

## Christine Lagarde: Remarks delivered at the Palazzo Vecchio on the occasion of the external Governing Council monetary policy meeting in Florence

Speech by Ms Christine Lagarde, President of the European Central Bank, at the official dinner given by the Bank of Italy, Florence, 29 October 2025.

\* \* \*

It is a pleasure to be here in Florence.

It is always difficult to give remarks after Fabio, who is a very eloquent advocate. As monetary policymakers, we tend to have a comparative advantage with numbers rather than words.

But you, Fabio, are a rare breed who has a comparative advantage with both. And I would like to take this opportunity to thank you and the team at the Banca d'Italia for the extraordinary hospitality on display here in this beautiful city.

Florence boasts a rich history that few others can match. It gave us great works by Michelangelo and Leonardo da Vinci, fostered humanist scholarship, and spread printing and scientific learning across the continent.

But this evening I would like to single out one achievement in particular: Brunelleschi's dome, which crowns this city's cathedral. Not because the dome is beautiful and inspiring – it is undeniably both – but because its remarkable history offers inspiration for Europe today.

Florence began building its cathedral in the late 1200s. Yet, for more than a century, it remained unfinished. The challenge was to build a dome on such a scale that no one knew how to achieve it.

It did not help that, during this time, Florence was hit by shocks like the Black Death pandemic and wars, which understandably caused the city to delay in finishing what it had started. But Florence remained undeterred, and, in 1418, it launched a design competition to build the dome.

The architect Brunelleschi won that competition with a game-changing approach to architecture – breaking from tradition and rethinking how large structures could stand without external supports.

For instance, he used a *herringbone brick pattern* to keep each layer stable as it rose, avoiding the usual need for wooden scaffolding. He also embedded *horizontal stone and iron chains* that acted as tension rings to contain the dome's outward thrust.

Equally daring was his decision to build a *double-shell dome* – an inner shell to bear the immense weight, an outer one to protect it – and applying this idea on a scale never attempted.

During the sixteen years it took to build the dome, some contemporaries were convinced it would collapse during construction. After all, something like this had never been done before. But Brunelleschi defied them all, and thanks to that resolve we can still enjoy the fruits of his success.

The story of Florence's cathedral and its dome is the story of modern Europe, itself a cathedral of nations. There are three parallels worth drawing here.

First, we are part of a visionary project that many once thought impossible – and this country provided some of the master builders of that vision.

Think of Alcide De Gasperi, who helped lay the foundations; Altiero Spinelli, who imagined a federal architecture long before it seemed possible; and my predecessor, Mario Draghi, who, at a moment when Europe's future was in existential doubt, showed that resolve can be as important as design.

Second, like the dome, Europe has withstood storms that might well have brought it down.

In just the past five years, we have confronted the worst pandemic since the 1920s, the highest US tariffs since the 1930s, the deepest energy shock since the 1970s and the most devastating land war on European soil since the 1990s.

Each of these events could have exposed structural weaknesses. But Europe held because it had developed resilience – in its policies, its institutions and its commitment to act together.

And yet this leads to the third parallel: we have reached a point where the old ways cannot take us much further.

Europe is resilient, but it is also vulnerable. We have an open economic model that exposes us to global shocks. Yet we seem unable to reduce that vulnerability by fixing our internal market and strengthening our domestic growth.

Part of the reason is architectural: even when we can agree on what must be done, our governance often prevents us from doing it decisively enough. It has become too slow, too complex and too much of a hostage to individual Member States wielding vetoes.

The solution does not require revolutionary change. Brunelleschi did not invent new materials – he took the bricks, mortar and iron of his time, and combined them in ways that had never been imagined. Europe can do the same.

We can use the possibilities within the Treaties – such as the "passarelle" clauses – to make more decisions by qualified majority, rather than unanimity, when collective action is in our shared interest.

We can create "28th regimes", where common European rules apply without waiting for full convergence in national systems, allowing innovators to scale more quickly.

We can deepen cooperation among groups of countries willing to move faster – not as exclusive clubs, but as pioneers whose progress ultimately strengthens the whole.

The lesson of Brunelleschi is that vision alone is not enough. It must be paired with creativity to act within the constraints of the present.

That requires policymakers to be inventive. But here I recall the words of Florence's Dante – a man who, it is fair to say, had a comparative advantage with words rather than numbers. He once wrote, "From a little spark may burst a flame."

Brunelleschi grew up in a culture imbued with Dante's influence. He likely read those words, inspiring his own creativity and ambition. Now it is time for Europe to learn from them.