

The morning session of the conference, in memory of Curzio Giannini, **Money and monetary institutions after the crisis**, touched upon topics that, according to Mario Draghi, are of “vital importance” for central banks.

The President of the ECB summarised them in two ways: “Should the objectives (though not necessarily the mandate) of central banks be broadened?” and “How can central banks retain and increase public trust and preserve their legitimacy and independence?”.

On the first question, starting from the analysis of Claudio Borio, one of the participants at today’s conference, Mr Draghi concluded that “central banks should continue to focus primarily on what they can and are mandated to achieve, which is price stability over the medium term”. But at the same time, he pointed to the need “to continue and further strengthen the financial sector reform agenda and build more resilience into the financial system. While our knowledge of fine-tuning the financial cycle may be limited, one can increase capital and liquidity buffers so that the financial system is more resistant to shocks”.

The creation of a banking union and the comprehensive assessment leading up to it are judged to be “essential steps in improving the governance of the financial sector in the euro area and increasing its resilience”.

On the second question, namely how central banks can build trust, Mr Draghi observed that “the challenge for the ECB is to maintain public trust in a multinational environment, in particular when there is a significant degree of national heterogeneity in national economies and preferences”.

For him, “a high degree of trust by citizens is ultimately the most important safeguard of central bank independence in the long term”.

In this respect, “we have here two aspects, both of which are essential. On the one hand, delivering on their mandate is the only way for central bankers to maintain public trust, and on the other, pursuit of this mandate must be backed indirectly by public preferences, seen from a longer-term perspective”.

And looking at the “efforts” undertaken by the ECB “to address financial integration in the euro area”, Mr Draghi emphasised that “that they have not represented a departure from the ECB’s mandate but rather the opposite, namely its pursuit by all the means demanded by the situation”.

In so doing, the ECB has gained time for “the others actors to play their part fully in crucial policy domains which do not belong to the competence of ECB, as defined by its mandate”.

On the European reform agenda, the President considered that it has been put “on a new footing” but, at the same time, he considered that it is “now crucial to complete this agenda at European and national level. With this agenda there can be no place for withdrawing into nationalism and protectionism”.

He invited all to “stay focused on the key reform priorities: completing the banking union, and implementing growth-friendly fiscal consolidation and structural reforms in labour and product markets”, as “all these reforms are beneficial and trust-enhancing, even though some of them may be opposed by vested interests”.

This common responsibility strengthens the reform needed. As he said recently in Berlin, “it is never the case that sound economic policies are good for some in the euro area but not for others, even though they are sometimes portrayed in that way”.