Policy Brief 23/2026

An opportunity to stocktake and strengthen the governance and policies of the European Central Bank

Andreas Billmeier and Rebecca Christie

Andreas Billmeier (andreas.billmeier@bruegel.org) is a Visiting Fellow at Bruegel

Rebecca Christie (rebecca.christie@bruegel.org) is a Senior Fellow at Bruegel

We thank our Bruegel colleagues Uuriintuya Batsaikhan, Zsolt Darvas, Stephen Gardner, Hans Geeroms, Francesco Papadia, Guntram Wolff and Jeromin Zettelmeyer for most helpful comments on an earlier draft.

Executive summary

THE EUROPEAN CENTRAL BANK faces substantial change in its decision-making structures. Most of its six-strong leadership team on the Executive Board is due to be replaced within a relatively limited period around President Christine Lagarde's departure in February 2027. This offers an opportunity to take stock and make institutional improvements.

THE ECB'S RESPONSIBILITIES have grown substantially over time and now span a wide range of duties, from traditional monetary policy to banking supervision, payments technology and international economic governance. The Executive Board needs diversity of expertise: skill considerations should play a bigger role in its inherently political appointment processes. Preventing bunching of appointments, in line with the original 1998 design of staggered board terms, could also help maintain continuity.

STRUCTURED STRATEGY REVIEWS could take place as part of the handover from one ECB President to another, facilitating strategic reflection. The Governing Council also could adjust how it handles policy announcements, quiet periods, contrasting views and meeting summaries to help with policy transmission.

IN THE NEXT STRATEGIC REVIEW, the ECB should revisit its policy framework in light of more frequent and pronounced supply shocks. That could have implications for the inflation target and for the definition of the appropriate price-level aggregate, which might benefit from changes to how it incorporates energy, food and housing.

Recommended citation
Billmeier, A. and R. Christie (2026) 'An opportunity to stocktake and strengthen the governance and policies of the European Central Bank', *Policy Brief* 23/2026, Bruegel, available at https://doi.org/10.64153/JTTZ7018

1 The European Central Bank after (nearly) three decades

The European Central Bank is at the heart of the European Union – one of seven formal EU institutions under current treaties. In addition to its primary mandate of price stability, it supports the general economic policies of the EU, in line with the EU's overall objectives[1]. Since the ECB's 1998 establishment, its membership has almost doubled, in line with the expansion of the euro area (Table 1), while its duties have become much more varied (Figure 1). When the ECB began operations, it included 11 member states served by a staff of about 500. In 2026, the covered population is 360 million, up from 293 million initially. The ECB staff has expanded to about 5,000.

Table 1: Then versus now: the ECB in numbers

	1999	Today
Member countries	11	21
Governing Council members	17	27
Population covered	293m	360m
ECB staff	~500	>5,000
Eurosystem balance sheet	€0.7tn	€5.9tn
Banks directly supervised	—	108
Executive Board members	**6**	**6**

Source: Bruegel based on ECB and Eurostat.

As the central bank has taken on additional duties and survived periods of unconventional monetary policy, its balance sheet has grown significantly (Claeys, 2014). It has long coordinated market infrastructure through its monetary policy operations and its T2 wholesale payment system[2], and it monitors foreign exchange trends and bond market liquidity. In the payments arena, it is developing new technologies such as the retail digital euro and the Pontes and Appia projects for wholesale tokenised financial transactions.

The ECB has effectively become the *"policymaker of last resort"* for a wide range of crisis scenarios (Donnelly, 2025). During the euro crisis, which started in 2009, the central bank marshalled an extensive tool kit of financial-stability instruments and the credibility to wield them, as incarnated in then-ECB President Mario Draghi's historic 2012 pledge to do *"whatever it takes to preserve the euro"*[3].

As a result of that crisis, the ECB is now a bank supervisor, with direct oversight of the euro system's biggest banks and authority over all banking licences granted in

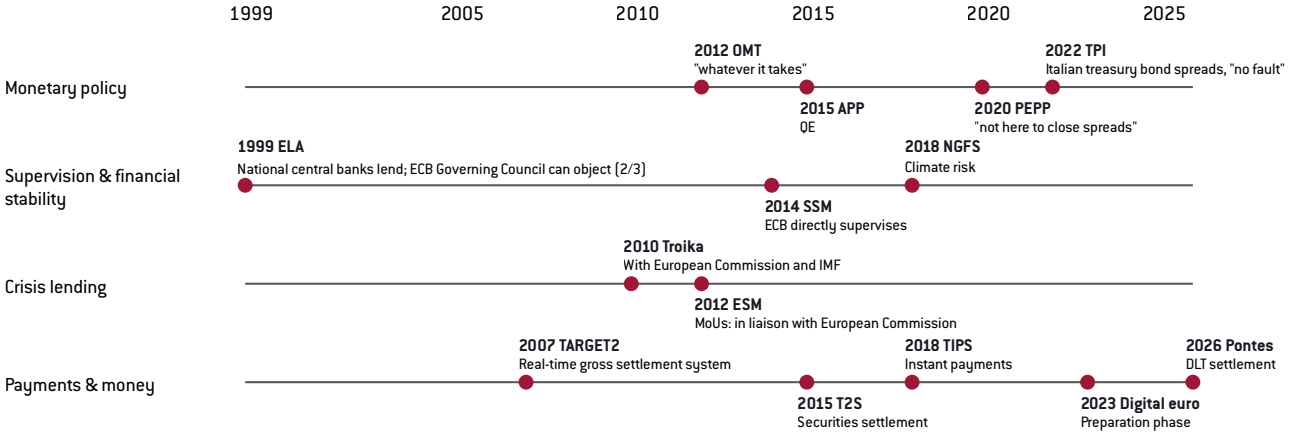
1 Article 3 of the Treaty on the Functioning of the European Union; see https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX%3A12008M003. On the ECB's responsibilities, see Art. 127 TFEU, https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12016E127.

2 Formerly TARGET2; see ECB press release of 21 March 2023, 'Successful launch of new T2 wholesale payment system', https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.pr230321~f5c7bddf6d.en.html.

3 See ECB Verbatim of the remarks made by Mario Draghi, 'Speech by Mario Draghi, President of the European Central Bank at the Global Investment Conference in London', 26 July 2012, https://www.ecb.europa.eu/press/key/date/2012/html/sp120726.en.html.

the currency union. It takes part in the European Systemic Risk Board, a central bank coordinating body that includes non-euro EU countries, and in which the ECB's leadership has become more important since the Bank of England departed after Brexit. It continues to coordinate with national central banks on Emergency Liquidity Assistance to struggling banks.

Figure 1: The ECB's responsibilities have grown over time



Source: Bruegel based on ECB. Note: additionally, the ECB is represented at: Eurogroup, G7, G20, the International Monetary and Financial Committee (observer), BIS and Basel Committee, the Financial Stability Board and NGFS. OMT = Outright Monetary Transactions; TPI = Transmission Protection Instrument; APP = Asset Purchase Programme; PEPP = Pandemic Emergency Purchase Programme; ELA = Emergency Liquidity Assistance; NGFS = Network for Greening the Financial System; SSM = Single Supervisory Mechanism; ESM = European Stability Mechanism; TIPS = Target Instant Payment Settlement; T2S = T2 Settlement (the ECB now uses T2 instead of Target2); DLT = distributed ledger technology.

