

BANCA D'ITALIA

*Essays in memory of Pietro De Vecchis*

**Presentation ceremony**

**Address by Governor Antonio Fazio**

Palazzo Koch, Rome, 21 December 1999

Two years on, the emotions stirred by the premature death of Pietro De Vecchis are undiminished, our memory of the man undimmed.

A man of serene character and keen intellect, always open to dialogue, Pietro was living proof that one can combine knowledge of the law and humanity, professional activity and scholarly pursuits, continuity and innovation.

In his professional career Pietro De Vecchis always sought for solutions firmly anchored in institutional principles. He interpreted his role at the Bank of Italy as a vocation.

Pietro was born in Rome in September 1935. He later moved to the Marches, where he completed his studies with a degree in law in 1957.

His return to Rome in 1961 coincided with the start of his career in the Legal Department of the Bank of Italy. Here he matured both as a scholar and as a lawyer, rising step by step to become Head of Department in 1981 and General Counsel in 1994.

De Vecchis joined the Bank at a time of far-reaching change in its organization. In the early sixties Governor Guido Carli carried out a sweeping modernization of our institution that brought it into line with the most advanced models of central banking.

The Legal Department acquired a broader range of functions and responsibilities. Growing demand for opinions and involvement in legal proceedings was coupled with more intense collaboration with the Directorate in developing legally innovative solutions for banking supervision and central banking activities.

The Legal Department came to be distinguished in that period by its commitment to research and theoretical analysis. An approach that was fostered by the General Counsel, Guido Ruta, whose dedication and scholarly production succeeded in implementing the strategy drawn up by Carli.

It was Pietro De Vecchis, with the support of the General Counsel, Giorgio Sangiorgio, who introduced a new series of legal “research notebooks”, the first of which was published in 1985. The notebooks provide an appropriate forum for studies on issues of interest to the Bank by both staff lawyers and outside legal scholars.

The more recent organizational changes in the Legal Research Area have their roots in those studies. We have flanked the Legal Department with an Economic Law Office whose duties include systematic analysis of the increasingly complicated interaction of legislation with financial and economic activities and the formulation of proposals to adapt the legal framework to the needs of the productive system and civil society.

The public and private spheres, the general interest, citizenship and representation, individual rights and privacy are fundamental concepts of the legal order that today, in the era of globalization, must be re-examined and, where necessary, redefined in the light of a broader and more appropriate vision of the relationship between the law and the economy.

In a society in which we are all called upon to contribute to achieving higher levels of employment, there is a need to renew the theoretical and practical foundations of the right to work and the right to social protection and security. Economic policies permitting the full realization of these rights in today’s new context are indispensable.

Over the years Pietro De Vecchis took part in the major events affecting the Bank of Italy, the economy, and the banking and financial system. It was above all in this field that *ex facto oritur ius*.

He constantly animated his vision as a lawyer and legal scholar with analysis of the real world.

Deeply convinced that the independence and operational autonomy of the Bank of Italy, which were firmly embedded in Italy's de facto constitution, needed to be formally enshrined in the Constitution of the Republic, Pietro De Vecchis followed the proceedings of the Joint Parliamentary Committee for Constitutional Reform with unflagging commitment and a copious production of studies and analyses.

He made major contributions to the analysis of the potential implications of placing the foundations that controlled many of Italy's banks under private law. He left us a series of writings on which we were able to draw when the legislative option of including the banking foundations among the shareholders of the Bank of Italy was being considered.

He actively represented the Bank in a series of European working groups, especially those involved in drafting Directives on banking and financial matters.

One of his most significant contributions was in the definition of the forms in which the public function of banking supervision should be exercised. Today more than in the past, banking supervision demands firmness and a proactive approach. The reorganization of the banking system now under way is exceptional both in its scale and in its intensity; to find a precedent, it is necessary to go back to the 1930s.

In our meetings and exchanges of views on developments, including those not within the Bank's ambit, and in the increasingly frequent occasions for dialogue within the Bank, I

came to appreciate the solidity of Pietro De Vecchis's sense of the State and the ethical rigour that underpinned his views on social and economic questions.

He had reflected at length on the modernization of Italy's institutional structures.

The laws enacted for the reform of the public administration represent a step towards an efficient and functional system.

Their application presumes a transformation of existing organizational models. There must be strategic planning, as well as the rapid and large-scale introduction of information technology. Priority must be given to the assignment of tasks in relation to objectives; ways must be found to measure activities, control progress and evaluate results.

The Consolidated Law on Financial Intermediation represents the first chapter in the modernization of the legislation governing enterprises. To make Italy competitive in the global economy, it must be followed by a reform of company law, a revision of bankruptcy procedures, and a very substantial shortening of the time required to reach decisions in civil actions, if necessary by instituting new specialized positions.

The law must accompany and sustain economic growth.

Structural reforms can make a major contribution to the common good.

They can help our economic system to catch up with the others; they can be a force fostering a more vigorous economy and enhancing its competitiveness.

We must put ourselves in a position to seize the opportunities that the recovery in the world economy will offer to Italy.

In the name of the Bank of Italy I wish to thank all those, especially the eminent scholars here today, who have wished to honour the memory of Pietro De Vecchis. Special thanks for their contributions, which we followed with great intellectual satisfaction, go to Professors Alpa and Stipo.

Everyone who knew Pietro remembers him not only for his professional qualities but above all for his humanity, his sense of fairness and loyalty, his generosity. He leaves to each one of us the example of a life that was informed by the moral principles that guided his activity and commitment to civil society.

These are also the highest qualities of the staff of the Bank of Italy.