstart to the second start. In the second part we focused especially on the consolidation of the committee, the changing patterns within central banks and, most important, the consequences of the first enlargements of the European community to the South of Europe.

In the third and final part we will focus in which way SCECBU tried to deal with these very fast changing situations.

As we have seen the idea of a European monetary union existed for a long time. The way to it was painful and long, some would say too long. The consequences uncertain and the final result questionable.

Among the European population the majority was certainly in favour, but public opinion reacted in a very different way across Europe.

Some had fears of losing their strong currency, i.e. the Germans, others feared to be outnumbered and to become the victims of a total free market.

Milestones in the history of SCECBU where the 8th and 9th congresses

The first one took place in 1990 in Paris, two years after the publication of the famous Delors report and a few days before an official meeting of the Governors and Presidents of the central banks with the European ministers of finance (ECOFIN-²⁵).

²⁵ The Ecofin Council is made up of the economics and finance ministers from all member states. Relevant European Commissioners also participate in meetings. Ecofin meetings generally take place once a month.

After the introduction of the Euro the so-called Euro group was set up within the Ecofin. It is an informal group which main task is to ensure close coordination of economic policies among the euro area member states. It also aims to promote conditions for stronger economic growth. The Eurogroup is also responsible for preparing the Euro Summit meetings and for their follow-up

The second one in 1995 in Frankfurt. In that same year we commemorated the 30 years of existence of the Standing Committee.

The place could not have been more symbolic. Indeed, the decision had been taken by the European Council to establish the future European central bank in Frankfurt. In the same period, the forerunner of the ECB, the European Monetary Institute or EMI, had started to set up its offices in one of the famous skyscrapers of the city, the old building of the “Bank Für Gemeinwirtschaft”.²⁶, the big and powerful bank of the trade union movement in Germany that had been forced to sell its premises to European commercial banks. Symbolising the never ending struggle between corporate and capitalist societies.

²⁶ The BfG should not only be the house bank of the unions and the consumer cooperative movement, but demonstrate that a bank could be operated successfully in the public interest.

The BfG has long been regarded as a bank for working people and was described as the "pearl" of the trade unions because of the company made profits until the 1980s. Early 1980 it was on the verge of replacing the Commerzbank as third-largest bank in Germany. Afterwards by mismanagement and not least by the scandal around “Neue Heimat”, which damaged the image of the bank. Finally the risky credit policy towards the soviet union and the eastern European countries undermine the position of the bank. The Bank slipped mid-1980s in the negative numbers, only about a dozen of around 75 branches worked still with profit.

June 1988	The European Council mandates a committee of experts under the chairmanship of Jacques Delors (the “Delors Committee”) to make proposals for the realisation of EMU.
May 1989	The “Delors Report” is submitted to the European Council.
June 1989	The European Council agrees on the realisation of EMU in three stages.
July 1990	Stage One of EMU begins.
December 1990	An Intergovernmental Conference to prepare for Stages Two and Three of EMU is launched.
February 1992	The Treaty on European Union (the “Maastricht Treaty”) is signed.
October 1993	Frankfurt am Main is chosen as the seat of the EMI and of the ECB and a President of the EMI is nominated.
November 1993	The Treaty on European Union enters into force.
December 1993	Alexandre Lamfalussy is appointed as President of the EMI, to be established on 1 January 1994.
January 1994	Stage Two of EMU begins and the EMI is established.
December 1995	The Madrid European Council decides on the name of the single currency and sets out the scenario for its adoption and the cash changeover.
December 1996	The EMI presents specimen euro banknotes to the European Council.
June 1997	The European Council agrees on the Stability and Growth Pact.
May 1998	Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland are considered to fulfil the necessary conditions for the adoption of the euro as their single currency; the Members of the Executive Board of the ECB are appointed.
June 1998	The ECB and the ESCB are established.
October 1998	The ECB announces the strategy and the operational framework for the single monetary policy it will conduct from 1 January 1999.
January 1999	Stage Three of EMU begins; the euro becomes the single currency of the euro area; conversion rates are fixed irrevocably for the former national currencies of the participating Member States; a single monetary policy is conducted for the euro area.

2

- 9th Congress, Frankfurt from 20 to 24 November 1995 “THIRTY YEARS OF COMMITMENT”

The fears of the staff of central banks.

As we have seen in the two previous parts, SCECBU became more and more involved in the processes that would lead finally to the change over to the Euro. Not so much the theoretical and ideological discussions about Europe, but the practical consequences of the changeover to the Euro.

Within the central banks, the most the important questions were.

- What will remain at the end of my national bank?
- Will my job be preserved?
- What will be the situation of my children and grandchildren?

In the beginning, the setting up of a European central bank and the introduction of a European currency was certainly a “far from my bed story”, because the European project looked to be beneficial for everyone. In some periods existed even a real Euro-euphoria, but followed soon after by periods of Euro-pessimism (the famous European stalemates).

That made it very difficult for the man in the street to understand what was going on.

When I started to prepare this report about the history of SCECBU, I wondered why I should write it. Of course I was aware that it would be interesting for the new trade union generations to know what happened in the beginning. It would also be very interesting for my children, because it would permit them to know why their father was so often away. But the most important reason for me personally, and I hope also for you, was to which extent, the representatives of the staff of the European central banks didn't lost their way in the European jungle, and were aware of the situation. How they managed to be informed in due time! How they reacted to the new situations! But also, what did they right, and what did they wrong?

In the following chapters we will try to answer these questions, at least seen from my personal experience and perspective. I will do it by topic and not in the chronological way of part one and two. The reason is that we had so many meetings and discussions in the 90s (the same issues that it would become very borrowing to give the Chronicle overview.

June 1988	The European Council mandates a committee of experts under the chairmanship of Jacques Delors (the “Delors Committee”) to make proposals for the realisation of EMU.
May 1989	The “Delors Report” is submitted to the European Council.
June 1989	The European Council agrees on the realisation of EMU in three stages.
July 1990	Stage One of EMU begins.
December 1990	An Intergovernmental Conference to prepare for Stages Two and Three of EMU is launched.
February 1992	The Treaty on European Union (the “Maastricht Treaty”) is signed.
October 1993	Frankfurt am Main is chosen as the seat of the EMI and of the ECB and a President of the EMI is nominated.
November 1993	The Treaty on European Union enters into force.
December 1993	Alexandre Lamfalussy is appointed as President of the EMI, to be established on 1 January 1994.
January 1994	Stage Two of EMU begins and the EMI is established.
December 1995	The Madrid European Council decides on the name of the single currency and sets out the scenario for its adoption and the cash changeover.

What tells us the Bible of the European economic and monetary union?

Whether you like it or not, the real Bible of the European economic and monetary union is the report Delors. The more you read it, and you should do it, the more you will discover that most of the things are happening today are not coming out of the minds of a handful politicians, or

academics, but of the Governors and Presidents of European central banks of that period of time.

The Delors Report

Jacques Delors had suggested that the Special Committee on Monetary Union, proposed by the heads of state, should not consist of the Finance Ministers from the Community's Ecofin Council, as some of them were hostile to the Plan, but of the Governors and Presidents of the central banks, who were more or less independent of governments. After lively discussions, the President of the Bundesbank, Karl Otto Pöhl, endorsed the Plan, on the condition that the future European Central Bank would be independent. At the European Council on 27 and 28 June 1988, in Hanover, the European Council approved the plan for a special committee.

The Delors Report, approved by the Commission, was submitted on 12 April 1989 to the European Council. It took up the definition of Economic and Monetary Union that had already been set out in the Werner Report in 1970. Three conditions had to be fulfilled:

- full and irreversible convertibility of currencies;
- the establishment of the free movement of capital;
- irrevocably fixed exchange rates between European currencies.

This would have, in the opinion of the special committee, numerous advantages: it would facilitate the movement of persons and trade by removing currency exchange costs and eliminating exchange risks, in this way favouring investment and economic growth.

But, it was crucial said the report, to tackle the problem of the harmonisation of fiscal and budgetary policies, in respect of which binding standards would have to be laid down, closer coordination of economic policy and cooperation in monetary matters was a precondition, and participation of all the currencies also. At first sight and for a normal citizen, these conditions seem to be very sensible and reasonable. So, the Labour organisations were in favour of it because it meant a boost for the creation of new jobs, the employers were happy too, because it opened new opportunities for business and higher benefits.

In Germany public opinion, as well as politicians, had a mixed feeling. On the one hand, they were happy that the fall of the Berlin wall, followed by the implosion of the Soviet Union and to support from the European countries, had permitted to unify Germany. But on the other hand, they didn't want to lose their strong German mark. In Germany the arguments of those in favour and those against, were both economic and political. Even within the Bundesbank critical voices could be heard.

In 1991 the President of the Deutsche Bundesbank, Karl Otto Pöhl declared in a speech in Frankfurt:

"Since German unification, our role and our weight in Europe have changed. Germany is the model of which our neighbours in East and West are looking."

But his colleague Wilhelm Nölling, a flamboyant social Democrats and a man I met in that period, put it in a less diplomatic way and declared openly in the same year:

"The present controversy over the new European monetary order is about power, influence and the pursuit of national interests."

After the departure of Karl Otto Pöhl, his successor, Hans Tietmeyer, a friendly man whom I encountered several times afterwards, toughened the pre-Maastricht position of the Bundesbank:

"German unity should not become slowed down to European unity process. But neither should it speed up the tempo of European monetary integration. It is problematic that attempts are being made to put political pressure on Germany... United Germany has much to lose in the forthcoming reordering of European currencies, namely one of the most successful and best monetary constitutions in the world."

Great-Britain and the Scandinavian countries remained sceptical. Some intellectual think-tanks were even fiercely opposed.

The most fanatical rejection came from the members of the "Bruges Group", established to promote an ultra-liberal vision on the European Community. They urged British Parliament, just before an important meeting of the European Council, to reject the Delors Report:

"It should be clear by now to every citizen of the European Community that the intention of a substantial number of important people in the EC is to develop the European Community, as it stands today, into a unitary European state, with all that this would require in terms of a single economy, currency, political executive, foreign policy and defence system. It is not the intention of this paper to prejudge the advisability or not of such a project. Rather, it seeks to provide an analysis of the implications of such a venture insofar as the Delors Report, if adopted by the European Heads of State and Government, would, in effect, create a de facto European union without having been preceded with a comprehensive study of the constitutional consequences of such an action."

