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A Changing Environment for
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The European Integration Process: A Changing Environment for National Central Banks

Welcome Address

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Dear Colleagues, Ladies and Gentlemen:

It is a great pleasure to welcome you here at the premises of the Oesterreichische Nationalbank (OeNB) in Vienna. The topic of our workshop, “*The European Integration Process: A Changing Environment for National Central Banks*”, and its timing are, I think, well chosen. We are proud that our EU-workshop, just like the seminar on the *Constitutional Treaty* in 2004, attracts again a distinguished audience and high-level speakers. It brings together almost exactly a 100 central bankers from more than 25 different countries and representatives of the European Commission, governmental bodies and the academia. I think it is a good sign that I see many familiar faces of colleagues that already participated in last year’s workshop. Your positive response indicates that there is need and demand for our activities. It is important to intensify our dialogue and cooperation on institutional and legal issues of European integration and, in particular, of European Central Banks. Our workshop today is one step more into this direction.

Ladies and Gentlemen:

It is needless to say that we are all experiencing demanding times:

- from the ten new Member States that acceded to the EU almost one and a half years ago six already joined the New Exchange Rate Mechanism (ERM II);
- Bulgaria and Romania signed their Accession Treaty with the EU last April with the objective to join in January 2007;
- Croatia and Turkey have just opened accession negotiations with the EU. The outcome of negotiations not only depends on the merits of the individual country but on the absorption capacity of the Union as a whole;

- Macedonia submitted its formal application for EU membership in March 2004 and the European Commission's Opinion on this application is expected for next month.
- Central, Eastern and South Eastern Europe is undergoing different stages of European integration.

Ladies and Gentlemen:

In particular in a period of “constitutional reflection”, it is the euro that today provides a stable anchor for the European Union. The common currency reaches out to areas far beyond Monetary Union and continuously proves to be a catalyst for Europe's integration and economic reforms. The euro has become an important symbol of identity for a modern, dynamic and open Europe.

Central bankers of the European System of Central Banks (ESCB) are spokespersons for the single European currency in their countries. The decentralized character of the ESCB and the Eurosystem allows for the national central banks to play a key role:

- by bridging the communication gap between the supranational and the national level;
- by contributing to stability-oriented monetary and economic policy decision making on both levels and by safeguarding financial stability in our respective country;
- by supplying top economic analyses, compiling high-quality statistical data and by supporting research and development;
- by managing reserve assets with a view to backing the euro in times of crises.
- by operating payment systems, promoting knowledge and understanding among the general public and the decision makers.
- by assuming our responsibilities for payment oversight systems and as actors in a variety of international financial organizations.
- and by supplying the general public and the business community with high-quality cash.

The integration into European decision-making bodies and fora changes a central bank's working methods at all hierarchical levels and in all fields. The deepening of cooperation between the central banks triggers further changes and adjustment requirements. An efficient teamplay between the European Central Bank (ECB) and the respective national banks in the ESCB and the Eurosystem is essential for communicating Europe and for communicating the euro.

With the changing environment in Europe we have refocused, specialized and we have become more flexible. As specialized agencies national central banks enjoy widespread credibility and a very high degree of trust among its citizens. And credibility, trust and stability are much needed elements for a successful integration process in Europe.

Ladies and Gentlemen:

It is against this background that we have tried to set up our workshop. Today's presentations and discussions look at the possible institutional and legal challenges for national central banks at different stages of European integration. Let me now briefly turn to the program:

- The workshop will start with a first-hand assessment of our keynote speaker Professor Padoa-Schioppa. I think there is no need to introduce you Tommaso. Everyone in this room knows your outstanding qualities and curriculum. We are very glad that you have found the time to share your views with us and welcome you in Vienna.

The keynote speech will then be followed by two sessions. Each session is divided into two panels:

- The morning session "Preparing for EU/ESCB Membership" will cover the main institutional and legal challenges for national central banks of selected countries prior to EU and ESCB membership. The fact that the speakers come from countries that currently undergo different stages of European integration, makes it, I think, very interesting to compare experiences. In particular, panel one of session I will focus on the institutional challenges for national central banks prior to EU and ESCB accession. Panel II of session I will then deal with the need for legal adjustments of central bank legislation prior to EU and ESCB membership.
- The afternoon session "The Role of NCBs in an Enlarging Eurosystem – A Dynamic Environment" will, broadly speaking, focus on the functioning and the institutional set up of the Eurosystem. Panel I of session II will deal with the division of labour between the national central banks and the European central bank. And panel II of session II will cover the different forms of decision-making in central bank systems. A topic of relevance in particular for enlarging central bank systems.

Let me remind you that the papers and presentations of our speakers will be published in our workshop proceedings at the beginning of 2006. Again, a warm welcome to all of you and I would like to thank in advance all speakers for their work and their important contributions. Ladies and Gentlemen, I wish you a fruitful, stimulating and successful workshop.