The bank represents the EU and euro area internationally, including in relevant forums of the Group of Seven, the Group of 20, the International Monetary Fund's International Monetary and Financial Committee and the various committees at the Bank for International Settlements in Basel. It worked alongside the IMF to coordinate rescues for struggling countries during the euro crisis.

Even climate has now come under the central bank's umbrella. The ECB has integrated climate risk into its stress tests of banks and the financial system, and is an active participant in the Network for Greening the Financial System. There is now an active debate on whether and how to incorporate climate considerations into monetary policy, as discussed in 2026 speeches by ECB President Christine Lagarde and by Philip Lane, the bank's chief economist (Lagarde, 2026a; Lane, 2026).

In 2026 and 2027, the ECB is headed for a period of extensive leadership turnover, given that as many as five out of six members of the Executive Board could be replaced within a compressed period. This presents an opportunity to review appointment processes and identify improvements (section 2). It is also an opportunity to reflect on other areas where the ECB may wish to assess or adjust its policies. This Policy Brief offers selected ideas for improving communications linked to monetary policy meetings (section 3) and adjusting strategic reviews of monetary policy practices and inflation monitoring (section 4), followed by conclusions and a summary of recommendations (section 5). Other areas, such as banking regulation and payments, are mostly outside the scope of this Policy Brief, though of course no less important to the ECB's overall functioning.

2 ECB decision-making and the role of the Executive Board

The ECB's main decisions are made by the six-person Executive Board (EB) and the Governing Council, which includes the EB and the governors of all 21 euro-area central banks. Taken together, they form the Eurosystem, which is in turn part of the European System of Central Banks (ESCB).

The Executive Board includes the ECB's President, Vice-President and four additional members. It is based in Frankfurt and charged with managing the day-to-day business of the ECB. All EB members are appointed for non-renewable eight-year terms and can only be removed in the event of incapacity or serious misconduct[4].

One EB member is designated as Vice Chair of the Single Supervisory Mechanism, which has a separately appointed chairperson[5]. Another EB member is given the non-statutory role of chief economist, with oversight of the ECB's general economics directorate, while other board members may specialise in areas such as financial markets, European affairs or payment and settlement systems. These responsibilities can be reassigned as needed within the EB.

In the context of the broader ESCB, the President and Vice-President are voting members of the ECB's General Council, which includes representatives from all EU central banks, whether they use the euro or not. This committee coordinates statistics and other activities[6], with the other EB members as non-voting participants. Externally, the ECB President represents the central bank at various EU and international forums.

2.1 EB candidate selection

Appointment of an EB member is politically complex. By law, EB members need to be *"of recognised standing and* [have] *professional experience in monetary or banking matters"*: they need to be specialists in the field, a reflection of the technical environment in a central bank[7].

Initially, governments put forward (their) nominees, who are then debated in the Eurogroup, the gathering of euro-area finance ministers. Once the Eurogroup agrees on a candidate, the Council of the EU, the institution in which member-state ministers meet, sends a recommendation to the European Council of heads of state and government. The leaders consult with the European Parliament and the ECB Governing Council.

Finally, the European Council in composition of euro member states decides.

4 See ECB, 'Independence', https://www.ecb.europa.eu/ecb/our-values/independence/html/index.en.html.

5 The Vice Chair's term is linked to their time on the EB. The Single Supervisory Mechanism chair is appointed to a non-renewable five-year term; see ECB, 'Supervisory Board', https://www.bankingsupervision.europa.eu/about/organisation/leadership/supervisoryboard/html/index.en.html.

6 The General Council is considered a transitional body that could be abolished if all EU members eventually join the euro area. See ECB, 'General Council', https://www.ecb.europa.eu/ecb/decisions/genc/html/index.en.html.

7 Article 283(2) of the Treaty on the Functioning of the European Union, https://eur-lex.europa.eu/eli/treaty/tfeu_2016/art_283/oj/eng.

Candidates require a reinforced qualified majority in favour: at least 16 of the currently 21 euro member states must vote in favour, and those countries must represent at least 65 percent of the euro area's total population[8]. Historically, the four large euro-area economies – Germany, France, Italy and Spain – have seen quasi-continuous presence on the EB. The next largest country, the Netherlands, has also repeatedly sent a representative to the EB, including the first President of the ECB.

Political horse-trading is particularly present when more than one Executive Board seat is available

EB members do not represent or officially advocate for particular euro-area member states while in office. Yet, it would be difficult for a candidate to advance if he/she did not have support from Germany, with 23 percent of the euro area's population, or France, with 19 percent, and ideally both. Political horse-trading is particularly present when more than one EB seat is available, often leading to a 'grand bargain' of position allotment.

The political dynamics are entrenched. Unwritten practices include quasi-permanent representation of the four large economies on the EB and an informal but so far strictly observed limit of no more than one appointee per nationality[9]. In recent years, selection has also incorporated factors such as gender, the ratio of small countries to big countries, and the political balance between various euro-area divisions, often referred to in shorthand like North versus South, fiscally frugal versus profligate, 'doves' versus 'hawks', or core versus periphery, depending on the alliances in play[10].

Skills are not a big enough part of this conversation. The EB as a whole needs sufficient understanding of: (i) the conduct of monetary policy; (ii) research in economics, finance and monetary policy; (iii) financial markets, with respect to both banks and markets; (iv) economic and fiscal policymaking and European processes; and (v) the management of large and diverse institutions. These skills deserve more airtime in public discussion and by the governments that put names forward.

2.2 Skill sets matter

EB members tend to come from pools that include national central bank governors and senior officials, respected academics and think-tank members, experienced financial-market participants, senior representatives of other international organisations, and economic and fiscal policymakers, such as national politicians who specialise in economic policy, and career officials in ministries of finance or similar.

In general, board members benefit from explicit economic training, not just prior political experience. Overall, the EB should incorporate a diversity of views and it is helpful to have officials with crisis-fighting experience. It also needs members with true specialisation for some roles. For example, all chief economists so far have held

8 See Council of the EU explainer, 'Appointment of the European Central Bank executive board', https://www.consilium.europa.eu/en/policies/appointment-of-the-european-central-bank-executive-board/.

9 We sidestep here the case of multiple (euro-area) passports as a candidate for the EB will, in all likelihood, have a well-defined national background, even though he or she might hold an additional passport.

10 For example, Charlety *et al* (2017) showed that across the OECD, the likelihood of appointing a female central bank board member is much higher if the outgoing member was also female, but lower when the share of women on the board is already high, thereby confirming 'gender' as a key concern. For a sense of the country representation dynamics, see Olaf Storbeck and Paola Tamma, 'ECB to kick off race for top roles as Lagarde era enters final stretch', *Financial Times*, 10 November 2025, https://www.ft.com/content/45fca9b8-2a5b-4d20-9138-b4909c2ca09f.

economics PhDs and substantial national central banking experience (see Figure 2)[11].