The British press was divided. Some well-known journalists, such as Patrick Robertson, wrote in in one of his articles:

It is difficult not to conclude from an examination of the Delors Report that the central aim of the Committee was to establish a framework to construct a Federal European State, with considerable centralisation of economic decision-making. the adoption of such a programme would take away from the British Parliament the right to decide upon the economic management of the economy, freely submitted to the elected members of parliament by the sovereign people of this country.

Even if this proposals were considered desirable by some, it is the view of many others that such a decision could not be taken unless it was preceded by a full and proper constitutional debate with a referendum of the people of this country.

In Britain those opposed to the European monetary union were able to force finally the Conservative government of John Major to ask for a "opting out" from the monetary union.

In the past three years we heard exactly the same arguments by the opponents of rescue programs for Ireland, Portugal and Greece, after the financial crisis of 2012.

These opponents are always talking about democracy and the sovereign rights of national Parliaments, but they refuse to accept that in the European Union, only one institution should be entitled to become the real guardian of democracy: a the European Parliament!

How did CECBU react at that time and what happened afterwards?

To answer that question I propose to compare the most crucial proposals of the Delors report with the provisions let down in the European legislation, the implementation and the reaction of SCECBU.

Proposals of the Delors committee.	Implementation of those proposals	Reaction of SCECBU
<p>The single market will entail profound structural changes in the economies of the member countries. <u>It will reduce the room for independent policy manoeuvre</u> and amplify the cross-border effects of developments originating in each member country (Section 4.10).</p>	<p>The single market was implemented more smoothly than expected. In December 1988, the European Council, meeting in Rhodes, noted that "<i>at the halfway, half of the legislative programme had been realised</i>" and underlined the irreversible nature of a Euro without frontiers (Section.3.9).</p>	<p>The committee followed very attentively the European unification process. The prevailing opinion of the member unions was that the European single market would not hit the European central banks in a direct way.</p> <p>We were not aware that it would change the procurement policy of central banks, especially concerning the banknote printing.</p>
<p>In the economic field, policy coordination remains insufficient...the 1974 decision on economic convergence has not succeeded in establishing an effective foundation for policy coordination. (Section.4.12).</p>	<p>Here, the report refers to the negative experience with the Snake agreement. The snake entered into force on 24 April 1972 and allowed central banks to buy and sell European currencies, provided that an exchange rate fluctuation margin of 2.25 % would be maintained between the dollar and the currencies of the Six. The non-observation of that rule was the reason why it has been replaced by the new system, the EMS.</p>	<p>At the Copenhagen Summit, on 7 and 8 April 1978, Valéry Giscard d'Estaing and Helmut Schmidt revived the idea of a new European Monetary System (EMS), open to all the EEC Member States. Against the backdrop of a generally encouraging economic climate, the Bremen European Council endorsed the principle of the EMS on 7 July 1978.</p> <p>In general terms the social partners welcomed the new agreement and so did our committee. The main reason for this endorsement were the transitory measures it entailed.</p>
<p>The pressure for mutually consistent macro-economic</p>	<p>Within the framework of the EMS the participants ...have</p>	<p>We were certainly not aware how far reaching the</p>

<p>policies has stemmed from the growing reluctance to change exchange rate parities (Section.4.12).</p>	<p>succeeded in creating <i>a zone of increasing monetary stability</i> at the same time as gradually relaxing capital controls...(and) helped ... with relatively high rates of inflation in gearing their policies...to the objective of price stability (Section.2.15)</p>	<p>so-called "consistent macro-economic policies" would become. In the beginning we could only recognise the benefits of it.</p>
<p>But as capital movements are liberalized and as the internal market programme is implemented, each country will be less and less shielded from developments elsewhere in the Community. The attainment of national economic objectives will become more dependent on a cooperative approach to policy-making (Section.4.12)</p>	<p>The implementation of the EU's economic governance framework is now organised in an annual cycle, which is divided into two parts, known as the European Semester and the National Semester. The European Union's economic rules have evolved over time and have been considerably strengthened. The legal basis of the Stability and Growth Pact, the Macroeconomic Imbalances Procedure and all other regulations is the Treaty on the Functioning of the European Union (TFEU)²⁷.</p>	<p>At that time there were not so much reactions, certainly not concerning the social consequences. The only ones were political: the fear of losing too much of its sovereign rights.</p> <p>The trade unions believed that so long as social policy as such remained a national competence, they would be in a position to defend in the best way the social rights of the working population.</p> <p><u>Undoubtedly a strategic failure! The Governors and Presidents of the European central banks wanted much more.</u></p>
<p>Taking into account what is already provided for in the EC Treaties, the need for a transfer of decision-making power from Member States to the Community as a whole would arise primarily in the fields of monetary policy and macroeconomic management. A monetary union would require a single</p>	<p>(Treaty EU, Article 282) 1. The European Central Bank, together with the national central banks, shall constitute the European System of Central Banks (ESCB). The European Central Bank, together with the national central banks of the Member States...shall conduct the monetary policy of the</p>	<p>These provisions are in line with those of some big existing central banks, especially the Bundesbank. Indeed, the Bundesbank act, article 12, specifies: "The Deutsche Bundesbank is required to support the general economic policy of the Federal government". The Bundesbank act specifies too that one of its principal</p>

²⁷ For more details see http://ec.europa.eu/economy_finance/economic_governance/timeline/index_en.htm
Timeline: The Evolution of EU Economic Governance in Historical Context

<p>monetary policy and responsibility ...for the formulation of this policy would consequently have to be vested in one decision-making body (Section.1.19)</p>	<p>Union. 2. The ESCB shall be governed by the decision-making bodies of the European Central Bank. The primary objective of the ESCB shall be to maintain price stability. Without prejudice to that objective, it shall support the general economic policies in the Union in order to contribute to the achievement of the latter's objectives.</p>	<p>duties is safeguarding the currency, but does not contain the words price stability. The Treaty of Rome did it by introducing the concept of price stability. Finally and very remarkable, the Delors report didn't contain provisions concerning banking supervision.</p>
<p>An essential element in defining the appropriate balance of power within the Community would be adherence to the 'principle of subsidiarity', according to which the functions of higher levels of government should be as limited as possible and should be subsidiary to those of lower levels. Thus, the attribution of competences to the Community would have to be confined specifically to those areas in which collective decision-making was necessary. All policy functions which could be carried out at national (and regional and local) levels without adverse repercussions on the cohesion and functioning of the economic and monetary union would remain within the competence of the member countries. (Section.1.20) Considering the political structure of the Community</p>	<p>Consolidated version of the Treaty on the Functioning of the European Union, Protocol (No 4) on the statute of the European System of Central Banks and of the European Central Bank. 14.3...The Governing Council shall take the necessary steps to ensure compliance with the guidelines and instructions of the ECB, and shall require that any necessary information be given to it. 14.4. National central banks may perform functions other than those specified in this Statute unless the Governing Council finds, by a majority two thirds of the votes cast, that these interfere with the objectives and tasks of the ESCB. Such functions shall be performed on the responsibility and liability of national central banks and shall not be regarded as</p>	<p>For SCECBU this were the most important statements within the Delors report. We were aware that when both statements would be translated into European legislation, it would permit us to safeguard as much as possible the existing and future activities of national central banks. So we started a real lobbying campaign to convince as much as possible Governors and Presidents of national central banks of our point of view. We knew very well that the evolution in the overall banking landscape went in the other direction. But, in the beginning of the 90s the pressure for concentration and lean organisational patterns was not as high as it is today. We knew also that within the national banks existed</p>

<p>and the advantages of making existing central banks part of a new system, the domestic and international monetary policy-making of the Community should be organized in a federal form, in what might be called a <i>European System of Central Banks</i> (ESCB). . (Section.4.32)</p>	<p>being part of the functions of the ESCB.</p>	<p>diametrically opposed opinions. But we succeeded to find sufficient support.</p>
<p>This shift from national monetary policies to a single monetary policy is an inescapable consequence of monetary union and constitutes one of the principal institutional changes.... the implications of such a move, would be far-reaching. The permanent fixing of exchange rates would deprive individual countries of an important instrument for the correction of economic imbalances and for independent action (devaluations) in the pursuit of national objectives, price stability (Section 2.24)</p>	<p>Consolidated version of the Treaty on the Functioning of the European Union, Protocol (No 4) on the statute of the European System of Central Banks and of the European Central Bank. Article 49 (ex Article 52) Exchange of banknotes in the currencies of the Member States. Following the irrevocable fixing of exchange rates in accordance with Article 140 of the Treaty .. the Governing Council shall take the necessary measures to ensure that banknotes denominated in currencies with irrevocably fixed exchange rates are exchanged by the national central banks at their respective par values.</p>	<p>As we have experienced during the last crisis the warning of the Delors report was neither theoretical nor hypothetical. Spain, Greece and Portugal were forced to adopt an “internal devaluation” strategy aimed at recovering competitiveness and correcting external deficits. However, although wages and unit labour costs have indeed decreased as a consequence of this policy, real effective exchange rates have improved much less if they are calculated using production prices or export prices. This is explained by the increase in profit margins, the low inflation rate in the monetary union as a whole, and the evolution of the external value of the euro. On the other hand, current account deficits have been corrected, and net exports seem being increasing. As we will see below, the Delors report has given the solution, seen from the perspective of the</p>

		Governors and Presidents of the European central banks, for this problem or dilemma.
<p>Wage flexibility and labour mobility are necessary to eliminate differences in competitiveness in different regions and countries of the Community. Otherwise there could be relatively large declines in output and employment in areas with lower productivity. In order to reduce adjustment burdens temporarily, it might be necessary in certain circumstances to provide financing flows through official channels. Such financial support would be additional to what might come from spontaneous capital flows or external borrowing and should be granted on terms and conditions that would prompt the recipient to intensify its adjustment efforts.</p> <p>(Section 3.29)</p>	<p>After several years of economic and financial crisis the ECB was forced to intervene. Against the advice and even the opposition of some presidents of national central banks, Mario Draghi, the president of the ECB announced on January 22, 2015, a €1.1 trillion quantitative easing programme.</p> <p>Quantitative easing is an unconventional monetary policy in which a central bank purchases government securities or other securities from the market in order to lower interest rates and increase the money supply.</p>	<p>These are some remarkable suggestions made by the Delors report. Not so much the fact that the Governors and Presidents of the European central banks advocate wage flexibility, they did it long before.</p> <p>No, what's astonishing are the observations about the role of central banks in times of crisis and the way to address it. In other parts of the report they remind the politicians that to establish the monetary union it would be absolutely necessary to increase the so-called structural funds.</p> <p>In reality exactly the opposite happened. Per capita the structural funds decreased and every country should ensure primarily that its own house would be in order.</p>

Maastricht treaty: still unknown and unbeloved!

