

Mugur Isărescu: Gaps and economic crises in South-East Europe – present and past

Opening speech by Mr Mugur Isărescu, Governor of the National Bank of Romania, at the conference "Gaps and Economic Crises in South-East Europe: Present and Past", Bucharest, 28 October 2016.

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Distinguished guests,

Ladies and gentlemen,

Allow me to warmly welcome you to the National Bank of Romania. The board of the National Bank of Romania and I are glad to host, for the second time, the Annual Conference of the South-East European Monetary History Network. Five years ago, in March 2011, when NBR hosted this event for the first time, we expressed our interest and support. We firmly believe that a good understanding of history, of how our forerunners addressed issues linked to monetary and economic developments, sets the foundation for finding solutions to present day challenges.

This conference brings together central bank representatives from Albania, Austria, Bulgaria, Greece, Serbia and Romania, as well as prominent members of academic and scientific European circles. I welcome you to Romania and hope you will have opportunity to enjoy your brief stay.

This year, the meeting is focused on economic cycles and economic crises in South-East Europe, both past and present. This is a generous and challenging research topic. All the more so, there has always been a permanent concern in the past 150 years for the policy makers in the region to reduce the economic gaps between the countries in South-East Europe and the developed ones. In spite of this preoccupation, the real life was, in almost all the cases, different. This kind of historical research, stretched over a longer period of time, could reveal to which extent the solutions adopted in time were the appropriate ones. Given the interest shown by both economic and political decision-makers, we find it useful to highlight the role that central banks have played in the catching-up process.

I have to confess that I am personally interested in this topic and I look forward to seeing the outcome of your debate. I do wish you success.

Allow me to say a few words about the South-East European Monetary History Network.

After a decade since it has been launched in Sofia, the Network achieved notable results in its aim to collect and extract value from statistical and historical data. The most important one was the release, in 2014, of a book titled "South-Eastern European Monetary and Macroeconomic Statistics from the Nineteenth Century to World War II". It was the result of the joint efforts of specialists from all seven participating banks and several members of the academia.

The National Bank of Romania shared the costs of editing this publication with the central banks in Austria, Bulgaria and Greece. The book has been the first one to include a full set of statistical and historical data showing key indicators in the economic and monetary areas for the countries in South-East Europe, starting from the establishment of central banks in the 19th century to the end of World War II. The book has proven ever since its value and utility.

Last year in Vienna, there was a proposal regarding further research work based on the information contained within the balance sheets of the central banks. Looking closer at the structure and the evolution of these balance sheets over time provides experts with useful insight as to how monetary policies have changed and have been implemented, how the main

operations have evolved, what profit the central banks have made and to what extent central banks have been able to secure and preserve their independence.

I trust that the South-East European Monetary History Network could further capitalise on both the researchers' experience of compiling the statistical and historical data series and the cooperation among central banks.

The National Bank of Romania has always shown interest in monetary and banking history. In that respect, we are currently re-organising/redesigning the NBR Museum – which you are going to visit after lunch – aiming to bring to the visitors' attention both pieces of history and the role of the central bank in shaping the economy, thus shaping history.

I will conclude here my brief address, wishing you fruitful debates and viable, useful solutions by the end of today. To all the foreign guests, may you enjoy your stay in Romania.

Thank you.