As mentioned, the Single Supervisory Mechanism Vice Chair is a serving EB member, and more broadly the ECB faces an ever-increasing set of financial-stability considerations. The EB needs expertise in bank business models, capital market channels, payment systems to gauge the links with monetary policy transmission and the overall economy. Some learning on the job is expected, but strong skills from the outset help.

Gender balance is a worthy consideration within the candidate pool defined above, especially given the historic underrepresentation of women in top central banking circles (Goulard, 2021). The Governing Council in 2026 includes only two women, both EB members, as no female central bank governors at time of writing hold office in the euro area[12]. The ECB might also benefit over time if its board members come from a broader range of ethnic backgrounds, to represent the increasing diversity of EU citizens.

Future EBs would benefit from experience in how to assess the interaction between climate and the economy, especially given the conflicting political and business interests around this topic. The ECB will want a clear overview of financial stability and macroeconomic risk as it navigates this issue, given competing pressures on climate policy[13].

Recommendation

National nominations and EU-level candidate hearings should emphasise skills more, to encourage public debate and media coverage that goes beyond runners-and-riders name chasing. Skills require explicit discussion at each stage, for individuals and in the context of the pool of potential candidates. The ECB and Eurogroup could assist in this process by publishing a list of skills needed when board vacancies arise.

2.3 One country, one ECB board member

The ECB's informal limit on multiple appointees per nationality came to the fore at the time when Mario Draghi took over the ECB Presidency in 2011. There was already one Italian on the EB, Lorenzo Bini Smaghi, and France was set to lose its seat on the EB after outgoing President Jean-Claude Trichet's departure. Initially, Bini Smaghi resisted political pressure to resign, citing the independence of his mandate[14]. He ultimately left his post 17 months early, making space for the appointment of a French representative, Benoît Cœuré (who, in turn, overlapped with Lagarde in late 2019, albeit briefly).

The ECB also has seen national swaps, notably when German EB members have resigned

11 Jürgen Stark (PhD University of Tübingen 1975) filled a spot on the Bundesbank board that became available after Otmar Issing (PhD University of Würzburg 1961) left for the ECB in 1998. Peter Praet (PhD Université Libre de Bruxelles 1980) was a board member at the National Bank of Belgium before joining the ECB whereas Philip Lane (PhD Harvard 1995) ran the Central Bank of Ireland before moving to Frankfurt.

12 Chrystalla Georghadji was the first woman to lead a euro-area national central bank, as Governor of the Bank of Cyprus from 2014-2019. Sharon Donnery served as acting governor of the Bank of Ireland from 1 June 2019 to 31 August 2019.

13 See for example Johanna Treeck, 'Leadership reshuffle threatens ECB's green goals', *Politico*, 23 October 2026, https://www.politico.eu/article/leadership-reshuffle-threatens-ecbs-green-agenda/.

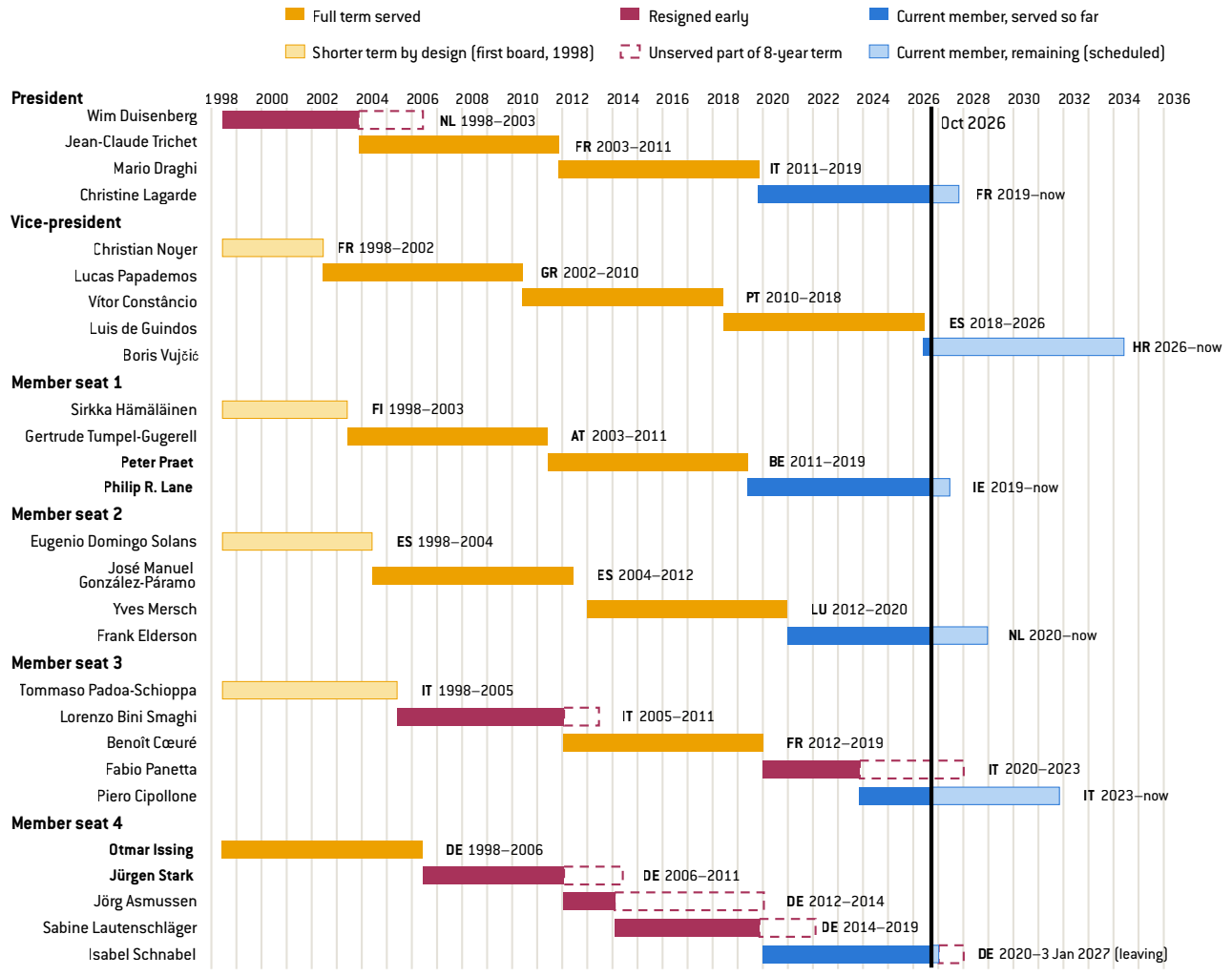
14 Gavin Jones and Francesca Landini, 'Bini Smaghi a thorny problem for future ECB board', *Reuters*, 20 May 2011, https://www.reuters.com/article/uk-ecb-smaghi/bini-smaghi-a-thorny-problem-for-future-ecb-board-idUKTRE74J36J20110520/.

mid-term and Berlin was able to send a new candidate to take the spot of the departing board member. For example, when Jörg Asmussen left the ECB in January 2014, he was replaced by Sabine Lautenschläger, who also became the first vice chair of the SSM, and who later also stepped down early (Figure 2).