Why did many Europeans regard Maastricht as a threat?

36 years ago, in 1979, Guido Naets, a famous commentator of one of the important Belgian papers (DE STANDAARD)²⁸, who became later on the director of the Information Services of the European Community, already wrote:

²⁸ De Standaard is a conservative paper that supported in the beginning the CVP (Christian People's party). Today it has broadened his spectrum to the all middle-class people in Flanders.

“In common language, we speak about the ‘European market’ as if the European Community was a kind of supermarket where you can only sell and buy, in a way the peak of the consumer society. The citizen has the impression that the European Community is there above all for trade, agriculture, the producers, European trusts, the multinationals and capitalism. The average man, who is treated like a nonentity, can hardly see in this construction the beginning of the future United States of Europe. No wonder he refutes the European notion.

The European Community is often the scapegoat for everything that goes wrong in the national economy. It is held responsible for closures, the extreme competitiveness, unemployment, price increases, and the abuses of multinationals.

A number of political forces, hostile to the European unification, see the European Community as an obstacle to their ambitions and try only to discredit it.

The press talks above all about the failures and imperfections, while ignoring the positive aspects.

While the Council of Ministers, because of the objection of a Member State, postpones a measure indefinitely, it is not the national State but Europe which is responsible.

A state of crisis or differences of opinion between states are during weeks on the front page of papers, but when the problem has been solved, it is hardly mentioned.

In this way, the public is more and more convinced of the powerlessness of the European institutions and considers them to be superfluous. Yet the European citizen is the first one who has benefited from a quarter of a century of European unification.”

These words are even truer nowadays. The comments are still the same and the trade union movement has many difficulties in believing in the European project and thus convincing its members of the necessity of the European Union.

To say it in the words of Winston Churchill: “Maastricht was not the end of the European integration process, it was only the beginning of the end of that process!”

In my activity report to the Congress of the committee in 1995 I called it an unfinished treaty.

But I recognised that it was an important stage in the European construction and must be considered with regard to the earlier and later stages of the European project, in particular the Single Act, the attempt for the European constitution and the Lisbon Treaty.

[A short analyses of the Maastricht Treaty.](#)

In my activity reports to 1995 Congress I made the following analysing of the Maastricht Treaty (parts of the original text)

“The big difference between the Single Act and the Maastricht Treaty is that the former aimed at giving Europe the legal means to implement its internal market, while the latter led the foundations of a common sharing of a number of sovereign rights.

However, when analysing the texts, we find out that in practice, for example at the social level, the differences between the Single Act and the Maastricht Treaty are smaller than

they appear to be. An important point of the Maastricht Treaty is the meaning signatories give to it. For a number of countries, the Treaty on the European Union is only an intermediate stage to a federal system, whereas other countries opt for the confederal model, i.e. a community of independent states.

Since the Treaty was signed, the German unification has turned out to cost more than expected, the series of referendums at distant intervals has broken the original dynamics. In this regard, it should be noted that the result of the French referendum was quite tight, that Great Britain and Denmark only approved the Treaty by opting out. Since then, Austria, Finland and Sweden have joined the European Union. The Norwegian integration has been rejected by the Norwegian people.

It should be stressed that the climate of uncertainty going together with an unprecedented deregulation of financial markets, has caused waves of speculation that have nearly destabilized the European Monetary System. As trade unionists, we must ask ourselves in the name of which principle a country or a community should accept that their economic and social structures are questioned in such a way that in a few seconds, all the efforts they have made for years to ensure economic stabilization can be destroyed. This is why public opinion associates the Maastricht Treaty with the economic standards to be fulfilled in order to participate in the third stage of the Economic and Monetary Union. Although it would be a mistake to ignore the importance of these standards, especially for employment, it would also be a mistake to confuse the Treaty with the three concepts: interest rate, percentage of inflation and public debt.”

[In which way does the Maastricht treaty distinguished itself from earlier texts](#)

Social Mission

Social policy as regarded as an autonomous component, independent from the implementation of the single market.

Social funds constituted one of the most important instruments to carry out social policy.

With regard to the Single Act, some new competences have been added:

- Social security;
- Defence of collective interests, including codetermination;
- Employment;
- Workers coming from other European countries;
- Financial means to promote employment.

However, in order to be given concrete shape, these issues needed to be approved unanimously. Consequently, some of them would become only wishful thinking. Moreover in other paragraphs of the treaty it was stated that social policies remained the primary right of the national states. The European Commission was only authorised to endorse initiatives for free coordination of social policies.

Some issues had been explicitly excluded from the European competences: the right of association (creation of unions), the right to strike and the right of lockout.

These issues felt however within the jurisdiction of the international labour law (International Labour Office).

Social Dialogue

The Commission had been entrusted officially with the task of furthering social dialogue. The level, at which this dialogue had to take place had not been specified. The Single Act already mentioned the social dialogue. The Commission had also been instructed, of consulting the social partners on important initiatives. Since the Maastricht Treaty was signed, the approval of the Directive on the setting up of a European Works Council had undoubtedly been the most successful event.

European Collective Agreements

National states were not obliged to apply on their territory European collective agreements that had not been made compulsory. In other words, when the European Commission or the European Council refuses to make a European collective agreement compulsory, its effects at the national level may be very limited as we have seen in the case of a complaint by the Swedish trade unions against the wages paid to posted workers.

Industrial Policy

This issue had been added at the last minute, notably in the chapter concerning the free market economy. In this case, decisions had to be taken unanimously.

Environment

Decisions would be taken by a qualified majority instead of an absolute majority.

Culture

A legal basis had been given to a series of initiatives that already existed, but it was specified that the Union's role is not to harmonize cultures. France and other French-speaking nations were opposed to a full liberalisation of cultural productions. Smaller cultural groups feared to become outnumbered in a total free market.

Would the big countries had to give up their preponderant position at the political, economic and social level?

The fear of some big powers to lose their preponderant position at the political, economic and social level seemed me quite exaggerated.

These countries would always take advantage of their economic weight and thus be able to use the different procedures provided by the treaties.

In my opinion the opposite could happen. The risk existed that small countries would be dominated by big ones.

My pre-sentiment has been confirmed by the treaty of Nice that entered into force on 1 February 2003 and increased the numbers of votes for the five biggest countries, from 55% to 60%.

The treaty of Maastricht had sought a certain balance. The most important guarantee was the basic principle that no sovereignty would be lost, but shared on a free bases.

On the basis of this principle of maintaining a certain balance, structural plans were aimed at helping underdeveloped countries or regions levitate the burden of painful restructuring processes. We were convinced that without this solidarity between the North and the South, the West and the East of Europe, the European monetary union and even the European Union as such, would collapse.

The respect of cultural and social specificity had to be an integral part of the integration process. Otherwise, Europe would degenerate into a pure free-market area.

As we have seen the structural funds were not increased but decreased. Some of the beautiful principles enrolled in a treaty of Maastricht were taken over and became more concrete in the draft constitution for the European Union. In that constitution had been accepted the social position of the workers would have been much stronger than today. Unfortunately the draft constitution has been rejected!

Rejection of the European constitution



On 29 May 2005 the French citizens rejected the Constitution by a margin of 55% to 45% on a turnout of 69%. Just three days later, the Dutch rejected the constitution by a margin of 61% to 39% on a turnout of 62%.

Notwithstanding the rejection in France and the Netherlands, Luxembourg held a referendum on 10 July 2005 approving the Constitution by 57% to 43%. It was the last referendum to be held on the

Constitution as all of the other member states had proposed to hold referendums cancelled them.

The EMI: an ambitious intermediate project in the second stage of monetary union.

The idea of setting up a European Monetary Institute was launched a few months before the Maastricht meeting, when it became clear that the establishment of a real European Central Bank could not be envisaged before the end of the century. This provisional Institute would be given more extensive powers than those conferred to the Committee of Governors, but less than those that would be conferred to the European Central Bank.

The Standing Committee of European Central Bank Unions immediately understood the political, structural and social consequences of this initiative.

Overview of the preparatory work carried out by the EMI²⁹

Under Article 117 of the EC Treaty, it was the task of the EMI, among other things, to specify the regulatory, organisational and logistical framework necessary for the ESCB to perform its

²⁹ THE EUROPEAN CENTRAL BANK, HISTORY, ROLE AND FUNCTIONS
BY HANSPETER K. SCHELLER

tasks in the third stage of EMU. This framework was submitted to the ECB when it was established on 1 June 1998.

Within this mandate and in cooperation with the NCBs, the EMI:

- *prepared a range of instruments and procedures for the conduct of the single monetary policy in the euro area and analysed potential monetary policy strategies;*
- *promoted harmonised methods for collecting, compiling and distributing money and banking, balance of payments and other financial statistics for the euro area;*
- *developed frameworks for conducting foreign exchange operations and for holding and managing the official foreign exchange reserves of the Member States participating in the euro area;*
- *promoted the efficiency of cross-border payment and securities settlement transactions in order to support the integration of the euro money market, in particular by developing the technical infrastructure for processing large-value, cross-border payments in euro (the TARGET system);*
- *prepared the technical and design specifications of the euro banknotes;*
- *drew up harmonised accounting rules and standards making it possible to construct a consolidated balance sheet of the ESCB for internal and external reporting purposes;*
- *put in place the necessary information and communications systems for the operational and policy functions to be undertaken within the ESCB;*
- *identified ways in which the ESCB could contribute to the policies conducted by the competent supervisory authorities to foster the stability of credit institutions and the financial system.*

Furthermore, the EMI cooperated with Community institutions and bodies, in particular, the Commission and the Monetary Committee, in preparing for Stage Three of EMU. In particular, it:

- *developed the scenario for the changeover to the single currency;*
- *developed a framework (ERM II) for monetary and exchange rate policy cooperation between the euro area and other EU countries;*
- *assisted in the preparation of Community legislation relating to the transition to Stage Three;*
- *monitored Member States' progress in fulfilling the conditions necessary for participation in EMU (economic and legal convergence) and kept track of technical preparations for the changeover to the euro;*
- *assisted the financial industry in developing structures and procedures for the integration of the financial markets within the euro area.*

By June 1998 the EMI had completed an extensive body of conceptual, detailed design and implementation work. This preparatory work enabled the ECB to finalise its preparations in time for a smooth transition to Stage Three of EMU.

