

FONDATION JEAN MONNET POUR L'EUROPE

REMISE DE LA MÉDAILLE D'OR 2017

Laudatory speech by Pat Cox, pronounced in Lausanne on Thursday, 4th may 2017

Ladies and gentlemen,

It is my great pleasure this afternoon on behalf of the Jean Monnet Foundation for Europe to welcome you to this award ceremony and to thank you for your presence.

Through the long friendship between professor Henri Rieben and Jean Monnet it is our good fortune, privilege and responsibility to be the repository of the personal archives of Jean Monnet – marking our foundation as a centre of European heritage, a place of scientific research and collaboration and a meeting place for sharing ideas.

This living legacy finds expression in the award of the Foundation's gold Medal to distinguished persons whose services to the construction of Europe inspires by virtue of their vision, values and leadership.

Rarely in the face of complex European policy challenges have these qualities been expressed so boldly by a single person, in a single phrase, as they were by our distinguished laureate of today, Mario Draghi, when he told a conference in London on 26 July 2012: 'Within our mandate, the ECB is ready to do whatever it takes to preserve the euro' Adding: 'And believe me, it will be enough'.

The announcement effect of this phrase alone, even before its accommodating policy perspective could be fully implemented, was so immediate and dramatic that it reduced the spread in bond prices that then threatened to fracture the weakened Eurozone. It steadied markets and bought time at a crucial juncture.

By then under the new President's leadership interest rates, as set by the ECB, were reduced to zero having crept up through ill-advised rate rises in the course of 2011.

On assuming office as President of the European Central Bank some months earlier, in November 2011, Mario Draghi was faced with an unprecedented challenge. Speculation was rampant in terms of market analysis, media commentary and political anxiety as to whether the single currency would survive. When European banks began to experience difficulties accessing foreign currency liquidity, especially US dollars, in a globally coordinated action, the ECB, the U.S. Fed and the central banks of Canada, Japan, Britain and the Swiss National Bank on 30 November 2011 engaged in a massive dollar swap to avert a crisis. At that time, Radek Sikorski, then Foreign Minister of Poland, in a speech delivered in Berlin towards the end of Poland's first Presidency of the Council of the EU captured the mood when he remarked: 'And I demand of Germany that, for your own sake and for ours, you help it [the euro] survive and prosper. You know full well that nobody else can do it. I will probably be (the) first Polish foreign minister in history to say so, but here it is: I fear German power less than I am beginning to fear German inactivity. You have become Europe's indispensable nation.'

It is easy to forget just how tense and dramatic those times were. We now know that as a matter of precaution some Eurozone governments at that time were secretly examining contingency plans for the possible re-introduction of national currencies.

It is to the credit of Mario Draghi that from the outset of his mandate, in the face of this chronic uncertainty, he acted with such impartiality, clarity and decisiveness within the means at his disposal.

However, a crisis contained is not a crisis resolved. Growing fears of deflation led the ECB into unfamiliar territory from June 2014 with deposit rates turning negative and remaining so ever since, accompanied by unprecedented quantitative easing. 'We are resolute in our determination to maintain a high degree of monetary accommodation and act swiftly if required', remarked President Draghi in April of that year.

The application of the full panoply of unconventional monetary instruments awaited a preliminary positive ruling of the Court of Justice of the EU in January 2015, based on a referral from the German Federal Court of Justice. This had questioned the legal compatibility with the EU Treaties of the ECB's Outright Monetary Transactions. These were announced

by its Governing Council in August 2012 and related to transactions in secondary sovereign bond markets. Free to act, Mario Draghi seized the moment.

If entering this period of unprecedented monetary activism proved controversial, the current contemplation of an eventual exit strategy and its timing has turned out to be no less so. The ECB's chief policy critic was and remains Germany. To Germany's credit it has not interfered with the ECB's independence although it has been trenchant in its critique, politically and institutionally.

For its part, the ECB, and for his part, Mario Draghi, have been steadfast in insisting that the policy is evidence-led, that it cleaves to the ECB's inflation target under the Treaties and that, on the balance, it is based on the overall common interest of the eurozone, even if heavily contested by some.

This stance has served to underline and confirm that the ECB under Mario Draghi is exercising its mandate without fear or favour in the common good. Of course, the President is not a lone actor. He acts in concert with the Executive Board and Governing Council of the ECB but his tone at the top marked by conviction and courage has been an indispensable element.

The Economic and Monetary Union is still a work in progress as evidenced in the Five Presidents' Report, much of whose recommendations remain to be realised. As the EU plans for life beyond Brexit, Mario Draghi will continue to play a key role during the remaining part of his mandate. As he has remarked: 'for all its resilience our Union is still incomplete' but at the same time he has reminded critics that the political capital invested in preserving the single currency should not be underestimated.

It is entirely fitting that the Jean Monnet Foundation for Europe should have nominated Mario Draghi as its gold medal laureate this year. He and his actions as President of the European Central Bank have incarnated the vision, values and methods of Jean Monnet and recall Monnet's own words: 'Les hommes sont nécessaires au changement, les institutions pour faire vivre le changement'.

Mario Draghi's determination to focus on the essentials, his belief in immediate action capable of delivering real change, his pursuit of the common interest and its delivery through a common European institution, his ambition and pragmatism mark him out as a worthy laureate, very much in the tradition of Jean Monnet himself.

Being ready to do whatever it takes to preserve what has been forged collectively by Europeans over the past six decades is a message that marks and defines this great European. In these changing times it is a message worth emulating by all those elected and selected who have been entrusted with responsibility to lead.

Thank you for your attention.

With the following citation:

"A major European figure, leading his institution with vision and pragmatism, has worked towards the preservation and development of a consolidated Europe during a particularly challenging period."

I invite Mario Draghi, President of the European Central Bank to join me to receive the gold medal of the Jean Monnet Foundation for Europe.

ENDS