The ECB would benefit from more explicit mechanisms to guarantee a single representative per nationality. Tussles, such as during the Bini-Smaghi incident, raise the possibility of reputational risk.

If an appointment of either a new President or Vice-President led to duplicate representation of a country on the EB, the sitting lower-ranking EB member should automatically step down. This mechanism should be limited strictly to these two specific leadership changes, to avoid undue political interference.

Figure 2: ECB Executive Board member terms, 1998-2034



Source: Bruegel. Note: all members are appointed for a non-renewable eight-year term. Seats are an informal grouping by succession. Dashed outlines show the unserved part of terms cut short by resignation, and names in bold served as chief economist. Praet was chief economist from January 2012. Schnabel is leaving early to join the IMF. Lagarde will leave in February 2027.

The EU should discourage national swaps for rank-and-file board members, including after resignations. This could be done by encouraging sitting members to stay to the ends of their terms, perhaps by backloading ECB pension accrual, and by not acting on the assumption that a departing board member would be replaced by someone from the same country[15].

Recommendation

Explicitly limit representation to one EB member per country and describe the replacement process for a sitting EB member in case a national from the same country is confirmed as ECB President or Vice-President. Increase the disincentive for an EB member to resign, both at the individual level and from the home country's perspective.

2.4 Return to the initial practice of staggered board-member turnover

When Wim Duisenberg became the ECB's first president in 1998, all EB members were appointed at the same time. These initial mandates ended in a staggered fashion after four to eight years, as a one-time transitional measure (Figure 2), arguably to ensure institutional continuity and strong leadership that did not get wrapped up in excessive political deal-making. This design was in line with best practices in central banking which are to *"protect appointees from inappropriate influence, whether political or private"* (BIS, 2009)[16]. Over time, however, the EB turnover has been subject to accidental bunching of open posts, as various board members have left before serving full terms.

Unlike at the Federal Reserve or, for that matter, the European Commission, the European Council does not appoint interim EB members to fulfil the rest of fixed-term mandates. As a result, as incumbents have left early and new eight-year mandates have been created, more seats are coming open at the same time. Political pressures on the selection process have become particularly intense when other board-member positions are up for replacement within about 12 months on either side of the appointment of a new ECB President.

When Jean-Claude Trichet took over as president in late 2003, only one other board member (Gertrude Tumpel-Gugerell) was appointed strictly within the 24-month range (as defined above). When Draghi assumed the top role eight years later, the number had risen to three (Peter Praet, Jörg Asmussen, Benoît Cœuré), partly because of the early replacement of Bini Smaghi (section 2.3). Around Lagarde's appointment in November 2019, the number fell to two (Philip Lane, Isabel Schnabel).

At the time of writing, with Lagarde scheduled to leave in February 2027, and given Isabel Schnabel's end-2026 departure for the IMF, at least two members – Lane and

15 This could, of course, result in another EB member from the same country, but it would respect a transparent appointment process.

16 The original – now superseded – Article 50 of the Protocol on the Statute of the ESCB and of the ECB (annexed to the 1992 Maastricht Treaty) read "*The President of the Executive Board shall be appointed for eight years. The Vice-President shall be appointed for four years and the other members for terms of office of between five and eight years, so that their terms of office expire at different times*".

Schnabel – will be replaced around the same time as Lagarde's successor arrives[17]. Total turnover could rise depending on Lagarde's *de-facto* departure date and the nationality of her successor. For example, if the next ECB President is Dutch or Italian, a current EB member of the same nationality would presumably step down before the end of their term. Also, Boris Vujčić replaced Luis de Guindos as Vice-President in June 2026, adding one more change to the period around the new President taking office. If Lagarde steps down early, as has been discussed in the press[18], this change also could fall within a year of the new President taking office.

In extremis, five out of six EB members could change within about 12 months on either side of the next President joining the ECB. This coincidence could lead to a counterproductive set of incentives, as European capitals would have substantial leverage and room for horse trading[19]. This accentuated turnover does not automatically cause a problem, as flexibility in multiple appointments could lead to a good team but as a regular practice, staggered turnover would be preferable.

Staggered fixed terms would smooth out the turnover process and avoid recurring bunched cycles

Staggered fixed terms, rather than terms that start fresh with every new member, would smooth out the turnover process and avoid recurring bunched cycles in line with how the EB was initially designed. In other words, if a member leaves, their replacement should serve only to the end of a set eight-year period.

In the short run, countries could informally agree to stagger resignations and appointments as a general principle, so that if a board member steps down, it does not automatically lock in a bunched cycle years into the future. This type of informal coordination could improve continuity, even though it would not be enforceable. All EU countries have an interest in keeping the ECB strong, credible and steady as personnel rotate through.

In the longer run, it might make sense to codify fixed terms and to allow interim members to be reappointed if they only serve a short time. This change should be discussed the next time the EU treaties are modified.

Recommendation

Anchor the eight-year EB terms to staggered fixed slots rather than starting a new eight-year period for each new appointee. This could be done initially via informal convention and eventually codified in the EU treaty to establish board terms and allow for reappointment of short-term interim members.

2.5 Enlarge the Executive Board?

If the ECB is part of a future round of Treaty change, the EU could consider expanding the EB from six to eight seats. This would reflect the significantly increased responsibilities of the ECB and of the EB in particular.

17 Note that this would have also been true had Isabel Schnabel served her full term until late 2027.

18 See for example Zoe Schneeweiss, 'ECB's Lagarde Won't Rule Out Leaving Few Months Before Her Term Ends', *Bloomberg*, 30 September 2026, https://www.bloomberg.com/news/articles/2026-09-30/ecb-s-lagarde-won-t-rule-out-leaving-few-months-before-her-term-ends.

19 The potential for political interference rises further if other positions in EU institutions are being filled at the same time.

More EB seats would of course increase the size of the Governing Council, which also will increase every time a new member joins the euro area[20]. It is therefore worth reconsidering the voting rotation among national central banks, to find the right balance between number of voting members, fairness of periodic representation and overall practicality in monetary policy decision-making[21].

Recommendation

If the EU Treaties are revised, consider increasing the number of EB members from six to eight. This would accompany the euro area's expansion and the ECB's growing duties. If the changes were made, the European Council could consider corresponding adjustments to the voting rotation procedures for national central banks to keep the voting from becoming unwieldy.

3 Communications

ECB communications are a central part of its toolkit, alongside monetary policy levers and crisis-fighting tools. A 2021 survey of past Governing Council members complimented the bank's press conference practices, while acknowledging room for improvement in other aspects of public outreach (Ehrmann *et al*, 2021).