The Standing Committee's position towards the ECB.

The Standing Committee had prepared its position towards the creation of a European central bank, long before they the heads of state came together in Maastricht. Indeed in December 1991 the treaty should have been signed in Rome during intergovernmental conference. During that conference we had organised a bureau meeting in the Banca D'Italia where we discussed the matter in depth. We had also the opportunity to meet the Governor of the Bank of Italy, Mr Carlo Azeglio Ciampi, and to explain to him how we saw the statute for the future staff and the functioning of the future European central bank³⁰.

On 17 October 1991, just before the Maastricht Conference, I made the following comments in a speech at the General Council of the C.G.C. in Strasbourg:

“The setting up of a Monetary Institute from 1994, as the embryo of the future European Central Bank, will probably be decided in Maastricht. We will soon have to deal with the formulation of the terms and conditions of employment of the staff of this Institute. At the next meeting in Amsterdam, our Committee will have to focus on this issue.

Personally, I think that we will have to agree on a number of principles as for example:

- *that all employees (seconded staff or local staff) will have to earn the same salary for the same function ;*
- *that the staff will have to be recruited first among the central bank's staff ;*
- *that there should be both permanent staff and seconded staff;*
- *that it does not seem normal that all the employees of the Institute continue to depend on their former bank for promotion. Similarly, secondments should be restricted to certain time limits;*
- *the terms and conditions of employment for national bank staff should not be levelled up, because this would go against the subsidiarity principle, yet we will have to work as much as possible along the same lines.”*

I knew very well that not everybody was happy with it. Some of the members of the bureau dreamt of having the same salaries as in the EMI/ECB. In my eyes this was not realistic because, as we have seen in part one, each national bank had its own social sector of reference, e.g. the public sector or the private commercial banks. With regard to the national social legislation it would have been totally impossible to reach that aim. As a provisional institute the EMI didn't want to go too far, as it was from the opinion that this would be the task of the he ECB.

On the other hand the national central banks of the new Eastern European countries did not have a sector of reference anymore. During the communist years they were integrated in an overall communist banking system.

If we had pushed too hard the outcome would have been, without any doubt, a negative harmonisation for some banks!

³⁰ At that moment there was no question of the creation of a European monetary Institute that proposal was formulated during the countdown for the Maastricht conference.

On 8 January 1992, we already sent a first analysis of the Maastricht Treaty to the members of the Standing Committee.

I wrote:

"History will tell us if the Summit of Maastricht has been the historic event we have been looking forward to since the Rome Summit in December 1991, or if it has been a non-event."

Eleven out of the twelve EEC countries decided to follow the irreversible road to Monetary Union.

Once the Maastricht Treaty entered into force, two main questions would rise immediately:

- would the EEC carry on implementing the scheduled timetable ?
- would the eleven countries that accepted the Maastricht Treaty without any restriction, go on implementing their social policies in a climate of economic stagnation and recession ?

One thing was clear to us: most countries would have to change their policies in order to be ready for monetary union. This would undoubtedly put a great strain on the social practices and traditions of governments, employers and trade union organizations.

When shortly after, the Bundesbank decided to raise the interest rate, it became clear to us that there would be little or no room for manoeuvre for national governments and national social partners to determine their own policies.

This observation brought us to another crucial point concerning Europe's future: the balance of power between the monetary, economic and social forces. In a democratic society, the Parliament is the keystone while social organizations are the corner stones. A balance can only be reached if all actors are in a position to play their role.

To be able to play fully their role they should be strong, i.e. united and able to speak with one voice at all levels.

One of the stumbling blocks to reach that aim was our relationship with the European Confederation of Trade Unions and the FIET (today UNI).

Notwithstanding the frictions and conflicts in the past, we had to find a way to collaborate in a spirit of mutual respect.

As trade unions operating in national central banks, we were the spearhead of a fundamental integration process. The long-standing and close collaboration within the Standing Committee, as well as our knowledge of the functioning of central banks, allowed us to play a crucial and decisive role in this process.

On 26 March 1991 the Standing Committee had written a letter to Mr Pöhl the President of the Bundesbank. In our letter we had insisted on the social consultation, the importance of the transitional period and the distribution of income among the remaining national banks. We expressed also great concern about the limitation, by many national banks, of the scope of the activities. The answer of Mr Pöhl came on the 17 April 1991. He told us that he believed that it would be premature to discuss certain issues as long as it was not clear what decision the national governments would take regarding the institutional framework for the future economic

and monetary union. He agreed that "**after such a political decision is taken a discussion on the proposed issues may, indeed, be advisable**".

That meeting would take place a year later.

[Our discussions with Mr Hoffmeyer President of the Danish national bank.](#)

In the beginning of 1992, Mr Hoffmeyer the President of the Danish national bank, became again the president of the Committee of Governors. As in the meantime the most important political decisions had been taken, Mr Hoffmeyer responded positively to our request to have a discussion with him. In his letter he signalled that the secretary general of FIET, Mr Jennings, had requested the same meeting and that for practical reasons he proposed to organise the meeting in common.

The real reason was not only organisational. As we heard afterwards it had been done at the request of the Bank of England's Governor and the President of the Bundesbank who wanted not to have difficulties with some of their big unions.

I had met Mr Jennings on the 14 October 1991 to discuss the relationship between the Standing Committee and FIET. He assured me that his organisation had no aim at all to undermine the activity of the Standing Committee and remained in favour of a good relationship.

The common meeting with Mr Hoffmeyer took place at the National Bank of Denmark on 31 March 1992. I was accompanied by Lucien Bleyaert the secretary of the committee, and Philip Jennings by the president of FIET, Leif Mills. I knew Leif from the international conferences organised by FIET which I attended as a representative of my trade union, BBTK/SETCa. I knew especially his reputation as a very sly and hard negotiator.

Leif Mills (born 25 March 1936) was a special case and a heavyweight in the TUC (British trade union Congress). His father was British and his mother Norwegian. He could speak fluently the Scandinavian languages and understood rather well French and German.

He was educated at Kingston Grammar School and went on to study at Balliol College, Oxford before undertaking national service in the Royal Military Police. He then joined the National Union of Bank Employees (later renamed the Banking Insurance and Finance Union - BIFU), becoming Assistant General Secretary in 1962, then Deputy General Secretary in 1968, and finally General Secretary in 1972, serving until 1996.]

Although his first speech to the Trades Union Congress was followed by BIFU's expulsion, for registering under the Industrial Relations Act, he subsequently held a number of TUC posts, including that of President in 1994/5. He also served on the Monopolies and Mergers Commission, and the Covent Garden Market Authority.

His success on the British trade union scene was due to his ability to absorb the many staff associations within the banking and financial sector, such as that of the Bank of England.

Internationally, especially with the support of the British, Irish, Scandinavian and German trade unions, which had by far the most members within FIET-Europe, he became very soon the president of that organisation. He succeeded to obtain the election of, Philip Jennings, one of the brilliant young men in the well-known research Department of BIFU, as Secretary-General of FIET Europe and World.

Later he became a well-known writer and published a lot of biographies.

PHILIP JENNINGS joined FIET's staff in 1980 following a four-year spell with BIFU. He was born in Wales, United Kingdom, in 1953.

He first became General Secretary of the Geneva based FIET in 1989 and has been elected at World Congresses in San Francisco in 1991, in Vienna in 1995 and in Sydney in 1999. FIET founded in 1904 is a global trade union organisation with 10 million members in 120 countries. FIET's members are drawn from throughout the services sector and includes white collar workers in industry, the IT sector, finance, commerce, property services, tourism and professional and managerial staff. FIET has agreements with multinational companies, although in many cases in collaboration with other national or international unions. FIET has pioneered a global IT network for its members. FIET along with three other Internationals, the Communications International, International Graphical Federation and Media and Entertainment International aim to create a new international for the new millennium. The four way merger has created Union Network International UNI as of January 2000.

He started the discussion by attacking me personally, speaking in a very harsh way. Thus, trying to destabilise my person. In his eyes, he said, the Standing Committee was nothing compared to FIET that had thousands of members all over the world. Then he asked me how many members we had. And I responded all the staff of central banks, because in our committee we have all the unions and staff associations recognised at the national level. The way we were functioning, I said, is therefore different from the way FIET is operating. We pursued certainly the same aim, but we thought that, given the specific situation in the European central banks, our way is more democratic and will be more efficient in the end!

As often with him, during the official meeting with the Governor, he was very kind and smiling and said nothing from what he had told us during the preparatory meeting.

A few weeks before the meeting with Mr Hoffmeyer, the Committee of Governors decided to set up a number of working groups responsible for examining the consequences of the Maastricht Treaty.

One of these groups was responsible for studying the internal organization of the EMI and its relations with national central banks. Therefore we stressed the point during the meeting that national central banks employed 66,000 people and that the staff members were worried about their future. We remember at that the standing committee had succeeded to establish a long-standing collaboration between the trade unions and that it had regular contacts with the central bank governors and officials. This was why we asked that the Committee should be recognized as the interlocutor of the European System of Central Banks. This recognition had to be based on the Social Charter and the Protocol signed in Maastricht.

We suggested the following issues as subjects the social dialogue:

- information, consultation and participation ;
- terms and conditions of employment ;
- conclusion of collective agreements ;
- vocational training ;

- health and safety.

We also suggested discussing the terms and conditions of employment of the future staff of the EMI in the first place, as well as the coordination and the dividing up of activities between national banks and the EMI.

As far as the FIET was concerned, they repeated that they wanted to be part of the social dialogue, but they made no concrete proposals.

Governor Hoffmeyer underlined, that as long as the European monetary Institute had not been started up, the discussions on issues that concerned at the national central banks had to take place at that level. He indicated that for the time being he had no mandate to negotiate officially with the trade union organisations all be half of the Committee of Governors.

He confirmed that the Committee of Governors had drawn up a list of preparatory work to be carried out with a view to starting up the European Monetary Institute on 1 January 1994.

He told us that currently, the Committee of Governors had asked the Committee of the Heads of Staff to work out a draft of the terms and conditions of employment of the future staff of the EMI.

[Our second meeting with Mr Hoffmeyer.](#)

On 15 December 1992, a second unofficial meeting, this time only with the Standing Committee, took place with Mr Hoffmeyer at the European Parliament in Strasbourg on the occasion of the presentation of the annual report of the Committee of Governors. Governor Hoffmeyer announced us that the Committee of Governors was ready, from now on, to inform the union representatives in general terms about the activities of the different working groups.

