

Ceremony at the Quirinal Palace
on the occasion of the Thirtieth Anniversary Celebration for
employees of the Bank of Italy and the Ufficio Italiano dei Cambi

Speech by Antonio Fazio
Governor of the Bank of Italy
in the presence of Carlo Azeglio Ciampi
President of the Republic of Italy

Rome, 23 November 2000

The Bank of Italy, represented here by the members of its Directorate, Board of Directors and Board of Auditors, by its top management and by those of its staff who have completed thirty years of service this year, together with their counterparts at the Ufficio Italiano dei Cambi, thanks you for hosting this ceremony.

The first “gathering of long-serving employees”, as it was called, dates back to 1966. It was held at the initiative of Governor Carli with the aim, as he put it, of “demonstrating the consideration in which the older members of the Bank’s staff are held and further strengthening the ties of kinship that derive from being part of the Bank of Italy family”.

These words, despite the intervening years, express a culture and shared values that are unchanged, still valid.

Conceived as an occasion for thanking those who, in view of their age or years of service, were about to leave the Bank, this ceremony has come to be an opportunity for reflecting on the goals achieved and at the same time a stimulus and a spur to continue, with renewed enthusiasm, on our professional paths.

The ceremony is now called the thirtieth anniversary celebration.

The participants this year are employees who have had the privilege to work under four Governors of the Bank of Italy, who were also the ex officio Chairmen of the Ufficio Italiano dei Cambi. As evidence of the closer links with the Bank, members of the Ufficio Italiano dei Cambi’s staff are participating in the ceremony for the first time.

Governor Menichella put his stamp on a style, a *modus operandi*, an unwavering adherence to the general interest.

With all three of my predecessors, recognized masters of central banking, I cooperated intensely. The distinguishing traits of their careers were rigour, professional competence and the ability to plan ahead: the staff of the Bank bear testimony to and interpret these qualities.

It has long been a rule of the Bank that every action must be the synthesis of studies and procedures in which those called upon to carry it out are involved; every initiative must be measured against the yardstick of the good of the collectivity. This is the approach that Guido Carli adopted, that Paolo Baffi continued and that you yourself reinforced.

You, Mr. President, with your career in the Bank, fostered features that further strengthened the secular tradition rooted in its institutional spirit, culture and efficiency.

The autonomy and independence of Italy's central bank are embodied in the Constitution and the law; they require, especially in the performance of functions of general interest such as the protection of savings with which it was entrusted by the founders of the Republic, that solicitations and criticisms originating in sectarian positions and interests be ignored.

These are the foundations of life and work, independence and morality, the commitment to culture and the ability to propose new ideas. Italy has confidence in a person who, after spending fifty years in the service of its institutions, applies his endowments of equilibrium and culture to the highest role of guaranteeing the Constitution for the promotion of the country's progress.

In recent years the Bank of Italy has worked to secure monetary stability and protect savings. In the second half of the nineties it waged a successful war against inflation. This outcome was of fundamental importance for democracy in Italy. The return to stability, engineered by the Bank, the Government and Parliament created the conditions for participation in the single currency.

The credibility and the stability of the principal monetary aggregates are objectives to be pursued; they are the prerequisite for financial equilibrium in the world. Ultimately, they derive from the structural strength of the economy, as well as from the conduct of monetary policy.

Monetary stability ensures fairness in economic relationships, encourages saving and protects the value of savings, and rewards the spirit of providence. This resource, with which Italy is abundantly endowed, must be used in productive activities at home in order to foster growth. It is the national interest that requires this.

Today we are celebrating the work of people who have a job, who were hired by the Bank on their merits and have served it well. But we cannot ignore the desire for jobs, especially of young people and those who risk reaching middle age without ever having been able to work.

We are all committed to creating the conditions that will render fully effective the right to work enshrined in the Constitution. It is the preliminary condition for participating actively in social and political life; it is the cornerstone of democracy; even more than a legally enacted right, it is a natural right.

A just society is one that offers all its members the chance to take part, according to their abilities and aptitudes, in the world of work, to contribute to the good of the community to which they belong, to realize their personalities and be receptive to intellectual and moral values.

In this age of globalization and the New Economy, in which innovation is the key to competitiveness, knowledge becomes Man's greatest asset even more than in the past. The Bank of Italy, like other institutions, promotes the growth of knowledge, plays a collective intellectual function.

