

Ciampi's guiding principle: 'it lies in our hands'

Ignazio Visco, 17 September 2016

With the death of Carlo Azeglio Ciampi, President Emeritus of the Italian Republic and Governor Emeritus of the Bank of Italy, we and the whole country have lost an important figurehead. At this very sad time, let us recall the good fortune and the privilege enjoyed by Italy and the Bank of benefiting from his philosophy, his actions and his example.

Ciampi's career at the Bank of Italy, which began in 1946, lasted 47 years, of which almost 14 as Governor. The years of his governorship were years of great challenges and significant changes. In the field of monetary policy, the full independence of the central bank was achieved with the assignment of exclusive competence for setting the discount rate, following its 'divorce' from the Treasury so that it could make autonomous decisions on the purchase of government securities. A modern payments system was constructed, with technological platforms intended to facilitate trade, with transparency and huge reductions in costs. At the start of the 1980s the consequences of the very serious crisis of the Banco Ambrosiano were addressed and successfully resolved. Following the turbulent foreign-exchange crisis — which, in the summer of 1992, led to the lira losing more than 20 per cent of its value and constituted one of the most complex phases in the construction of Europe — the call for a collective commitment from the European partners to accelerate monetary union saw Ciampi at the forefront, in the conviction that the unfinished workings of the European monetary system then in place were a serious source of vulnerability.

Ciampi's distinctive traits, which emerged fully in his years as Governor of the Bank of Italy, are the very qualities that he indicated as the basis for learning and knowledge in his book, *A un giovane italiano*, namely, a sense of duty, respect for others, acceptance of responsibilities taken, method, time, and patience. The transmission of these values, which were also fruit of the teachings of Guido Calogero, was — for me as for many others — one of his fundamental contributions. Building on these values, Ciampi was able, from his early years at the central bank, to demonstrate undoubted qualities which were rare in their combination: determination, a concrete approach and sensitivity.

Today I would like to recall his way of working, his civic passion and his appreciation of the role of the institutions.

Organizing the collective efforts of the various sections of the Bank was of crucial importance in his method of work. His respect for the competences attributed to each organizational unit and for people's autonomy and responsibilities was reflected in his decision to implement mechanisms for coordination and cross-cutting professional skills, which were both useful and necessary as a means to connect the Bank's various functions. By so doing he managed to unite the contributions of the various departments, using his uncommon gift for synthesis in pursuit of a unified objective. He was particularly good at organizing discussions and encouraging teamwork to deal with all issues on which he would then take full responsibility for any decisions.

The key elements of his approach to governing the Bank included the importance he gave to melding economic, legal and technical expertise, his awareness of the importance of technology, though tempered by his deep-rooted humanistic background, together with his emphasis on the importance of human capital. His work methods, consistent with those of his predecessors and an important legacy for his successors, were rooted in the need to base all evaluations and consequent decisions on solid information. In this respect, he was extraordinarily sensitive towards others, especially young people. He believed in continuous training and that it was important to cultivate and enrich professional expertise, not for its own sake, but above all in order to serve the general interest.

Ciampi's civic passion, which emerged during the war years, from his time in the Resistance and, once more, at the highest level, as President of the Italian Republic, can be seen in reference to the design of European unification. He was of the opinion that on the road to full participation in the development of the Economic and Monetary Union, when Italy was faced with difficult choices, it always moved towards Europe rather than taking the apparently easier path in the opposite direction. Towards the end of his 'Concluding Remarks' at the Ordinary Meeting of Shareholders in May 1988, commenting on the progress made in creating a 'genuine, united Community that can stand alongside the United States and Japan as a point of reference in the global economy', Ciampi observed that although 'the road ahead is still arduous, the way is now clear for progress towards the completion of the economic union, which will prepare the ground for political union and make it essential': a 'demanding' agenda, but 'for the civilization to which we belong it is the only way to avoid losing the thread that was broken by two world wars and retied by those with the vision to imagine Europe as a community.'

At an undoubtedly difficult time for the European Union, it is worth recalling these convictions expressed by Ciampi with particular emphasis at the time, namely the importance of not confusing the responsibilities of the central bank with those that are pertinent to politics, so as not to broach the 'technical' dimension of the bank's judgment even when considering European monetary integration as a tool to prevent the outbreak of another war. Yet here, it must once again be underlined that the common currency is a tool, not an end in itself, to be cultivated and completed – not left without the necessary support that will stem from the introduction of crucial measures, above all as regards political integration.

Ciampi's teaching, during his entire career at the Bank of Italy and as a man of State, reveal a deep sense of the intrinsically moral values of the institutions, which it was his duty to serve with commitment and self-denial in the firm belief that it is within the perimeters of these institutions that all decisions must be made. This was behind his desire to explain the reason for an independent central bank and strengthen the official occasions in which it gives account of its activities. However, not being influenced or conditioned by politics is not the same as disinterest in or detachment from politics. And it is unusual that a staunch defender of this independence from politics should have found himself, in a unique context, placing his own experience, his own professionalism and his own wisdom at the disposal of politics, in its highest sense. This too is emblematic of the way in which Ciampi interpreted 'being at the service' of his country.

Undoubtedly, as many have observed, what we owe to Ciampi goes beyond the economy, although he was essential to it: a strong faith in Italy's potential and its people. We cannot but recall how important it was for him to reiterate a significant expression of one of his predecessors, Donato Menichella, 'it lies in our hands'. It is this faith that inspired him to agree, not light-heartedly, to serve the country outside the Bank to help the economy overcome the difficult situation in which it found itself in the spring of 1993. And from that moment, his was a decisive contribution, part of his unique life and work experience. That experience was gained over many years in the institution which he had always regarded, as do we, as 'his' home; an

institution, the Bank of Italy, that in its turn owes much to Carlo Azeglio Ciampi who, for 47 years, contributed so successfully and added so greatly to its prestige, in Italy, in Europe and in the world.