However, concerning Economic and Monetary Union and the European Monetary Institute, the Committee of Governors considered that it could not bind the future Board of the Institute.

A little after that, a bilateral meeting was held in Amsterdam between me and Mr Duisenberg, President of the Nederlandsche Bank, who had succeeded Mr Hoffmeyer at the head of the Committee of Governors. He agreed to organize a new meeting.

On 25 May 1992, at the Heemskerk meeting in the Netherlands, we agreed upon our position concerning the social dialogue and the negotiation of the terms and conditions of employment of the European monetary Institute.

[EMI terms and conditions of employment;](#)

As we saw in the previous chapter, the Committee of Governors had asked the Committee of the Heads of Staff to work out a draft of the terms and conditions of employment of the staff of the EMI. Article 18.1 of the Protocol on the EMI stipulates very briefly: “the EMI Council fixes the terms to apply to the EMI staff”. Furthermore, the Protocol considers the EMI to be an independent European institution. This means that the Treaty and the different protocols annexed to it did not give us any indication on the nature of labour contracts for the staff members: civil servant or employee status?

On 22 October 1992, the heads of staff and among others, Dr Baer, Secretary-General of the Committee of Governors, met in Frankfurt. They examined the proposals prepared by their alternates. These alternates were from another generation than most of the heads of staff. They

dreamed to implement the new concepts and theories of human resources they have learned at the University.

They wanted to shape a total new social environment for the new institution, an institution with a staff policy which should be as pragmatic and flexible as possible. They dreamed also of a new brave world without trade union interference and flexible labour laws.

Therefore the future of staff of the EMI and the ECB should be recruited on a contractual basis (and not as civil servants), some of them with a fixed term contract and the others with a temporarily contract or succumbed for a limited time by the national central banks.

Compared to the discussions, about the social statute of the staff of the European Monetary Cooperation Fund (EMCF), the winds blow from a different direction.

Once we received a copy of the proposals of the head of staff we made a series of critical remarks and asked for more information.

Comments from SCECBU.

In the first place we wanted to know exactly what we had to understand by the words "pragmatic and flexible". From a pure practical point of view we proposed to make a synoptic table of the conditions of employment so that we could compare them more easily we does existing in the European national banks and the financial international institutions.

We were fully aware that there was very little time left to start up the European monetary Institute. That was the reason why we proposed a provisional statute, one that could have been adapted progressively to the needs of the EMI and later to those of the ECB. In any case, in our opinion, flexibility should not mean total freedom and any absence of individual and collective agreements.

We were extremely worried by some legal considerations put forwards by the legal advisers of the EMI. In their opinion the new institution and later on the ECB should be completely independent, even in social and staff matters.

In our opinion, 'flexibility' should not mean total freedom for the employer and absence of individual and collective agreements. This was totally new. There existed no example of a European national centre bank that enjoyed such a total autonomy. It was correct that the protocol concerning the IMI stipulated that the rules of procedures of the EMI should be adopted by the EMI Council and that this council should also lay down the conditions of employment, but it didn't mean that the new institution would fell outside the scope of the social provisions of the European treaties.

The Committee of Governors promised us that the Secretariat of the Committee of Governors would examine to what extent a EU law could limit the autonomy of the EMI in the formulation of the terms and conditions of employment of the staff.

What we feared that would happen happened indeed! The legal experts of the committee of governors defended a quasi-absolute independence of the future institutions.

The evolution of the issue of independence in social affairs in the past years.

Even today the discussion is still going on. The problem is a very sensible one. In the last years the ECB has given several opinions about changes of the statute, legal or conventional, of the staff of the national central banks proposed by national legislators.

The ECB's competence to deliver an opinion is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union and the third indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions.

One of the most important was the OPINION OF THE EUROPEAN CENTRAL BANK of 29 July 2010 on the careers of Deutsche Bundesbank civil servants (CON/2010/59). The ECB road but follows:

ECB considers it highly important to restate that an NCB's autonomy in staff matters is a particular aspect of the principle of central bank independence under Article 130 of the Treaty⁵

As has been recently emphasised on several occasions regarding different Member States, an NCB may not be put into a position where it has limited control or no control over its staff, or where the government of a Member State can influence its policy on staff matters.

This stance taken by the ECB with respect to the autonomy of the NCBs in staff matters is well-established practice.

The point we have made during all those years is another one. What we were asking for was the implementation of the social provisions within the European treaties. Especially collective consultation and negotiation rights, trade union rights and individual staff member rights.

In our opinion the ECB opinion is crystal clear concerning the monetary policy and the right of legislators to give instructions to the members of the board of national central banks. But it is not because the general Council of the ECB has the legal right to lead down the terms and conditions of the staff that it received the legal right not to apply the "Charter of Fundamental Rights of the European Union".

We referred especially to the following chapters of the charter.

Article 27

Workers' right to information and consultation within the undertaking.

Workers or their representatives must, at the appropriate levels, be guaranteed information and consultation in good time in the cases and under the conditions provided for by Union law and national laws and practices.

Article 28

Right of collective bargaining and action

Workers and employers, or their respective organisations, have, in accordance with Union law and national laws and practices, the right to negotiate and conclude

collective agreements at the appropriate levels and, in cases of conflicts of interest, to take collective action to defend their interests, including strike action.

Afterwards the European court of justice confirmed our point of view concerning the consultation rights of trade unions and staff representatives in its ruling of the 20 November 2003 in an action of two staff members against the ECB about the annual salary adjustment.³¹

The reaction of the heads of staff.

The heads of staff took good note of the contacts existing between the Committee of Governors, the Standing Committee and the EURO-FIET. Some of them were in favour of such contacts and others were absolutely opposed to it. A number of them insisted upon their colleagues to be very careful with such contacts.

As far as the representation of the EMI staff was concerned, the heads of staff were in favour of the setting up and the recognition, if necessary, of a staff association.

Due to the sensitive aspect of this issue of collective relations, the Banque de France head been invited to make a preliminary study.

Notwithstanding this reluctance we succeeded to have some discussions at the national level in some national central banks and with the board of the EMI.

The first meeting with Mr Lamfalussy the President of the EMI³².

The first informal meeting between Mr Lamfalussy, President of the EMI, and myself took place in Brussels. During the encounter I first explained him the origins, the composition and the functioning of our Committee. I also informed him of the steps we had taken until that

³¹ Furthermore, the Court clarified that the Staff Committee was set up to represent the general interests of all staff of the ECB. However, the Court pointed out that the Staff Committee has just consultation rights, which is the weakest right of participation, given that it does not contain any obligation of the administration to follow the staff committee's opinion. Thus, the administration can in no way ignore its obligation to consult the staff committee if the effectiveness staff representation should not be jeopardised completely.

³² Mr. Lamfalussy was born on April 26, 1929, in Kapuvar, a village in Hungary near the border with Austria. He spent his childhood in Lenti, in the southwestern part of the country, where his father was a forestry engineer for a large landowner.

In 1949 Mr. Lamfalussy and his friends made their way to Belgium, where he studied economics at the University of Louvain. He later earned a doctorate from Nuffield College at Oxford and taught at Yale University in 1961-62. While studying for his doctorate, Mr. Lamfalussy began work as an economist for the Banque de Bruxelles, a commercial bank in Belgium that has since been absorbed by ING Group. He rose to become chairman of the executive board but resigned in 1975 after taking responsibility for a large loss in foreign exchange trading.

In 1976, Mr. Lamfalussy, who had continued to teach, became an economist at the Bank for International Settlements, or B.I.S. in Basel, Switzerland. He was its general manager from 1985 to 1993, when he was named president of the European Monetary Institute and put in charge of completing the euro project.

In 1998, on the eve of the euro's introduction, Mr. Lamfalussy turned down an offer to become the first president of the European Central Bank, saying that at almost 70 he was too old. But he remained active in bank regulation issues and, in 2004, publicly advocated giving the central bank supervisory authority over Eurozone commercial lenders.

moment. To conclude, I insisted to continue as soon as possible the negotiations we had started up with the Committee of Governors and Presidents (Hoffmeyer and Duisenberg).

I felt immediately that this man would listen to us and had an open mind concerning collective social relations.

The first official meeting with Mr Lamfalussy and his collaborators took place on 14 April 1994 in Basle. As it had been the case for the first contacts with the presidents of the Committee of Governors, the union delegation consisted of the representatives of the Standing Committee and FIET.

After welcoming the participants, President Lamfalussy commented on the different operational and logistical measures that he considered necessary in order to start up the EMI smoothly.

In that respect, he announced a strict timetable with some provisions for 1 November 1994. In the meantime, offices corresponding to security and room standards were found in Frankfurt. In the beginning, 140 to 150 people would be employed in Frankfurt, 40 to 50 of whom were recruited as local agents. The other employees would be sent on secondment to the EMI by their national central banks and the Bank for International Settlements and would work under the terms and conditions of fixed-term contracts.

At that time, the heads of department were appointed, except for the head of the Banking and Financial Department, which was to be implemented later on.

The terms and conditions of employment were not rounded off yet. He promised us to hand them over to the union and staff representatives within a few weeks. The basic salary structure would be that of the European institutions, completed by a 10% cost-of-living bonus (scale A1 for a director-general, A2 for a head of department, etc.), the objective being to remain flexible with regard to EC provisions.

On behalf of the union and staff representatives, I explained how, in our opinion, a social dialogue could be implemented. I stressed the need to grant full union rights to the EMI staff and to set up inside the EMI a real staff representation. Concerning the European System of Central Banks, I advocated setting up, during stage two of the EMU, a (provisional) staff representation structure based on the European Directive on the European Works Council.

We also focused on the social consequences of the future development of the EMI in accordance with the principle of subsidiarity and expressed concern about the reduction of central bank activities and consequently of employment.

Other topics laid on the table by the union representatives were:

- equal opportunities for men and women in the EMI ;
- measures to help new staff and their families when coming to Frankfurt.

In his answer, Mr Lamfalussy stressed that, as the EMI was a temporary institution, a lot of problems and questions relating to the social consequences of the implementation of a European System of Central Banks would only occur, or could only be answered, after the establishment of the European Central Bank.

Concerning the social accompaniment of new staff members in Frankfurt, he proposed to set up a unit which would help them to find houses and schools for their children. The EMI would also help them to improve their linguistic knowledge.

