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Committee of Governors of the
Central Banks of the Member States
of the European Economic Community

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Secretariat

SOME ISSUES RELATING TO CONTINUITY IN AND THE FUTURE SIZE
OF THE SECRETARIAT

In response to the request of the Committee of Governors this note briefly discusses measures ensuring continuity in the services of the Secretariat and the Economic Unit and presents some general considerations regarding additional staff requirements. The Annex shows an illustrative example of staff requirements based on the programme and methods of preparatory work as proposed by the Alternates to the Committee of Governors.

I. CONTINUITY OF SUPPORT BY THE SECRETARIAT AND THE ECONOMIC UNIT

As was mentioned in the note on the status of the staff members in the Secretariat, dated 26th February 1992, virtually all of the staff members' employment contracts with the BIS expire in mid-1993. In order to avoid a serious disruption of services at that time, all staff members concerned have expressed agreement to be flexible about the precise date of departure from the Secretariat/Economic Unit. In practical terms this means that for individual staff members the end of their contract could be brought forward or be deferred by a few months, allowing for a staggered replacement of the staff members concerned over a period of about nine months. This would ensure a sufficient degree of continuity in 1993, especially if provision were made for a reasonable overlap period for "new" and "old" staff members. At the present moment it would seem premature to make precise arrangements about individuals' departure dates. This should be decided in consultation with the seconding institutions in early 1993. At that time it should also be considered whether present staff members should be given an option of moving to the EMI.

As regards the transition to the EMI (i.e. continuity of services when the Secretariat is dissolved and the EMI is created), the moral commitment expressed by the Committee of Governors at its meeting on 10th March 1992 will certainly be of great importance for new staff members (additional or replacement of existing staff), since the length of employment on the basis of a contract with the BIS will inevitably be rather short. However, discussions with the present staff indicate that more information (position and type of job, conditions of employment, location of the EMI) would be important for the decision on whether to make a commitment to join the EMI.

II. SOME GENERAL CONSIDERATIONS REGARDING STAFF REQUIREMENTS

The requirements for additional staff in the Secretariat/Economic Unit during the remainder of Stage One depend significantly on the programme and methods of preparatory work relating to the implementation of the Maastricht Treaty. As it is not possible at the present time to make a definitive proposal for reinforcing the Secretariat/Economic Unit, the note limits itself to presenting some more general observations. However, in order to illustrate the implications of these general considerations for future staff requirements, the Annex shows an illustrative example based on the Alternates' proposal for a "Programme and methods to implement the Treaty on European Union".

1. Professional staff members supporting the Committee of Alternates, sub-committees and working groups

As a basic principle each sub-committee and working group should be supported by two professional staff members: the "principal" rapporteur and an "alternate" who would be the principal rapporteur of another sub-committee or working group. Accordingly, for each sub-committee and working group there should be one professional staff member acting as rapporteur.

In addition, as a significant part of the preparatory work is expected to be undertaken in the Committee of Alternates (possibly involving ad hoc assignments for the "second" Alternates and co-operation with Heads of Personnel) it would be necessary to consider adding one professional staff member in support of this work.

2. Economists

Efforts to strengthen monetary policy co-ordination and the technical preparation of a single monetary policy, but also research relating to various other areas of preparatory work are likely to raise significantly the demand for analytical support. This would call for a reinforcement of the Economic Unit.

3. Supporting staff

The enlargement of the Secretariat and the Economic Unit would have to be accompanied by an increase in supporting staff for statistical work, systems support, administrative tasks, typing and the operation of the CEBAMAIL communications system. As a "rule of thumb" for each addition of two or three professional staff members to the Secretariat/Economic Unit, it would be necessary to add one secretary and, depending on the type of work to be performed by the professional staff members, one research assistant.

4. Organisational aspects

An enlargement of the Secretariat/Economic Unit beyond its present size would make it necessary to take steps to ensure efficient administration and management. One possibility would be to introduce positions for senior staff members who would assist the Secretary General by overseeing the work in certain areas, such as economic analysis, support of committees and working groups and work in the field of statistics and information systems. This would imply the addition of up to three senior staff members who could either be chosen from the existing staff (which, however, would mean that in their place a new professional staff member would have to be added) or could be new staff members seconded from a central bank.

