

## Mario Draghi: Cavour Prize 2016 - commemoration

Speech by Mr Mario Draghi, President of the European Central Bank, on the occasion of the awarding of the Premio Camillo Cavour 2016, Santena, 23 January 2017.

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It may be true that “history is not the judge of anything that concerns us”<sup>1</sup>, as Montale reminds us. But, in thanking you for this prestigious award, made even more distinguished by those who received this prize before me, if I may recall some features of Cavour’s actions, there are obvious similarities between what happened all that time ago and the circumstances that have continued to repeat themselves throughout Italy’s history, right up to today.

### Difficulties in adopting a majority government

Just a few years after his sudden death, in June 1861, Cavour became a reference point in the debate taking place in the country at that time, either in a spirit of nostalgia for an Italy that could have been, but without him was not, or in a spirit of criticism, as one of the causes of the birth of an Italy that was unified on the ashes of a possible democratic revolution. Just a few years ago the Cavourian “connubio”<sup>2</sup> was identified as one of the origins of the country’s structural problem of having to live with political competition between opposing sides in a context of alternating governments, if not precisely *the* starting point of *trasformismo*, which has been recurrent throughout Italian history.

Especially when there is widespread instability, be it at national or international level, it is necessary to have leadership which holds firmly onto the power of political initiative. But this views the involvement of other political groups and other governments as actions of strength and not as unproductive power-sharing.

Cavour was active in a period of sudden destabilisation in Europe as a result of the 1848 revolutions that had overturned the balance of powers determined by the Congress of Vienna following the fall of the Napoleonic Empire. It was a period of turbulent transition, in which great opportunities, which came with great risk, were opening up for the main players in European politics. Today, we are again in a period of history in which Europe is changing, following the dissolution of the Soviet bloc, the reunification of Germany, the effects of the sovereign debt crisis in the euro area, the United Kingdom’s exit from the European Union and geopolitical tensions in eastern Europe. In other words, today like then, it could be said that we are looking for a new stability.

Cavour’s mastery at using the ties and influences he had to take into account to the country’s advantage is striking to everyone, not just historians; and not only international ties and influences, which were extremely important for a leader of a second-tier European power, but also ones inside the diverse Risorgimento movement. In fact, he also had difficult relations with Italian democrats, who were supporters of the republic and of universal suffrage, distrustful and hostile towards him, and above all enjoyed more public support than him, but with whom he could not do without. He was able to make precise calculations, conscious of how important their support was, and struck essential compromises, while, for all intents and purposes, holding onto control of the political initiative.

### The necessity of a non-provincial culture

For this strategy to be successful, it needed to be supported by a non-provincial culture. His was a European one, to an extent that was extremely uncommon for an Italian politician of his day. This was also for family reasons: it is well known his mother was originally from Geneva and, during his formative years, Cavour would look beyond the Alps, particularly at the political unrest

in France under Louis Philippe I and at British industry. Through Cavour's actions, Europe found an important channel for influencing the culture of the ruling class in Piedmont under the Savoy and then of unified Italy.

### **Political progress is never separate from economic progress**

For Cavour, progress in Europe meant progress with the liberal agenda, in terms of both politics and economics. Thus "the political regeneration of a nation is never separate from its economic regeneration. When a people governed by a benevolent prince progresses in the way of civility, it must of necessity progress in wealth and material power. The conditions for the two kinds of progress are identical." (Cavour, *Influenza delle riforme sulle condizioni economiche dell'Italia, Risorgimento, 15 December 1847*). From a more specifically political perspective, the freedoms of individuals and national unity were considered binding for liberals of Cavour's ilk; it is from this that we get, among other things, the phrase "civium libertati patriae unitati" (freedom of the citizens, unity of the land), which was inscribed 50 years after unification at the top of the monument to Victor Emmanuel II in Rome. Central to his economic agenda was a tireless commitment to reducing customs barriers (achieved via a series of bilateral treaties) and integrating markets, in the belief (not only in principle but also based on his extensive experience as a farmer) that competition was the key driver of greater production efficiency and technological progress.