Finally, he declared that he understood the wish to discuss yearly about macro-economic developments, especially about the consequences of monetary policies on employment.

Discussions with the EMI Board were continued on 13 July, 28 November and 20 December. Parallel to negotiations at the European level, negotiations at the level of national central banks took place with a view to determining the terms and conditions of secondment of the people who were going to work at the EMI in Frankfurt. This was an important point because more than 75% of the staff employed at the Institute would consist of people sent on secondment by the other central banks.

The discussions with the President of the Institute, Mr Lamfalussy, and his closest collaborators, Mr Raymond, General Director, and Mr Schlüter, Director responsible for the Staff Department, allowed us to improve the provisions of the provisional terms and conditions of employment of the EMI staff, on a number of important points.

Looking back I can confirm that we succeeded as SCECBU to improve the draft of the terms and conditions of employment for the staff of the EMI. During the discussions we obtained that no difference would be made between the staff members recruited directly in Frankfurt and the staff's seconded by the European central banks.

(For more details about the negotiations with the EMI, please see the activity report to the Congress of 1995 in Frankfurt.)

Negotiations the ECB on the social dialogue.

Between 1994 and 1998 a lot of informal discussions about the establishment of a social dialogue between the ESCB. But on November 17, 1998 the first official meeting took place.

The Standing Committee, the Euro-FIET and the EPSU negotiated with M. Scheller, the Director General of the staff, mandated by M. Duisenberg.

This first meeting allowed developing a project elaborated by the ECB. All organizations reserved the right to consult their respective basis in order to be able to amend the document.

On February 17, 1999, a second meeting regrouped the social partners in order to finalise the project. Although, the ECB had done a real effort to satisfy or demands some issues had to be discussed more in detail. One of the stumbling blocks, from the side of Euro-FIET, was the number of translated languages during the meetings.

Therefore it was decided that the "Contact persons", these were I as president for the Standing Committee, Christine Asmussen for the Euro-FIET and Wolfgang Herrman for the EPSU.

The contact persons reached an overall agreement on the draft proposal. We submitted the draft to a special meeting of the executive commission in Brussels. It was a very difficult and hard discussion. Especially the Italian delegation came with a lot of amendments. The members of the bureau were aware that if those amendments had to be included into the draft proposal the ECB would stop the negotiations and the mother would be postponed indefinitely. Thanks to the diplomatic skills of my friend Alain Decamps, who was at that time together with George

Kaskarelis, one of the vice presidents of the committee, a solution that suited all the parties could be found.

Alain proposed a small change of the distribution method of the mandates during the meetings. The executive commission accepted the proposals that we presented to Euro-FIET and EPSU and later on, with their support, presented to the ECB.

However, on May 23, 1999, the Standing Committee received a last corrected version on behalf of the "Governing Council" of the ECB. They proposed several modifications. Some of the modification were not acceptable for us other were only another way of expressing the same thing. As the willingness to finalise the text existed among all the parties we reached a final accord.

On December 3, 1999 the Standing Committee signed the agreement on the Social Dialogue in presence of M. Duisenberg. The first official meeting was fixed to December 8, 1999.

The European central banks in a changing world.

The beginning of the 90s was a period of great changes in all areas of society. But it was also a period of uncertainty. It looked as if the social improvements obtained after the Second World War, which had created a better equilibrium between labour and capital, was questioned more and more by large parts of the society. People became more and more individualists and loosed the notion of solidarity.

The central banks didn't escape from this new wave. Within central banks, as we have seen great changes were in preparation. A lot of new people that was hired came out of top universities and specialised institutions. A new thinking, what the French call "la pensée unique", became the new Bible.

Social contracts and conventions were more and more seen as concepts from the past that were hindering progress. In the eyes of these brave young man trade unions were in the first place there to listen to the management and to implement the ideas of the leaders.

For most of the existing central banks it was a cultural shock. We were of course aware that the things were not immutable. We too, were in favour of progress, but a progress that would not only profit to the institutions but also to the staff and to the overall society. We didn't want to give in to alarmists. In our eyes central banks had and should continue to have valuable assets, the most important of which is their highly qualified and devoted staff.

One of the difficulties we were facing was that the man in the street was not aware of the tasks and duties carried out by its central bank, i.e. monetary authority, research centre, adviser to public authorities, bank of banks, treasurer of the State and producer of banknotes.

In the past, central banks of some big and small European countries had proven their ability for change. I think in the first place at one of the small central banks, the Portuguese. After the revolution and the fall of Salazar more or less 1,000,000 people returned to their homeland. Some of them had never seen it because there were born in Angola, Mozambique etc., were their families had lived for more than 300 or 200 years. For the economy of Portugal it was a tremendous burden. When I visited Portugal in the first years after the revolution, the governor of the Portuguese national bank, Vítor Constâncio, told me: "I can give them a job but I cannot give them work".

Among the big central banks, I think in the first place of the Bundesbank during the aftermath of the unification of Germany.

Of course I don't forget the central banks of Greece, Spain, Ireland (where the central bank became independent from the Bank of England) and later on all the central banks of central Europe.

But the real acid test and a proof of the dynamism and adaptability of the European central banks came with the setting up of the European monetary union. First of all the EMI. This operation would not have been successful without the goodwill, the enthusiasm and the dedication of the staff of the Committee of Governors in Basle and of the national central banks, as well as the staff recruited directly in Frankfurt.

This success is all the more remarkable since it is the result of the co-operation between people of different languages and cultures.

Such a performance was only possible in a particular type of institutions, i.e. institutions which focuses no only at its own needs but takes into account the need for interaction with the outside world. Central banks are neither the centre of the universe nor the doormat of politicians. Our central banks' strength will depend on their autonomy, provided it is applied in the right way and it respects democratic and social values.

The central banks of Europe: two opposing conceptions of monetary policy and of the role and functions of the central bank.

We have already underlined the considerable changes in the financial world, of which flexibility, profitability and maximization of profits are the keywords. The creation a large financial space, which we had predicted at the Congress in Marne la Vallée in 1990, did become a reality. We quote the speech of Jacques Delors, President of the Commission, when he introduced his project on 28 October 1987 at the Council of Ministers:

“Let's examine the actual facts: the internationalization of capital markets is a fact, it is, among others, the result of new technologies which allow the capital markets to work 24 hours a day and consequently remove the obstacles through time and space; it is also characterized by numerous financial innovations that have been put into practice for 15 years and spread sometimes dangerously.

This is the case for some markets called ‘the futures’ that exacerbate the reactions and aggravate the fluctuations on ordinary markets, like spot markets and forward markets. We should draw a lesson from events and instigate consultation between big financial nations: no market can function properly without a minimum of rules.”

These were prophetic words from Delors. In the 80s as we have seen the world had been shaken up by a series of financial scandals. On the one hand we had, among the central banks, the believers in an utterly free market, self-control of the markets, less intervention of the state, outsourcing of activities of central banks if possible in order to come to a lean organisational organigram (a concept that was defended at that time by the so-called Anglo-Saxon type central banks).

In the continental model, central banks' main activities can be divided up according to three (sometimes four) categories:

1. monetary authority ;
2. services to the public authorities and organisations of public interests;
3. services to the financial system ;
4. *services to the private clients.*

During the 90s a remarkable shift in attitude took place among the European central banks. Whereas they tended to adopt more and more the Bundesbank concept of monetary policy, they tended to follow and to implement in the meantime the organisational model of the Anglo-Saxon banks. That means outsourcing of activities, human resources policies aiming at paralysing as much as possible the trade unions, more and more flexibility in Labour contracts.

In my activity report to know 1995 Congress in Frankfurt I wrote the following paragraphs:

“As a sign of our time, the Anglo-Saxon model, above all, is progressing in central banks. The expansion of the European Union has reinforced this trend. Without giving way to clichés and taking into account that behind any simplification there are more complex realities, we must realise that the following banks presently follow the Anglo-Saxon model: Bank of England; Bank of Ireland; Nederlandsche Bank; National Bank of Denmark; Bank of Sweden and Bank of Finland.

In the long run, this could cause some trouble to other national central banks. Indeed, the list of activities of the future European Central Bank corresponds (as if by chance) to the Anglo-Saxon model so that we may fear that the number of activities that are currently recognized and reimbursed to central banks will be limited and that the banks which want to keep other activities will have to find funds by themselves. This explains partly the present wave of rationalization and restructuring in central banks.”

The philosophy behind the big rationalization projects.

In the past 30 years the Standing Committee had tried to analyse and to follow the wind of change in our western societies. For us, this was not only for the intellectual pleasure, as the German call it “ein Gedankenspiel”, to find out what was going on, but in the first place to find out how we could react in due time and find out which was the best possible way to defend the interest from the staff members of central banks.

During the 90s we came to the following conclusions.

In general, rationalization was presented as absolutely necessary and inevitable, they told us! But we wanted to know the underlying reasons. Necessary for what? Indispensable regarding what? For technological change or alterations in the legal and constitutional framework of central banks?

Traditionally three main reasons were invoked:

- political changes ;
- changes in the financial sector;
- changes in the financial markets.

But we discovered that in reality the real reasons were seldom invoked. These were principally:

Ideological Rationalizations

The Bank of England provided a typical example for this type of rationalisation. When Mrs Thatcher's Government came to power, its credo was clear: it wanted to reduce the State's influence and to privatize public services as much as possible.

In the Bank of England the outcome was tragic: the number of approximately 8,000 staff members was reduced to less than 4,000. The privatization of the Electronic Centre, a very efficient service which cost price was absolutely competitive compared to the private services, was the most striking example.

On the other hand, the admonition of the Bank of England that after the privatisation the cost became much higher was repelling and confirmed that the all process was set up for ideological reasons.

In June 1995 the Bank of England trade union, BIFU, pointed out that:

"Register's Department, Printing Works and Branches have come under scrutiny of the 'Chivers Report'. Not only have the Branches been looked at by Chivers but also by a new internal Bank Working Party....."

Also both Premises and Printing Works have been subjected to reviews undertaken by Management Consultants."

The Bank's decision to re-examine the situation of all branches surprised everybody. Not long before, in October 1992, a long-term agreement had been signed with the British Bank Association on the processing and sorting out of banknotes by the branches. In May 1995, the Council of the Bank of England decided to hand over clearing functions to a private firm "First Direct Resources", which took over the Bank's staff, under the conditions laid down by the 'TUPE' legislation.