In the same way that the ECB's mission has grown and evolved, so have its public outreach needs and its capacity for self-assessment. For example, strategic reviews were initially done on an inconsistent and *ad-hoc* basis, but now seem to be moving to a five-year cycle[22]. The bank's leadership-rotation cycle offers an opportunity to revisit and refine current practices, with small adjustments potentially improving market understanding and helping the bank preserve continuity during future transitions.

3.1 Improving the quiet period

The ECB Governing Council's communications track record is solid and broadly similar to that of the Federal Reserve, which also shares decision-making between a permanent board and a voting rotation for regional central bankers[23] (De Haan and Hoogduin, 2024). In general, a wide range of information is made accessible and available on a timely basis.

The ECB has always held press conferences after each of its interest-rate decisions,

20 Hungary's government elected in April 2026 has said it plans to join the euro (see Darvas and Frieda, 2026). EU candidate countries such as Montenegro would also be expected to join the monetary union.

21 See EUR-Lex summary of 13 March 2023, 'Voting arrangements in the ECB's Governing Council', https://eur-lex.europa.eu/EN/legal-content/summary/voting-arrangements-in-the-ecb-s-governing-council.html.

22 ECB, 'Evaluating our strategy', https://www.ecb.europa.eu/mopo/strategy/strategy-review/html/index.en.html.

23 We do not include the Bank of England in our comparison because its procedures work substantially differently, with internal and external Monetary Policy Committee members inside a single country and currency area.

a practice adopted by the Fed only in 2011 (De Pooter, 2021)[24]. The ECB makes EB member speeches, comments and other public appearances readily available on its website, and has adopted social-media distribution channels over time. It makes a wide range of economic data and research freely available. It offers human translation into key languages for important communications and facilitates machine translation for other information[25].

Once the ECB policy meeting concludes, the rush to offer individual views to the public is often chaotic

Like other central banks, the ECB imposes a 'quiet period' for the week ahead of monetary policy meetings, when the six EB members and 21 national governors are asked to refrain from airing their rate-setting views in public. Once the policy meeting concludes with the press conference on Thursday afternoon, however, the rush to offer individual views to the public is often chaotic as Governing Council members provide interviews to various press outlets. This openness contrasts with the ECB's general policy of not providing voting records or much information about dissenting views as part of its consensus-driven policy process.

The quiet period itself has been a testing ground for opposing viewpoints. Breaches by General Council voting members move the market much more than speeches outside the restricted time period or by non-voters. On average, every quiet period since 2008 has featured at least one non-compliant statement (134 breaches occurred during 131 quiet periods), making the quiet period itself a policy with ambiguous effect (Gnan and Rieder, 2023).

Standardising post-meeting communication and revisiting dissenting views would allow individual members space to offer their own views while protecting the monetary transmission effect of the ECB's policy decisions.

For the US Federal Reserve's Federal Open Market Committee (FOMC), the quiet period before meetings is longer (12 days) and also extends until midnight of the day after the policy meeting. This day of post-meeting silence is meant to let the message sink in and avoid immediate reshaping of the message by alternative narratives. The Fed publishes a calendar of its blackout dates[26]. FOMC meetings usually take place on Tuesdays and Wednesdays, so members are free to resume communications from midnight on Thursday, giving markets a day (Friday) to digest the additional information before the weekend.

For the ECB, a better approach to the current post-meeting cacophony would be to embargo all post-decision commentary by Governing Council members to a set time after the meeting. Friday morning is one possibility, allowing the decision to settle overnight while still giving markets a chance to react to additional information within the same week. If the ECB were to extend its quiet period until the end of the full day after the meeting, comments would be suppressed until midnight Friday, meaning comments would only reach the press on Saturday morning. This kind of delay would have the advantage of avoiding illiquid Friday markets but also would probably offer a counterproductive incentive to leak during the extended window.

24 The Bank of England still only holds press conferences to explain its decisions after every other Monetary Policy Committee meeting.

25 The ECB's language policy incorporates all 24 official EU languages; see ECB, 'Language policy of this website', https://www.ecb.europa.eu/services/using-our-site/language-policy/html/index.en.html.

26 See Federal Reserve, '2025-2027 FOMC Trading and External Communications Blackout Calendar', https://www.federalreserve.gov/monetarypolicy/files/fomc-blackout-period-calendar.pdf.

Regardless of how exactly it aligns its quiet period, the ECB could release more information about dissenting views to offer an alternative outlet to anonymous leaks. ECB policymakers have historically been split over how much to centre group decision-making over individual views[27]. The current system, in which dissent is anonymous unless volunteered, has the advantage of reducing the risk of political pressure on a central bank governor who votes for a policy measure that is not consistent with the domestic economic picture but is well-anchored in the broader euro-area backdrop. But extending the quiet period for too long risks offering an illusion of unanimity in ways that also would be counterproductive. A strong dissent would find a way around the expanded 'cone of silence'.

Recommendation

The ECB should lengthen the quiet period to extend until after the rate-setting meeting and consider official release of dissenting views.

3.2 Make meeting recaps more useful

The ECB offers reflections of Governing Council meetings, published as 'accounts' four weeks after the meeting[28]. Verbatim minutes are slated to be available after 30 years, so the first will be released in 2029. The accounts are, therefore, the main scheduled reference point for market participants and other ECB watchers looking to understand the central bank's thinking in the aftermath of each press conference.

Except for upfront presentations on the financial market environment and the economic update, accounts are anonymised to avoid attribution of views in the reporting on the actual policy discussion. They are also quite unwieldy, often exceeding 10,000 words.

The ECB should make its 'accounts' more concise. An interesting comparison in this context is the Swiss National Bank (SNB), which introduced publication of policy discussion summaries only in 2025. So far, the average length runs to around 1,200 words. Clearly, with a much smaller decision committee (and economy), the SNB summaries *should* be shorter. Yet Federal Reserve minutes, the corresponding item in the US, have been traditionally shorter than the ECB's accounts[29]. The Fed releases full verbatim transcripts after five years.

The ECB could find a new equilibrium by publishing shorter initial accounts and by releasing its transcripts sooner, remaining in line with EU-wide regulations on the requirement to maintain historical archives.

Recommendation

Reduce the length of ECB accounts and evaluate publishing the verbatim minutes after a shorter lag.

27 A survey sent in November 2020 to all surviving former Governing Council members found that about one-third of respondents preferred less representation of individual views in the external communication, as opposed to 22 percent who would like to see more, with a similar preference for communication from the ECB instead of national central banks (Ehrmann *et al*, 2021).

28 See ECB, 'Monetary policy accounts', https://www.ecb.europa.eu/press/accounts/html/index.en.html.

29 Links to Fed minutes are available at https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm. Fed minutes have become even shorter since Kevin Warsh took over as chair in May 2026.

4 Monetary policy strategy: what's next?

The ECB's original 1998 strategy foresaw an inflation target of *"below"* two percent over the medium term. The way the central bank assesses price trends has since been updated via major strategy evaluations, reviews and assessments in 2003, 2021 and 2025.