### **Pragmatism and ideology**

He was above all a man of action in the highest sense, seeking concrete results and intent on aims that were ambitious but attainable. Impervious to all forms of doctrinal fundamentalism, as a liberal he assigned the State the task of making a crucial contribution to the creation of the communication infrastructures necessary for development, above all the railways, which at the time were at the frontier, if not the very symbol, of technical progress. In the same vein, he defended the principle of State-funded support for the poor, to the extent that this did not reduce the incentives for workers to take up employment. In the field of credit, he strengthened the Banca nazionale (from which origins the Banca d'Italia later emerged), with the aim of forming the basis of the credit system and the state bank. He was only partly successful, owing to opposition from proponents of the principle of pure liberalism who favoured competition between banks of issue, and whose ranks included the leading Italian economist of the time, the Sicilian Francesco Ferrara.

In this context, his main objective was to bring about reform of the economic system, or, as we would call it today, structural reform.

In the underdeveloped conditions prevailing in the Kingdom of Sardinia in the mid-nineteenth century, this was no easy task, not least given the opposition from a strong conservative front. He was greatly helped by the classical English culture of economics and his interest in administration, both of which he grasped to a degree virtually unheard of in Italian intellectuals of the day, almost all of whom were of a literary and humanist vocation. His political language is also to be remembered: he countered the "madmen of the rally" with words extolling preparation and good administration as features essential to the achievement of desired results. In 1852 he brought about a radical reform of the State's financial administration and accounts, which would subsequently form the basis of the legislation in this area in unified Italy.

### **Europe**

His goal was for Italy to be united and independent, mainly because he saw unity and independence as essential features of progress and civilisation, but also because only a united and independent Italy would be able to assert its values in Europe and thus to derive impetus for growth. A century later, after the end of the Second World War, this idea took on a more

complete and ambitious form, developing with the aim of an economic union followed by a political union as a necessary achievement of European civilisation. This was then pursued through Italy's decision to take part in the process of integration, through ever closer steps: the European Coal and Steel Community in 1951, the Common Market in 1957, the Single Market in 1985, Economic and Monetary Union begun in Maastricht in 1992, membership of the single currency in 1998.

During a period of instability on the European continent, Cavour saw Europe itself, and the associated idea of progress towards a superior form of civilisation as understood by the liberal vision, as an anchor of his actions to modernise the Kingdom of Sardinia and unify Italy. Precisely because, as a true patriot, his love for Italy was so strong and illuminated by intelligence, it never clouded his judgement: Italy needed Europe in order to grow, to make progress and to "be better". A country that needs Europe to gain the independence and unity it craved for centuries without success will continue to need it in order to face the challenges posed in the course of its existence. But it was always clear to Cavour that the relationship with Europe would be a fruitful one if the country also learned to make progress and grow by itself. Otherwise that same independence would be compromised. So, just as today, the relationship with Europe was based on solidarity resulting from mutual benefit and on the responsibility of independent nation states. Even in a context as different as the current one, his inspiration, his skill in considering with ambitious realism the interests of the forces at play, his ability to hold together the domestic and external forces necessary for the achievement of his plan, in short his extraordinary success, these things are – particularly in these times full of references to dark pasts – a compelling source of inspiration for anyone, not just in Italy, who sees international cooperation as the only method of managing problems that the nation states have for some time not been able to resolve on their own.

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<sup>1</sup> Translation of "La storia non è magistra di niente che ci riguardi", quote from Eugenio Montale, "La Storia – in Satura", in *Tutte le poesie*, Mondadori, 1984 Meridiani, p. 1,245

<sup>2</sup> Translator's note: The *connubio* (or "marriage") refers to the coalition made by Cavour between the centre right and the centre left.