The Bank announced in the seam period of time that it would use in the future sorting machines that could recognise automatically the banknotes' security standards in the branches. In practice that meant 60 redundancies in five branches without an offer of reclassification. Important too, was the announcement that in the long run, all the branches would be reduced to representative offices or to branches with limited activities.

Rationalization for Efficiency reasons

This type of rationalization was either carried out by need of continuous adjustment or for speeding up the implementation of restructuring plans decided in the past years. In the latter case, a large-scale plan was often worked out, which involved the whole staff and all the functions and provoked anxious reactions among the staff. The Banque de France's corporate plan was a good example of this type of rationalization.

The aim was not to stop as much activities as possible, but to keep or even to develop the core activities and to save in this way as many jobs as possible.

As a general rule, the social impact was directly linked to the importance of the gap to bridge.

Rationalizations for maintaining the autonomy of the central bank

This means refusing to develop new activities under the pretence that the central bank's autonomy should be protected. The Bundesbank was a typical example of this. Like other central banks, it had to adapt its functioning and its structures. At the branch level the Bundesbank used to be particularly active in the local and regional credit field.

But, like in other countries, the so-called financial revolution, had provoked a shockwave in the commercial financial institutions:

- a wave of mergers ;
- outsourcing of a lot of activities, especially technical ones.

As a result the number of private and corporate clients of the Bundesbank decreased rapidly in the smaller branches. The abolishment of capital controls did the rest. Moreover, the branches carried out some tasks in the field of banking supervision on behalf of the BaFin (Federal Financial Supervisory Authority).

Traditionally, in Germany, the task of banking supervision was and is still shared by the Bundesbank and the BaFin.

Among the central bankers, banking supervision was a hot issue. Some central banks considered it as one of the core activities, others didn't want to be involved in it.

The Bundesbank belonged to the latter. The general Council of the bank saw this as a threat for the independency of the institution. Moreover, there were at that time some famous monetarists who argued that there existed a direct link between the inflation rate and the fact that a central bank was in charge or not of banking supervision.

Personally I think that the main reason for the Bundesbank was for not being involved in bank scandals (we are talking here of the banking scandals of the 80s and 90s). Indeed, in that case the bank couldn't be blamed for it. So the bank preferred to reduce the tasks carried out on behalf of the banking supervisor instead of bearing the risk of losing its independency.

Standing Committee's reply to rationalization projects in the 90s!

Since the beginning, the Standing Committee, as an umbrella organisation of the trade unions within central banks, had defended the following principles in the field of reorganisations:

- we never rejected technical progress or efficiency gains, but we always rejected rationalization without a social purpose and for purely ideological reasons;
- we always defended the idea of central banks with activities going beyond pure monetary responsibilities as for us central banks should play a role in activities of the public interest which benefit to the citizens of;
- we have always advocated that changes should be introduced in a socially acceptable way.

On the basis of these principles, we rejected the search for maximization of profits or the deliberate stopping of some activities under the pressure of the market forces.

In this respect, the privatizations and the creation of subsidiaries in the Bank of England, where unacceptable to us and should have been strongly opposed.

We used deliberately the notion of "social acceptability" in contrast to "human resources exploitation".

We refused to accept an ideology or concept in which the workers would be reduced to a "resource". For us everyone should be considered as a human being and never be considered as a resource to exploit. Although, these new theories and organisational schemes were invading the national central banks territories at that time.

Some banks, like the Bank of England and the Nederlandsche Bank, had started to recruit experts coming from the industry, others had requested the support of external consultants to work out their rationalization projects.

How could we avoid that people should believe blindly the beautiful stories about progress that they were told.

We had to convince the staff of central banks that managers gave the workers the illusion that they belonged to the same family and that the family would always take care of them. In reality the membership of the family was only given to the fittest. Once they became less productive, sick or disabled, human resources managers tried to convince them that in the interest of the company and for them they should better leave.

In that period I discovered to my own surprise that human resources management was more than a method, it was a comprehensive philosophy, aiming at subordinating all the other values to the objectives fixed by management. I became convinced that in its extreme forms it should be regarded as "corporate fascism"!

For that reason it was extremely important for me that the social dialogue which we were asking for should be based on human dignity and respect.

As SCECBU we were never rabid opponents of improving the efficiency or increasing the profitability. Applied in a socially acceptable way this were valuable assets for granting the lasting of central banks and securing the jobs.

[Saving the branches and the printing works of central banks.](#)

As we have seen in the three parts of this history our attempts of safeguarding branches and printing works during the last decades were an ongoing objective of the Standing Committee

Personally, I wrote the first report on the activity of the branches as far away as 1980. Together with my friend and former vice president, George Kaskarelis, from the Bank of Greece and a lot of convinced trade union man and woman, we dedicated a big part of our life to it.

Looking backwards I have to admit that as a committee we had as well victories as backlashes. But we were also convinced that without our actions the actual situation would've been much worse. We learnt that a smart resistance endorsed by the staff could make the difference between victory and defeat.

But unfortunately we learnt also another reality: agreements don't last for ever!

The branches.

If we look at the evolution of the number of branches within the European central banks the picture is very mixed. In all the central banks, excepting the bank of England which as we explained gloves the number of branches for mainly political reasons and to reopen them afterwards for other political reasons).

If we look at the figures for the Banque de France and the Deutsche Bundesbank, you can see a very great parallelism between those two central banks. I remember me very well that in the 70s and the 80s I heard the same argumentation on one side and the other side.

In Paris they told me that they had to do it because the Germans were doing it and in Frankfurt exactly the opposite.

Notwithstanding the fact that neither the internal organisation nor the activities are the same, compared to other central banks the decrease in the number of agencies has been limited.

Central Banks branches	Year		
	<1990	<1995	<2000
DEUTSCHE BUDES BANK	200	192	126
BANQUE DE FRANCE	234	2011	
BANK OF ENGLAND	5	8	12
BANK OF FINLAND	8	8	5
BANQUE NATIONALE DE BELGIQUE	43	23	10
BANCO DE PORTUGAL	21	17	10
BANCO DE ESPANA		52	42
BANK OF GREECE	27 + (67 small branches)		
BANCA D'ITALIA	97		
CENTRAL BANK OF IRELAND	0		
OESTERREICHISCHE NATIONALBANK	88		
DANMARKS NATIONAL BANK	0		
SVERIGES RIKSBANK	0		

As I told before then I wrote my first report in 1980 on the future of the branches of the central banks, I discovered a clear relationship between the existence of a well-developed to a less developed commercial banking system and the number of branches of the central banks.

The many reports written by my friends George Kaskarelis confirmed this fact.

The reason for it is historical. In the middle of the 19th century the European continent was not devastated by the revolutions of 1848, but also by a lot of bankruptcies.

As always after such catastrophic events, the authorities wanted to avoid in the future such a meltdown of the financial sector.

In practically all the countries we have seen that central banks started to developed new activities in the field of credit facilities for societies and industrial companies.

They did it in a direct or indirect way.

Kaskarelis made also a difference between branches with full activities and with limited activities.

Central Banks staff 2003	Number of staff		
	Total	Branches	%
DEUTSCHE BUDES BANK	15 200	8 116	53,4%
BANQUE DE FRANCE	15 785	7 740	49,0%
BANK OF ENGLAND	2 000	80	4,0%
BANK OF FINLAND	722	94	12,2%
BANQUE NATIONALE DE BELGIQUE	2 421	150	6,2%
BANCO DE PORTUGAL	1 814	159	8,8%
BANCO DE ESPANA	2 950	1 250	42,4%
BANK OF GREECE	3 000	900	30,0%
BANCA D'ITALIA	8 507	4 470	52,0%
CENTRAL BANK OF IRELAND	700	0	0,0%
OESTERREICHISCHE NATIONALBANK	1 150	88	7,7%
DANMARKS NATIONAL BANK	608	0	0,0%
SVERIGES RIKSBANK	450	0	0,0%
Total	55 307	23 047	41,7%

Describing the situation at the end of the 90s he wrote the following comments.

Branches with full activities

They carry out cashier activities vis-a-vis institutional clientele (banks, public entities, enterprises) as well as vis-a-vis individual persons. Moreover, they offer services to the State (reimbursement of securities and coupons, transfer of funds). Some branches of this type organize regional conjuncture surveys which contribute to various Centre Balance Sheets and Risk Data Offices. The surveys are especially useful for balance sheet analyses and household debt management.

In the NCB's branches in the countries of the southern part of Europe we can find still units charged with local banking supervision. Although there is not a standardized type of these branches, it is the case of branches of the Bank of Greece, the Bank of Italy of the Bank of Spain, partially of the Bank of Portugal, the Bank of France only regarding branches with institutional cashier office and the National Bank of Belgium only regarding the branches of Liege and Anvers.

Branches with limited activities

We refer to branches or agencies where the cashier services and the transactions on behalf of the State plays a prominent role. This is the case of branches or agencies of the Deutsche Bundesbank, Bank of Finland, De Nederlandsche Bank, National Bank of Austria, some branches of the Bank of France. The units of this category often may carry out to a lesser extent other activities.

Representation agencies or offices

They organize exclusively regional conjuncture surveys and assure the local representation of the central bank as it is happening in the United Kingdom, or are only devoted to Central Balance Sheet or Central Risk Offices as is the case in Belgium.

Treasury' offices

We encounter this category only in Greece where units of central bank consisting of one, two or three persons, operate within the public Treasury's offices assuring the collection of revenue and the payments of the government and other public entities.

Since then the situation has changed in some countries. In Belgium for example, the so-called representation bureaus have been closed down.

Personally, I've always thought that we were confronted with a paradox. Never in history have the technical means of communication permitted to work in a decentralised way as today. And never the pressure to centralise was so big.

In the framework of this historic report it is not possible to describe in detail all the efforts and initiatives which the committee has taken in the last 50 years in order to safeguard the networks of branches.

The documentation is so extensive that it would merit to write a separate history.

I would like to do thank all those who contributed to the defence of the network of branches within the central banks. I think in the first place at the Jean Michel Flocklay and George Kaskarelis. Without forgetting the others.

The printing works.

The discussions about the modernisation of the printing works started a long time before the change over to the Euro. One could say that the preparations for the changeover accelerated the modernisation process.

The debate on the rationalisation and modernisation of the printing works focused on two important questions.

- Would the printing works have the necessary technical means for printing the so-called new generation of banknotes with high security standards and would the National European Central Banks be willing to invest in their printing works to enable them to carry out the job?
- What will be the cost for investments versus the production cost?.