The 2003 evaluation decided the target was to achieve an inflation rate of *"below, but close to, 2%"*, turning the numerical specification from a ceiling into a more precise reference point. Other changes included the continuation of the two-pillar approach of economic and monetary analysis, while discontinuing review of the monetary reference value[30].

In 2021, the ECB replaced its previous definition with a symmetric goal at two percent, a change that followed a decade during which inflation frequently undershot the target. Moreover, the review introduced a one-sided need for a *"forceful or persistent"* policy reaction when inflation was below target and policy rates were close to the effective lower bound (Reichlin *et al*, 2021).

In 2025, the ECB tackled the strategy again after extraordinary shocks sparked a major inflation spike. This assessment updated the *"forceful or persistent"* policy reaction so that it applies in both directions after an extended period of overshooting the target. It reduced the room to *"look through"* supply shocks and made uncertainty a more formal part of the framework. It also tilted the tool kit away from longer-term asset-purchase commitments, so the policy stance could change quickly when needed.

The next major strategy review is expected in 2030[31]. As the ECB plans for it, it can look for ways to make the process less backward-looking and reactive, given the changing macro environment, characterised by larger and more frequent supply shocks. For a more proactive approach, we suggest reviewing certain aspects of the inflation-targeting strategy and a more robust measure of inflation, weighing carefully how to take food, energy and housing prices into account.

4.1 Establish an explicit timeline for reviews

So far, strategy reviews have been carried out irregularly, largely in response to the macro environment. The ECB is now switching to a standard five-year review cycle, though there is no official schedule beyond 2030.

The ECB should consider a formal limit to the maximum period between reviews. It would also be useful to add a regular stocktaking exercise after the appointment of a new President[32]. Syncing official reviews to each new President would be more effective

30 See ECB press release of 8 May 2003, 'The ECB's monetary policy strategy', https://www.ecb.europa.eu/press/pr/date/2003/html/pr030508_2.en.html.

31 See ECB, 'The ECB's monetary policy strategy statement (2025)', https://www.ecb.europa.eu/mopo/strategy/strategy-review/ecb.strategyreview202506_strategy_statement.en.html.

32 An integrated review process is preferable to task forces, which risk resulting in disjointed policy advice. The review process should, where beneficial, include contributions from outside of the European System of Central Banks.

if combined with a commitment to staggered board terms (section 2.4), to avoid the shock of strategic changes and significant EB turnover happening at the same time.

Recommendation

Explicitly limit the maximum time between strategy reviews, while allowing additional reviews as necessary. Link review timing to the appointment of new ECB Presidents, potentially offering eight years as the maximum period between reviews.

4.2 Is a point target for inflation still appropriate?

The inflation-targeting process goes beyond the setting of the actual target. Central bankers must also decide on the target's characteristics and the time granted to reach it.

The academic view since the mid-1990s has been that a central bank should be 'instrument independent' but not necessarily 'goal independent' to achieve better inflation outcomes over time (Debelle and Fischer, 1994; Rogoff, 1985). Relatedly, there is a debate over whether the inflation target should be assessed regularly, and by whom.

While the Treaty on the Functioning of the European Union (TFEU) defines maintaining price stability as the ECB's primary target, the numerical inflation target itself is set by the ECB in its monetary policy strategy. It is currently a two percent annual increase in the headline Harmonised Index of Consumer Prices (HICP) *"over the medium term"*, a deliberately vague time horizon[33]. The TFEU's price-stability objective is thus a modern interpretation of the goal, while the two percent is a common numerical specification[34]. That makes the ECB instrument independent and 'goal-flexible' in the narrow numerical sense, similar to peers, including the Fed.

As headline inflation becomes more volatile, it is worthwhile considering whether the current target formulation is still appropriate

With regard to the level and definition of the target, there is broad agreement among central bankers that supply shocks are going to play a bigger role in future (eg Lagarde, 2026b). This is likely to feed through to greater volatility of headline inflation, but the implications for central banking and monetary policymaking are still under discussion[35]. As headline inflation becomes more volatile, it is worthwhile considering whether the current target formulation is still appropriate. Reichlin *et al* (2024) proposed a structured process for reviewing and, if necessary, adjusting the target value.

Credibility suffers if a precise target is missed too often. A vague time horizon does not help if missing the target keeps happening. Currently, the ECB has an 'accommodative buffer' to not overreact to small deviations from the target, especially in response to supply-side shocks, via its policy reaction function and 'medium-term' temporal allowance. There is a trade-off between excusing deviations, which implicitly adjust the reaction function, and adjusting the target itself to accommodate headline inflation volatility.

33 See ECB, 'Monetary policy strategy', https://www.ecb.europa.eu/mopo/strategy/html/index.en.html.

34 Moreover, the lack of precision in the fundamental document is not unique to the ECB. The Fed also defines, since 2012, its specific target of two percent inflation for the price index for personal consumption expenditures in the Statement on Longer-Run Goals and Monetary Policy Strategy.

35 Adam and Weber (2019) showed that structural changes in the economy – potentially linked to lasting supply shocks – might have an impact on the optimal level of the inflation target as relative prices in the economy shift.

Put differently, should 1.8 percent and 2.2 percent inflation still be accepted as 'two percent' at a time of more pronounced supply shocks, or might it make sense for the ECB to communicate more explicitly acceptable error bands around a specified target – a 'fat' point target – to avoid a message of false precision? Or would it make sense to target a range without a focal point, along the lines of the Swiss National Bank's zero to two percent range, which seeks to adapt to large and volatile imported inflation components?

A constructive debate is underway about how precisely a target can and should be defined, especially if supply shocks are here to stay (Ehrmann, 2021; Orphanides and Wieland, 2000; Demertzis and Viegi, 2020). In addition to the question of point versus range, there is also the question of which inflation aggregate strikes the best balance between representing the target of price stability and being a useful yardstick to assess central bank policy success.

Core inflation excluding food and energy could become the target metric, for example. This measure is already used frequently in ECB communications and in quarterly projections. Alternatively, the target could be formulated with reference to non-energy inflation, while leaving food prices in the aggregate series (Lane, 2025). Energy prices are a major source of external supply shocks, while food prices show similar persistence to other core inflation metrics and also are at least partly under the control of the central bank. Food is typically more processed than energy, resulting in a higher share of value-added costs in the final shelf price and including wages, which are more responsive to the monetary policy environment.

Adjusting the inflation target itself may be a better approach than changing the ECB's temporal flexibility. The 'medium term' within which inflation should return to target has often been interpreted as two to three years, depending on the type of shock[36]. While the numerical target definition has become more precise over time, the temporal flexibility has remained with the ECB since its founding; this is a good thing, since insisting on being precise at all times on both target and timing could result in an overdetermined system and introduce significant volatility into the policy instrument.

