

Examining the European Central Bank's Marginal Attention to Human Rights Concerns during the Eurozone Crisis through the Lens of Organizational Culture

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Abstract : Respect for human rights is a fundamental element of the European Union's (EU) identity and law. Surprisingly, however, the protection of human rights has been significantly restricted in the austerity programs ordered by the International Monetary Fund (IMF), the European Central Bank (ECB) and the European Commission (EC) (often labeled 'the Troika') in return for financial aid to the crisis-hit countries. This paper focuses on the role of the ECB in the crisis management. While other international financial institutions, such as the IMF or the World Bank, may opt to neglect human rights obligations, one might expect a greater respect of human rights from the ECB, which is bound by the EU Charter of Fundamental Rights. However, this paper argues that ECB officials made no significant effort to protect human rights or strike an adequate balance between competing financial and human rights needs while coping with the crisis. ECB officials were preoccupied with the need to stabilize the economy and prevent a collapse of the Eurozone, and paid only marginal attention to human rights concerns in the design and implementation of Troikas' programs. This paper explores the role of Organizational Culture (OC) in explaining this marginalization. While International Relations (IR) research on Intergovernmental Organizations (IGOs) behavior has traditionally focused on external interests of powerful member states, and on national and economic considerations, this study focuses on particular institutions' internal factors and independent processes. OC characteristics have been identified in OC literature as an important determinant of organizational behavior. This paper suggests that cultural characteristics are also vital for the examination of IGOs, and particularly for understanding the ECB's behavior during the crisis. In order to assess the OC of the ECB and the impact it had on its policies and decisions during the Eurozone crisis, the paper uses the results of numerous qualitative interviews conducted with high-ranking officials and staff members of the ECB involved in the crisis management. It further reviews primary sources of the ECB (such as ECB statutes, and the Memoranda of Understanding signed between the crisis countries and the Troika), and secondary sources (such as the report of the UN High Commissioner for Human Rights on Austerity measures and economic, social, and cultural rights). It thus analyzes the interaction between the ECBs culture and the almost complete absence of human rights considerations in the Eurozone crisis resolution scheme. This paper highlights the importance and influence of internal ideational factors on IGOs behavior. From a more practical perspective, this paper may contribute to understanding one of the obstacles in the process of human rights implementation in international organizations, and provide instruments for better protection of social and economic rights.

Keywords : European central bank, eurozone crisis, intergovernmental organizations, organizational culture

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