Different answers were possible but not equal from a social point of view. If the general answers would become the outsourcing of the existing activity it would create a social carnage.

Central banks would have to make considerable investments to carry out this operation, as a consequence, the cost price would become an important component. However, these two elements can be used in two different scenarios:

- modernization of public utilities ;
- creation of subsidiaries or even privatization of the printing works.

The changeover became a big success! Thanks to the dedication of the printers and the workers in the cashiers departments.

During the long preparation and implementation period the printing works of central banks and the state, were forced to work together with the private ones.

This was an opportunity, but represented also a danger.

Indeed, the two big private printers, De Le RUE and Giesecke & Devrient, had two enormous advantages. They were not only specialised in printing but also in the manufacturing of counting and sorting machines. That means that they owned more patents of new high-tech applications in the new bank notes than the public ones. So, for every patent that the private printers succeeded to sell to the ECB, the printing works of the NCB's and the public ones had to pay for it. In other words, even with the same printing machines their price would be higher.

Moreover, after the changeover the ECB decided to change the rules of procurement. Either, the printing works of the central bank would remain an in house one, without private clients, or they would become a private commercial printer. In the last case a public tender would be organised.

In addition the ECB adopted the Framework for the detection of counterfeits and fitness sorting by credit institutions and other professional (private) cash handlers (the Framework) in December 2004. According to the Framework, credit institutions and other professional cash handlers are allowed to put euro banknotes back into circulation, provided that the banknotes have been duly checked for authenticity and quality (i.e. their fitness for circulation). Banknotes that are reissued via automated teller machines (ATMs) and other customer-operated devices have to be checked using banknote handling machines which have been successfully tested by an NCB.

These decisions of the ECB were a slap in the face of the printers and the workers in the cashiers departments. This was not a license to kill, but the license to outsource and make the actual staff redundant.

In the aftermath of this decision to printing works of Finland were closed down. A real pity because in the 80s and 90s the Finnish printing works, counted among those were the best organised and use a lot of new printing techniques. The National Bank of Belgium decided to maintain the printing works in production for some years and close them down once most of the printers would have a retired. What we call nowadays social accompaniment.

The printing works of the Bank of England were sold to De La Rue which took over the staff of the Bank of England and so on.

How has it come to this? Certainly not for technical reasons. The printing works of the central banks had proven to have the right skills and a good productivity to assure in the future the banknote printing in the Eurozone and outside. Personally I think that the two main reasons are:

- a lot of printing works focused too long on the technical aspects, losing out of their sight the political and commercial ones;
- as I explained before the big commercial printing works like De Le RUE and Giesecke & Devrient profited much more from the changeover to the Euro as the other ones;
- an absolute ingratitude from the side of some directions of central banks.

I want to express my gratitude for the two coordinators of the working group on manual and technical functions: Lucien Bleyaert and Michel Ruykens, as well as all the delegates from the printing works who participated in the numerous meetings.

How should central banks keep the trust of public opinion?

As the standing committee we were absolutely conscious that central banks received their activities and tasks by law and that in a democracy, when Parliament has voted a law it can also abolish or change the same law.

It was therefore in my opinion absolutely indispensable to have efficient working and highly operational central banks. That was the only way to convince public society and politicians of the necessity of keeping and developing further the national banks in a system of European central banks.

Just like our competitors we had to lobby to promote our ideas and proposals. So, with the support of the members of the bureau, we started to launch numerous awareness campaigns, studies, attending colloquia, and to organise cross-border meetings between management and staff representatives of those banks.

Our strongest argument was that, in our view, a central bank had to be there for the people and close to the people, otherwise it would never keep the trust of the people. Public opinion has in general no knowledge of the technical aspects of monetary policies, but kept in general a high trust in their national central banks. This was especially the case in the northern countries of Europe.

The leaders of the Bundesbank new did very well. They declared openly that the most important asset they had was the trust of the people. As Jacques Delors said it in his particular way: "Not all Germans believe in God, but they all believe in the Bundesbank".

Unfortunately, some presidents and governors of central banks started to forget this common wisdom. By acting in the way they did it seemed as where they undermining their own position and weakening that of their own institution.

In practice the political support that a central bank receives will in the long run depend upon the attitude of the general public. In other words the perception of the central bank by public opinion. If this perception is bad, it will have repercussions for the paternity of the institution.

Personally I believe, more strongly than ever, that it is our duty to propagate our message!

Relations with the other international trade union bodies.

Within the framework of the defence of our general interests, the relations between the Standing Committee and the national trade union member organisations played a very important role.

We have always tried to maintain friendly and open relations. Several times, thanks to our know-how we have helped these national organizations to prepare their reaction on European guidelines in the field of the financial system and the role played within that system by the central banks.

Similarly, we have always insisted on having smooth relations with the other international union bodies. In this regard, we have left no doubt that the Standing Committee does not wish to become a new international trade union Confederation in competition with the existing ones. On the contrary we wanted good relations with those confederations, but asked always mutual respect. Respect for the unique and specific role that the Standing Committee plays.

The relationship with FIET is a history of ups and downs.

As I mentioned that in the previous chapters we had some very harsh discussions. At the end of 1992 and the beginning of 1993 the relationship had improved and we tried to set up a common platform for collaboration.

We held some informal meetings with the FIET Secretariat and Jim Lowe, President of the ‘Central Bank’ Working Party of the FIET. After a while we started negotiations in order to sign a protocol of cooperation between both organizations. The draft protocol provided for the setting up of a small common committee (5 members of each organization), which would meet under the chairmanship of the President of the Standing Committee and whose secretariat would be organized by the President of the ‘Central Bank’ Working Party of the FIET. The common committee would be responsible for preparing and maintaining the contacts with the Committee of Governors and the EMI, as well as for any other issues relating to Economic and Monetary Union. In my view both presidents should have a permanent bureau within the premises of the ECB so that they could be in direct contact to the members of the staff Department.

The draft protocol was approved by the “Central Bank Section” of the FIET and discussed at the meeting of the Standing Committee in Lisbon.

For a number of psychological and formal reasons, the idea was accepted, but some trade union delegations such as the French and German, considered that such a far reaching and formal collaboration could only be decided by Congress.

The FIET considered that as a polite refusal and reacted very irritated.

At a Congress in Frankfurt in 1995 we submitted a resolution on the collaboration with FIET, but in the meantime the relationship had worsened again. At the meeting of the Executive committee in Arras in 1996, all the trade union delegations members and non-members of FIET signed a common declaration confirming the necessity, in order to raise the trade union plurality, to maintain the existence of the standing committee. Only on the basis was said to and smooth relations could be established.

Afterwards when we started the talks with the ECB and the social dialogue we could only agree that there would be a very small group of spoke persons, namely one for each trade union organisation.

During the talks with the ECB a very serious incident happened. As we did normally, we had prepared with the representatives of FIET and EPSU the negotiations of the day after. The discussions were fruitful and no special comments made by the FIET and EPSU.

To our great astonishment, the day after, they rebuked the presence of one of our delegation members, namely Mr Steyart because he belonged to a trade union they didn't recognise.

This move was totally unacceptable to us and we refused to go on with the negotiations as long as Mr Steyart, who was also a member of the bureau of the standing committee, wouldn't be allowed to participate. In the end they gave in, but on their return the FIET members of the standing committee protested vigorously against the attitude of their international organisation.

Personally I have always regretted that at the executive committee meeting in Lisbon didn't reach a formal accord among us. We lost an opportunity which came never back. Indeed, the platform could have been a real springboard for the further consolidation of the trade union presence within the ESECB.

After we concluded the discussions about the social statute of the EMI we organised together a meeting with the staff of the fund to give them full information over the result of the negotiations.

When arriving at the EMI, we were extremely surprised to hear that the DAG and the ÖTV had distributed a pamphlet to the staff, announcing that in accordance with the agreement (sic) concluded with both international organizations, they considered themselves the (only) union organizations entitled to represent the EMI staff.

A little afterwards, in a letter addressed to me, they called on the Standing Committee to help them with its know-how and they offered a seat to the President in a negotiation group that they intended to set up (a plan that was never implemented).

We answered that we were ready to extend, in the same spirit as the collaboration with FIET to the International of Public Services. At the same time, we insisted that the Standing Committee should be represented properly in each joint negotiation body.

Concerning the collaboration with the German trade unions, it seemed logical to us that they would act as coordinators and a logistic supports, but it seemed to us even more important that workers (mainly seconded people) could remain members of their national unions (which might be useful in case they were reinstated in their banks of origin) and that the elected staff representatives could play their own role.

Despite our efforts, our relation with FIET continued to deteriorate. For example, FIET has organized 'on its own' a symposium on the future of central bank activities and the setting up of a European Works Council for the European System of Central Banks.

In a circular, it has pointed out that the organization of our Congress in Frankfurt posed problems for its 'German affiliates' and that neither the DAG nor the ÖTV would participate. As we found out, both trade union organisations were contemplating a huge motion operation ³³.

³³ The second-half of the 90s was a period of reorganisation among the German trade unions. Several mergers were the result. For example the the unions of the mining, chemical and lether industries.

It was obvious that the move had not been initiated by FIET but by EPSU the powerful international trade union organisation of public services that wanted to have his say, the international level and also within central banks.

In spite of these difficulties, we remained convinced that we must continue to seek a modus vivendi and an area of agreement with the other international trade union bodies. Neither we nor they can ignore that many member union organizations are also members of other international trade union bodies.

Provisional end of this history.

Provisional because of the story ends in 2000 when my good friend, the late, Alain Decamps took over the presidency from me. Unfortunately after two years he died and it was a very good decision of the Congress to elect Thierry Desanois as his successor.

Personally I think that it is too soon to write the history from 2000 up to now. For writing a history you need some distance in time. Therefore the second part of the history must be left to be written by some of my successors.

In October 1997, the Presidents of the six service sector unions, signed a joint declaration in which to express for the first time there, name or reorganised union structures in the service sector. In February 1998 the sixth unions abridged a common "political form "which contained a concrete plan and timetable for a merger. In 1999 the merger into "**ver.di**" was approved by the Congresses. It included the following trade unions OTV,DAG, HBV and IG Medien. **ver.di** is the second large German trade union with 2.2 million members. "**ver.di**" is an abbreviation for Vereinte Dienstleistungsgewerkschaft, which means "United Services Union." The headquarters of the trade union are in Berlin.