Recommendation

Make inflation-target assessment an explicit part of the new review cycle, instead of an ad-hoc reactive task. In the next strategic review, assess the costs and benefits of moving to a fat point target or target range, rather than the current point target for headline HICP inflation, particularly in light of more frequent supply shocks. Compare the current inflation measure associated with the target with alternatives, including headline HICP inflation excluding energy and core inflation.

36 Smets (2003) argued that supply shocks should be "*looked through*" and therefore allow for a longer deviation from target, whereas a central bank needs to react more forcefully to demand shocks with a view to unwinding the deviation faster. Reichlin and Zettelmeyer (2024) reviewed why the traditional 'looking through' strategy might no longer be appropriate.

4.3 Include housing in the inflation aggregate

Unlike other large, advanced economies, the euro-area HICP does not include a measure of owner-occupied housing (OOH)[37]. This creates distortions because the cost of living is no longer appropriately represented for most homeowners, especially those with a mortgage. However, there is no central banking global standard for including housing factors and data is inconsistent. Different approaches have conceptual as well as technical implications (Darvas and Martins, 2021).

The United States, Switzerland and the United Kingdom use a rental equivalence approach, treating the home as a service via an imputed rent. In the euro area, Germany and the Netherlands follow this approach. But some countries, including Canada, rely on a user cost approach, which treats the home as a capital asset and measures the ongoing financial burden of owning and running a property. There is also a net-acquisition approach, used by Finland and favoured by the ECB itself, which treats the home as a durable consumption good, thus focusing on spending on *new* housing additions (ECB, 2021).

All these approaches have drawbacks, but omitting OOH entirely – as do domestic consumer price indices in many euro-area economies – seems an even worse approach. The ECB has long sought to address this shortcoming of the HICP, but national data collection is complex and time consuming, and aggregation is tricky. Eurostat publishes a measure of OOH inflation, but it has not yet been integrated into the broader HICP[38].

Currently, assessing the effect of house prices is entirely discretionary for the Governing Council when considering its monetary policy stance, and for now the effect seems small (Eiglsperger *et al*, 2024). That said, putting some measure of housing into the official main price metric would encourage consistent consideration and create a push for better data.

Recommendation

Reinvigorate efforts to include the cost of owner-occupied housing in the HICP.

37 Technically speaking, the target variable for the Bank of England, CPI, also does not include OOH, but a closely related and much-discussed series, the Consumer Price Index with Housing (CPIH), does.

38 See Eurostat, 'Housing price statistics - owner-occupied housing price index', https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Housing_price_statistics_-_owner-occupied_housing_price_index.

5 Conclusion and summary of recommendations

Overall, the ECB is a strong, credible and well-functioning institution that supports the European economy. It has clear responsibilities, powerful tools and effective decision-making processes. Proactive adjustments can build on its current strengths. As the ECB enters its next period of leadership change, a number of short-term and long-term changes would help it evolve in a positive direction.

The policy proposals in this paper aim to refocus attention on the skills needed to lead the ECB effectively, the strategy needed to keep its inflation-fighting framework in optimal condition, and the best channels for communicating its workings. Some recommendations are relatively straightforward and of a technical nature, whereas others will require broader discussion. Table 2 summarises and provides an assessment of implementation difficulty of recommendations, while section 5.1 provides a summary of the recommendations already set out in this Policy Brief.

Table 2: Recommendations and their implementation

Suggestion	Vehicle	Hurdle
Quiet period, shorter Accounts	Governing Council decision	Low
Fixed review cycle	Governing Council decision	Low
Target definition	Governing Council (strategy)	Low legally
Skill requirements, reading of Art. 283(2)	Eurogroup / European Council practice	Low
P/VP replacement rule	Political convention (removal only via CJEU)	Medium
Earlier verbatims	GovC decision; confidentiality (Statute Art. 10.4)	Medium
OOH in the HICP	EU regulation (HICP Reg. 2016/792), Eurostat	Medium
Fixed 8-year slots, renewable interim	**Treaty change: Art. 283(2) TFEU**	**Very high**

Long-term and more speculative	Vehicle	Hurdle
Review voting rotation	Statute Art. 10.2 (unanimity + ratification)	High (but has been amended before)
8 EB seats	**Treaty change: Art. 283(2) TFEU, Statute Art. 11.1**	**Very high**

Source: Bruegel. Note: CJEU = Court of Justice of the European Union. 'Statute' = the Statute of the European System of Central Banks and of the ECB, as annexed to the EU Treaties; TFEU = Treaty on the Functioning of the European Union.

5.1 Summary of recommendations

Skills for board members

National nominations and EU-level candidate hearings should make skills a bigger part of the conversation, to encourage public debate and media coverage that goes beyond runners-and-riders name chasing. Skills require explicit discussion at every stage, for individuals and in the context of the group. The ECB and Eurogroup could assist in this process by publishing a list of skills needed when board vacancies arise.

One board seat per country

Explicitly describe the replacement process for a sitting EB member in case a national from the same country is confirmed as ECB President or Vice-President. Increase the disincentive for an EB member to resign, both from the individual and member's home country perspectives.

Fixed board terms

Appoint new EB members to staggered eight-year fixed slots, rather than start new eight-year periods tied to the appointee. This could be done initially via informal convention and eventually codified via treaty change to establish board terms and allow for reappointment of short-term interim members.

Enlarge the Governing Council

If the EU Treaties are revised, the number of EB members should be increased from six to eight. This would catch up with the euro area's expansion and the ECB's growing duties. If the changes were made, the European Council could consider corresponding adjustments to the voting rotation procedures for national central banks, to keep the voting from becoming unwieldy.

Extend the quiet period

Lengthen the quiet period after each rate-setting meeting and consider publication of dissenting views.

Better meeting recaps

Reduce the length of the ECB's 'accounts' and evaluate whether verbatim minutes should be published after a shorter lag.

Strategic review frequency

Explicitly limit the maximum time between strategy reviews, while allowing additional reviews as necessary. Link review timing to the appointment of a new ECB President, potentially offering eight years as the maximum time between reviews.

Proactive review of the inflation target

Make inflation target assessment an explicit part of the new review cycle, instead of an *ad-hoc* reactive task. In the next strategic review, assess the costs and benefits of moving to a fat-point target or target range, rather than the current point target for headline HICP inflation, particularly in light of more frequent supply shocks. Compare the current inflation measure associated with the target with alternatives, including headline HICP inflation excluding energy and core inflation.

House prices in inflation metrics

Reinvigorate efforts to include the cost of owner-occupied housing in the HICP.

