

## **Willem F Duisenberg: Another step in the direction of a united Europe**

Address by Dr Willem F Duisenberg, President of the European Central Bank, on the occasion of an audience by Dr Carlo Azeglio Ciampi, President of the Italian Republic, in the context of the meeting of the Governing Council of the European Central Bank in Rome, Rome, 2 April 2003.

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On behalf of the European Central Bank (ECB) and all members of the Governing Council, I should like to thank His Excellency - Dottore Carlo Azeglio Ciampi - for his kindness and hospitality to receive us today, on the eve of the Governing Council meeting in Rome, despite the geopolitical tensions we are currently facing. Moreover, I should like to thank Governor Dottore Antonio Fazio and the Banca d'Italia for organising this meeting of the Governing Council outside Frankfurt am Main.

The Governing Council has decided to meet, in principle, two times a year outside the ECB premises in Frankfurt, in order to emphasise the federal character of the Eurosystem, the collective consisting of the ECB and the national central banks of the Member States that have adopted the euro. The decentralised set-up of the Eurosystem - with the ECB representing the hub of the system and the national central bank its spokes - has contributed to the acceptance of the euro as the single currency of more than 300 million citizens, as in particular the national central banks are well-equipped, in terms of knowledge of language and national backgrounds, to communicate to the general public. Contrary to the public perception about other European institutions, the Eurosystem is being perceived as relatively close to the heart of the public.

I am very pleased to chair tomorrow's meeting of the Governing Council here in Rome. The fact that the Governing Council meets in Rome is symbolic, in many aspects.

First, Rome is regarded as the cradle of the European-Christian civilisation, as we know it nowadays. The Roman Empire was the first attempt to create a unified Europe. Although this period in history has greatly contributed to the development of the European continent, this experience has also made clear that Europe cannot be unified by means of force, with some nations or peoples subordinated to others. Unfortunately, this was a lesson, which Europe had to learn the hard way. It took us almost 2,000 years to realise that the continuous perils of war and oppression had to end. This leads to a voluntary allegiance of the countries of Europe, initiated by a number of great Europeans, amongst whom Carlo Ciampi, who - in my mind - has also shown that central bankers can become visionary politicians ; but then Carlo Ciampi was not an ordinary central banker, but already a visionary in his days as Governor of the Banca d'Italia. Carlo Ciampi and many others were convinced that Europe could only prosper in unity. For the first time in the history of Europe, nation states voluntarily decided to transfer part of their sovereignty to a 'higher' collective body, nowadays referred to as the European Union.

In this respect, Rome is also a symbolic place for the Governing Council to meet, as the first Treaty, establishing the European Economic Community, was concluded here - 45 years ago - and hence bears its name.

Finally, this meeting of the Governing Council takes place in a nation that belongs to the founding-countries of the European Community, and which has always been among the staunchest supporters of the European integration process, as a road towards peace and prosperity. Admittedly, when the so-called Maastricht Treaty was concluded - in 1992 - the expectation was that only a small group of European countries would be in the position to adopt the euro. For some, this small group would not include Italy. Looking back, the convergence process that was triggered, after the ratification of the Maastricht Treaty, was very impressive, in particular in Italy, eventually paving the way for this country to be among the first to adopt the euro. This convergence process has also contributed greatly to macro-economic stability and sound economic policies, both in this and in other European countries, a practice nowadays entrenched in the Treaty, in particular in the so-called Stability and Growth Pact. Where many did not have considered this to be possible, Italy has thus become a member of the stability-oriented family of European nations. Also in this respect, it is a pleasure for the Governing Council to meet here.

We are living in a period in which history is made, almost every day. In two weeks time, ten countries will sign the so-called Accession Treaties, making it possible for these countries to become a member of the European Union, in the spring of next year. This enlargement of the European Union to the east

and south of our continent is another historical event, ending the rift that was created after the Second World War.

The benefits of this enlargement, both in political as well as economic terms, are clear. However, this does not make it less of a challenge, also for the ECB and the national central banks. From mid April onwards, the national central banks of the Acceding Countries will participate - as an observer - in meeting of ESCB Committees (in extended composition) and meetings of the General Council. Enlargement involves a number of technical efforts from the side of the ECB and the national central bank, in terms of adaptations to the infrastructure, but also creates a new dimension to economic convergence and monetary stability in the European Union. I am, however, convinced that the Eurosystem will also master this challenge, as it has done before, on occasions, which demanded even more breath-taking efforts.

Ladies and gentlemen, I should now like to conclude. Again, my gratitude goes to His Excellency Carlo Ciampi and Governor Antonio Fazio. I am deeply convinced that this meeting of the Governing Council will contribute to the team-spirit of the Eurosystem and hence will be one more step in the direction of a united Europe.