As regards the general organisation of employment in the Secretariat, the basic principles agreed at the start of Stage One and laid down in the Rules of Procedure of the Committee of Governors should continue to apply. This means, in particular, that vacancies in the Secretariat/Economic Unit will be filled in accordance with the established procedure: the central banks (i.e. the Alternates) will be informed by the Secretary General of the existence of an opening, including a specific job description. Applications will then be reviewed by the Secretary General.

who, after interviewing the most suited candidates will make a recommendation to the Chairman of the Committee of Governors on the basis of professional qualifications and taking into account a reasonable balance of EC nationals in the Secretariat/Economic Unit. The Chairman will then make a proposal to the Committee of Governors which will decide on the appointment of the professional staff members. Only in the exceptional case that central banks are not in a position to propose a suitable candidate would the possibility of employing professional staff members from outside the central banks be explored.

The Secretary General will remain responsible for the assignment of work within the Secretariat/Economic Unit and the organisation and supervision of work. New non-professional staff members, in particular secretaries, will generally be hired from the market and be appointed by the Secretary General.

AN ILLUSTRATIVE EXAMPLE OF STAFF REQUIREMENTS

Using as a working assumption the Alternates' proposal for a programme and methods of preparatory work, the application of the general considerations outlined in Section II would give rise to the following staff requirements.

1. Professional staff members supporting the Committee of Alternates, sub-committees and working groups

The Alternates' proposal envisages that in addition to the three permanent sub-committees, five new working groups might be set up. Moreover, an important part of the preparatory work is also expected to be carried out directly in the framework of the Committee of Alternates. If the work of each committee and working group is to be supported by one rapporteur, there would be a requirement of a total of nine professional staff members. For comparison, at present there are four "permanent" staff members supporting the Alternates and the sub-committees, plus two "temporary" ones acting as rapporteurs for the Ad hoc Working Group on Payment Systems (who will, however, leave the Secretariat on 24th April 1992).

2. Economists

The need for economists working in the Economic Unit is particularly difficult to assess. However, in view of the possible areas of analytical work called for in the preparatory process, it would not seem unreasonable to add initially two economists to the Economic Unit, increasing its staff (from presently five) to seven economists.

3. Supporting staff

Applying the "rule of thumb" (i.e. a ratio of about one secretary and one research assistant to three professional staff members) would

suggest the addition of two or three research assistants (at present there are two) and two secretaries (at present there are four "permanent" secretaries, and for the ad hoc Working Group on Payment Systems there is one "temporary" secretary whose contract should be extended).

4. Senior staff members

In order to oversee the work in particular areas (economic analysis, support of committees and working groups, and work on statistics and information systems) and to facilitate the administration and management of the Secretariat/Economic Unit, three positions of senior staff members should be created and be filled either from within the Secretariat/Economic Unit or by new staff members seconded from central banks.

5. Summary presentation of the illustrative example of staff requirements

The following table briefly sums up the staff requirements, using the working assumptions made in paragraphs 1 to 4 above:

<u>Positions</u>	<u>Present situation</u>	<u>Future situation</u>	<u>Additions</u>
Secretary General	1	1	-
Professional staff members supporting Alternates, sub-committees and working groups	6 ¹	9	3
Economists	5	7	2
Supporting staff			
Research assistants	2	4	2
Secretaries	5 ²	7	2
Senior professional staff members	-	3	3
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TOTAL	19	31	12
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1 Includes two professional staff members supporting the ad hoc Working Group on Payment Systems who will leave the Secretariat on 24th April 1992 and who should be replaced by two new staff members acting as rapporteurs.

2 Includes one secretary supporting the ad hoc Working Group on Payment Systems; her contract should be extended.

6. Estimated costs

As regards the costs of the illustrative enlargement of the Secretariat/Economic Unit it could be assumed that it would raise the annual personnel expenditure by approximately Sw.fr. 1.8 million and involve one-off expenses (installation allowances, workstations, furniture, etc.) of roughly Sw.fr. 500,000; in addition, there would of course be higher annual current expenditure in accordance with the increased activities of the Committee of Governors.