References

Adam, K. and H. Weber (2019) 'Optimal Trend Inflation', *American Economic Review* 109(2): 702-737, available at https://doi.org/10.1257/aer.20171066

BIS (2009) *Issues in the Governance of Central Banks*, report from the Central Bank Governance Group, available at https://www.bis.org/publications/issues-governance-central-banks.pdf

Charlety, P., D. Romelli and E. Santacreu-Vasut (2017) 'Appointments to Central Bank Boards: Does Gender Matter?' *Economics Letters* 155: 59-61, available at https://dx.doi.org/10.2139/ssrn.2858167

Claeys, G. (2014) 'The (not so) Unconventional Monetary Policy of the European Central Bank since 2008', paper for the European Parliament's Monetary Dialogue, available at https://www.bruegel.org/external-publication/not-so-unconventional-monetary-policy-european-central-bank-2008

Darvas, Z. and C. Martins (2021) 'Including home-ownership costs in the inflation indicator is not just a technical issue', *Blog*, Bruegel, available at https://www.bruegel.org/blog-post/including-home-ownership-costs-inflation-indicator-not-just-technical-issue

Darvas, Z. and G. Frieda (2026) 'Hungary's path to the euro: five tests for a sustainable adoption strategy', *Policy Brief* 21/2026, Bruegel, available at https://doi.org/10.64153/BRVA2871

Debelle, G. and S. Fischer (1994) 'How Independent Should a Central Bank Be?' *Working Papers in Applied Economic Theory* 94-05, Federal Reserve Bank of San Francisco, available at https://fedinprint.org/item/fedfap/17559/original

De Haan, J. and L. Hoogduin (2024) 'ECB communication policies: An overview and comparison with the Federal Reserve', *Journal of International Money and Finance* 142: 103050, available at https://doi.org/10.1016/j.jimonfin.2024.103050

Demertzis, M. and N. Viegi (2020) 'Inflation targets as focal points: Revising the European Central Bank's monetary framework', *Blog*, Bruegel, available at https://www.bruegel.org/blog-post/inflation-targets-revising-european-central-banks-monetary-framework

De Pooter, M. (2021) 'Questions and Answers: The Information Content of the Post-FOMC Meeting Press Conference', *FEDS Notes*, Board of Governors of the Federal Reserve System, available at https://doi.org/10.17016/2380-7172.2997

Donnelly, S. (2025) 'Policy-Maker of Last Resort? Drivers of Discretion at the European Central Bank', *Politics and Governance* 13: 8958, available at https://doi.org/10.17645/pag.8958

ECB (2021) 'An overview of the ECB's monetary policy strategy – 2021', European Central Bank, available at https://www.ecb.europa.eu/mopo/strategy/strategy-review/ecb.strategyreview_monpol_strategy_overview.en.html

Ehrmann, M. (2021) 'Point targets, tolerance bands or target ranges? Inflation target types and the anchoring of inflation expectations', *Working Paper Series* 2562, European Central Bank, available at https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2562~de75bfac6b.en.pdf

Ehrmann, M., S. Holton, D. Kedan and G. Phelan (2021) 'Monetary Policy Communication: perspectives from former policy makers at the ECB', *Working Paper Series* 2627, European Central Bank, available at https://www.ecb.europa.eu/pub/pdf/scpwps/ecb.wp2627~e90b7da302.en.pdf

Eiglsperger, M., I. Ganoulis, B. Goldhammer, O. Kouvavas, M. Roma and A. Vlad (2024) 'Owner-occupied housing and inflation measurement', *Statistics Paper Series* 47, European Central Bank, available at https://www.ecb.europa.eu/pub/pdf/scpsps/ecb.sps47~17703a986e.en.pdf

Gnan, P. and K. Rieder (2023) 'The (not so) quiet period: Communication by ECB decision-makers during monetary policy blackout days', *Journal of International Money and Finance* 130: 102744, available at https://doi.org/10.1016/j.jimonfin.2022.102744

Goulard, S. (2021) 'Gender, women economic concerns and monetary policy decision-making', *SUERF Policy Note* 249, The European Money and Finance Forum, available at https://www.suerf.org/publications/suerf-policy-notes-and-briefs/gender-women-economic-concerns-and-monetary-policy-decision-making/

Lagarde, C. (2026a) 'Climate, nature and monetary policy', introductory remarks at the Climate, Nature and Monetary Policy Conference, 5 May, European Central Bank, available at https://www.ecb.europa.eu/press/key/date/2026/html/ecb.sp260505~936c9c11b5.en.html

Lagarde, C. (2026b) 'Back to basics in an uncertain environment', speech at the ECB Forum on Central Banking 2026, 29 June, European Central Bank, available at https://www.ecb.europa.eu/press/key/date/2026/html/ecb.sp260629~cb5a2e2168.en.html

Lane, P. (2025) 'Inflation deviations and monetary policy', speech at the 15th workshop on exchange rates, 3 December, European Central Bank, available at https://www.ecb.europa.eu/press/key/date/2025/html/ecb.sp251203~0aa6ff1366.en.html

Lane, P. (2026) 'Climate change and monetary policy', keynote speech at the Climate, Nature and Monetary Policy Conference, 5 May, European Central Bank, available at https://www.ecb.europa.eu/press/key/date/2026/html/ecb.sp260505_1~2e47b4c747.en.html

Orphanides, A. and V. Wieland (2000) 'Inflation zone targeting', *European Economic Review* 44(7): 1351-1387, available at https://doi.org/10.1016/S0014-2921(00)00033-7

Reichlin, L., K. Adam, W. McKibbin, M. McMahon, R. Reis, G. Ricco and B. Weder di Mauro (2021) *The ECB strategy: The 2021 review and its future*, CEPR Press, available at https://cepr.org/publications/books-and-reports/ecb-strategy-2021-review-and-its-future

Reichlin, L., J. Pisani-Ferry and J. Zettelmeyer (2024) *The Euro at 25: Fit for purpose?* study requested by the ECON Committee, European Parliament, available at https://www.europarl.europa.eu/RegData/etudes/STUD/2024/747834/IPOL_STU(2024)747834_EN.pdf

Reichlin, L. and J. Zettelmeyer (2024) 'The European Central Bank must adapt to an environment of inflation volatility', *Analysis* 17/2024, Bruegel, available at https://www.bruegel.org/analysis/european-central-bank-must-adapt-environment-inflation-volatility

Rogoff, K. (1985) 'The Optimal Degree of Commitment to an Intermediate Monetary Target', *Quarterly Journal of Economics* 100(4): 1169-89, available at https://doi.org/10.2307/1885679

Smets, F. (2003) 'Maintaining price stability: how long is the medium term?' *Journal of Monetary Economics* 50(6): 1293-1309, available at https://doi.org/10.1016/S0304-3932(03)00084-9

Bruegel, Rue de la Charité 33,
B-1210 Brussels
(+32) 2 227 4210
info@bruegel.org
www.bruegel.org

Republishing and referencing policy

© Bruegel 2026. Bruegel publications can be freely republished and quoted according to the Creative Commons licence CC BY-ND 4.0. Please provide a full reference, clearly stating the relevant author(s) and including a prominent hyperlink to the original publication on Bruegel's website. You may do so in any reasonable manner, but not in any way that suggests the author(s) or Bruegel endorse you or your use. Any reproduction must be unaltered and in the original language. For any alteration (for example, translation), please contact us at press@bruegel.org. Publication of altered content (for example, translated content) is allowed only with Bruegel's explicit written approval. Bruegel takes no institutional standpoint. All views expressed are the researchers' own.