

Interview with Mr Stéphane Rottier
Counsellor to the Executive Board
European Central Bank (ECB)

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Portrait

by Stéphane Darimont. Banking Boulevard. Frankfurt am Main. July 2014

Stéphane Darimont (S.D.):

Stéphane Rottier, thank you for meeting me to share your story as an illustration of the careers that exist within the financial sector's supervisory authorities. In the preceding images, viewers will have recognized the headquarters of the European Central Bank, where we are today, and where you work as a lawyer and economist. Could you briefly retrace your studies and career path so far, and explain your current role?

Stéphane Rottier (S.R.): With pleasure. I first studied law in Belgium at Louvain and Namur followed by an Erasmus year in Germany at a university not far from here in Würzburg, northern Bavaria. I mostly worked on institutional and economic law and became more and more interested in economics. As a result, I embarked on further studies in economics, which led to a Masters in Pure Economics at Louvain, where I was asked to do a PhD in the framework of the European Doctorate Programme, giving me opportunity to work in Tel Aviv, Barcelona as well as in Louvain.

Afterwards, I left the academic world and hesitated between either a diplomatic career (I had meanwhile passed the Belgian diplomatic exam) or staying focused on economics and finance. Finally, it transpires that over time I've achieved a combination of both as an economic financial diplomat, firstly at the National Bank of Belgium and its relations with the IMF, then as a counsellor for international affairs in a Finance Minister's cabinet, followed by a period at the IMF on the Executive Board, then returning to Europe as a member of the European Union's G20 delegation, and finally since three years, here at the ECB. My role here is Counsellor to the Executive Board, and in particular, to one of its members, best known as the Chief Economist, in other words, the person in charge of economic and monetary policy, and the analysis and preparation of monetary decisions by the ECB.

It's a highly interesting and absorbing job. In addition, the Chief Economist, whom I advise daily, is also responsible for recruitment and human resources policy, budget and the organization itself. In an institution of 1,600 people, recruiting 1,000 people in one year, and being responsible for putting a European Supervisory system in place, I can assure you it's quite a challenge and demands lots of energy.

S.D.: I think young graduates, economists or lawyers, may hesitate between a career in a commercial bank or a supervisory authority. What qualities or characteristics do they need for a career at a central bank? Listening to you and the diversity of domains involved would suggest being both a generalist and a specialist, enjoying law and pure economics but also applied economics...

S.R.: Absolutely, in fact first and foremost, you must be passionate about furthering the public good, and in particular, the European public good, because we work in a European institution. Alongside this, we receive a flow of information and data that needs to be analysed, synthesised and integrated in the decision-making process. But because decisions are not taken in isolation, it's equally important to stay in contact and interact with numerous decision makers in order to prepare these decisions.

S.D.: You've worked at the National Bank of Belgium and at the IMF. Since 2011, you are working at the ECB. Your career journey highlights the important international aspect of this profession...

S.R.: Correct. In fact as you well know, we've had monetary union in the Eurozone for 10 years, about which decisions are primarily taken here in Frankfurt, in this tower. Implementation of monetary policy happens throughout the Eurozone; therefore there is continuous interaction with the different countries and different central banks. Last year, policymakers entrusted the ECB with the establishment of a Single Supervisory Mechanism for banks, because they felt that for monetary union to be effective, and to avoid repeating the errors of the recent financial crisis, banking union was needed, with a single supervisory system for the entire Eurozone. The essential work for this happens in Frankfurt, but also via cross-border teams comprising professionals from different countries who supervise all European banks on site. I must admit that my previous experience in different international institutions allows me to work easily in this context, in which we interact on a daily basis with different countries, people, cultures and languages.

S.D.: Finally, Stéphane Rottier, a few words to end this interview on the subject of the challenges of the economist's profession at the ECB, and its limitations...

S.R.: Certainly. During the financial crisis, central bankers were asked to play the role of firemen. We not only had to take numerous monetary policy measures, but also, alongside these, we were entrusted with introducing a supervisory system: a huge challenge. In addition, we contributed in countless ways to strengthening the governance of the European Union. But it's important to recognize one's limitations and to respect them, and our well-defined mandate in the Treaty helps us do this. It is essential for us to respect this because the work of an economist at the ECB has its limitations.

S.D.: Thank you Stéphane Rottier.

S.R.: It was a pleasure, thank you.