Property and work are undergoing major changes today. A major transformation is taking place.

We must keep abreast of innovations, interpret and govern them. If we fail to do so, we run the risk of marginalization and social exclusion.

The way to create jobs today, and to give effect to the extraordinary intuition of those who wrote the Constitution, is to carry out structural reforms, beginning with that, due above all to today's young generations, of the welfare state. It is necessary to intensify research and stimulate investment, to tackle the problem of the competitiveness of the Italian economy.

We must make growth stable.

Labour policies are first and foremost policies intended to generate growth. Public action and the relationships with payroll employment can and must foster the great leap forward in technology; it is necessary to modernize *labour law* in order to give effect to the *right to work*. Flexible industrial relations permit rapid and profitable experimentation with innovative forms of organization.

It is a task of redefinition that has to be performed primarily by the two sides of industry. Public institutions can contribute with initiatives such as the indispensable one of doing everything possible to foster the emergence of the underground economy.

It is within this framework that it is possible to imagine measures in favour of forms of participation, with no predetermined formulas or ideological rigidities, aimed ultimately at promoting solutions for achieving strategic cooperation between workers and firms while observing the distinction between their roles.

Work, in the sense of realization, liberation and means of sustenance for oneself and one's family, is of growing social importance; it contributes powerfully to inclusion. The social cohesion that is necessary and dignity of the person require that the political forces, the business community, the trade unions and workers should strive, each within their sphere of action, to ensure that, from being a factor of integration, work does not become for many a cause of exclusion, owing to the lack of it.

Merit and solidarity must coexist harmoniously in society, to the advantage of all. Solidarity must be extended to the international domain; looking beyond immediate exigencies, it also meets economic needs.

The central bank is in the process of making major adaptations to its organization and operations in response to the growing complexity of the environment and the increase in international openness.

Together with the other national central banks, we participate in formulating the stance of monetary policy and making operational choices; in accordance with the principle of subsidiarity, we carry out the transactions in the Italian money and financial markets for their implementation.

Decisions whose effects are felt at the European and world levels require close study of the markets on the one hand and economic research on the other, the breadth and depth of these activities are greater than in the past. More powerful analytical tools and higher professional qualifications are called for. Economic analysis has to be integrated with institutional analysis.

Scientific rigour and impartiality, for which the Bank has an international reputation, are the hallmarks of the research carried out, a service provided to constitutional organs and the collectivity, with the aim of permitting informed decision-making.

The accumulation of knowledge and data, the publication of studies and analyses, the preparation of forecasts and the dissemination of reports on the Bank's activities are the lifeblood of the frankness that marks its conduct.

The tasks entrusted to the Bank in supervising intermediaries, safeguarding competition in the banking industry and overseeing the markets have increased.

The Bank's branches, whose presence throughout the country corresponds to a view of the general good and local interests, are being reorganized to strengthen their capabilities, first and foremost in the fields of supervision and economic research at the local level.

Drawing on the preparatory work carried out in the preceding decade, the last five years have seen the planning and implementation of the most extensive restructuring of the banking sector since that effected in the thirties. A period devoted to consolidating and rationalizing the new groups that have emerged is now necessary.

The Ufficio Italiano dei Cambi, now an agency of the Bank, has carried out a comprehensive and functionally coherent restructuring embracing its internal rules and regulations, tasks and organization. It is responsible for implementing the management of the reserves entrusted to the Bank, producing balance-of-payments statistics and performing functions related to the fight against money laundering and usury.

The quality of the work carried out by the Bank and the Ufficio Italiano dei Cambi is guaranteed by recruitment and selection procedures that are based exclusively on the assessment of the merit and potential of candidates and employees.

Consistently with the Bank's traditional trust in man as "*causa sui*", we can testify, together with those whose thirty years of service we are celebrating, to the continuous drive to work better, to enhance the efforts to serve Italy's interests and promote the credibility of the central bank.

The country has made significant progress, but it still faces complex social, economic and institutional problems.

The conditions exist with you, Mr. President, as the supreme guarantor, for Italy to tackle the outstanding problems, make a start on reform, react to uncertainty, invest with determination in the future, the young and the creation of jobs.