



**Federal President Frank-Walter Steinmeier  
at the presentation of the Grand Cross 1st class of the  
Order of Merit of the Federal Republic of Germany  
to Mario Draghi  
at Schloss Bellevue  
on 31 January 2020**

If today was a press conference following an ECB Governing Council meeting rather than an award ceremony with the Federal President, then the following would happen: just after you entered the room, Mr Draghi, some market observers would have fun trying to second guess any decision made on interest rates based on the colour of your tie. Blue ties – it was believed – indicated falling interest rates, while red ties pointed to a restrictive monetary policy. Formulas were drawn up, figures were tossed about and studies were conducted until everyone realised that it was all nonsense.

And no wonder. It goes without saying that decisions on monetary policy have nothing to do with the colour of a tie. Rather, they are all about the mandate of the European Central Bank. The ECB's top priority is to ensure price stability – stable prices for more than 340 million people in the EU, stable prices for 83 million Germans.

We in Germany have experienced hyperinflation, massive deflation, and their devastating consequences. These experiences have a lasting impact and are passed down from generation to generation. They are the reason why Germans are particularly sensitive about price stability. That is why the ECB mandate has a special significance for us Germans.

The ECB has been fulfilling its mandate for more than 20 years. In truly difficult times for European economic and financial policy, you – Mr Draghi – have devoted yourself to the ECB's core task with considerable dedication and success. We should not forget that the cohesion of the eurozone was under threat on more than one occasion during that period. You preserved what others seemed prepared to give up. No one cares to imagine where Europe would be today if, on

top of the United Kingdom leaving the European Union, the eurozone had broken up. You did everything in your power – even accepting risks – to prevent that.

Therefore, Mr Draghi, I am pleased to be presenting the Order of Merit of the Federal Republic of Germany to you today. Welcome to Schloss Bellevue!

I, for one, believe that the Order of Merit is a much more fitting honour than the pickelhaube – the spiked helmet – presented to you at the start of your term of office. The pickelhaube symbolises a time when Germany was calling the shots in Europe. Fortunately, we have moved on since then: Germany sees itself as part of our common Europe, as part of a union of partners with the same rights and obligations.

The ECB President serves this common Europe. He does not defend the interests of any individual country. Rather, he has to safeguard our shared European interest in monetary issues. This principle has been a central tenet of the ECB from the outset. We in Germany are aware that it is impossible to think of German interests without and most certainly not in opposition to the interests of our European neighbours. This lesson from German and European history is even set out in the preamble to our Basic Law.

Mr Draghi, you have made our united Europe your life's work. While at the Italian Tesoro, you were one of the founding fathers of the euro. As Governor of the Banca d'Italia and later as President of the European Central Bank, you used your undisputed monetary expertise to further European integration.

The road towards a single currency was lined with obstacles and there was a great deal of scepticism in some quarters. We all still recall the public debate, also in Germany, when the national currencies converged into the euro. Despite all the scepticism back then, today the euro is a valuable and irreversible symbol of European integration.

This honour today is for an individual who is linked to an institution, the European Central Bank, which Germany regards as so important and, indeed, indispensable. Germany is proud to have provided the ECB with a home in Frankfurt. My predecessors in this office had the pleasure of honouring Wim Duisenberg and Jean-Claude Trichet.

However, today's honour is not primarily for an institution. First and foremost, it is for you personally, Mario Draghi. You had to act using the instruments of a central bank at a time when there was no tried and tested European toolkit for intervening in crises. You had to act in circumstances for which there was no European script. Circumstances in which waiting to see what would happen was not an option. And you took action.

You yourself often braved the elements in turbulent times, thus holding together the euro and the European Union. In doing so, you made an outstanding contribution to Europe. And I would like to emphasise that you also did my country a great service.

The tie anecdote at the beginning of my address highlights the burden which rests on the shoulders of a central banker. Every word, every gesture can lead markets to flounder or soar. Very few understand the power of words, the power of gestures as well as you do, Mr Draghi.

“Within our mandate, the ECB is ready to do whatever it takes to preserve the euro.” Your most powerful words are often but mostly not fully quoted. For your reference to the limits to the mandate, which is equally important, is frequently forgotten. After all, the power of words hinges on the power of the law.

For that reason, I do not find the nickname which some fans gave you, “Super Mario”, especially apt.

First of all, I know how alien this personality cult is to you. Whenever we met, I encountered a thoughtful person to whom the careful search for the common good and a responsible solution means everything. A man who looks at problems analytically and who weighs up options; someone who – even in times of the greatest tension – acts prudently but decisively, guided by a clear, a European moral compass.

What is more, I find the nickname inappropriate because although you need good judgement and much skill to perform your duties, you do not need the supernatural powers of a superhero.

On the contrary, in addition to considerable expertise and experience you need two quite mundane things. On the one hand, a chart of the rate of price increases. On the other, an edition of the EU treaties, which set out in great detail the rights and responsibilities, or in a nutshell: the mandate, of the ECB.

On this basis, you and your colleagues in the ECB Governing Council made the decisions you believed were necessary. Always with the rate of inflation in mind, which was mostly well below the ECB definition of price stability. And always with the EU treaties in mind, compliance with which the Court of Justice of the European Union has examined and confirmed many times.

We are all aware of the different monetary policy traditions in Europe. My visit to an ECB Governing Council meeting therefore left me all the more impressed. I had the honour of witnessing the considerable expertise and seriousness – but above all the level of mutual respect – with which all members under your chairmanship sought to find the right monetary strategy. Incidentally, they did so

beyond any supposed or alleged national interests, focusing instead on shared, on European interests.

Differing assessments are virtually unavoidable given the complex channels of monetary policy. What is more, heated discussions among decision-makers are not a sign of weakness. Rather, they show that they take their job seriously.

After all, monetary policy is not an exact science. And that is why although monetary policy is invariably data driven and fact based, it cannot function without the powers of discretion of a strong and independent institution. Our European democracies decided with very good reason to place monetary policy in the hands of an independent central bank. And a functioning central bank is either independent or it is not. There is no selective independence depending on whether we agree with its decisions or not.

That does not mean that there is no scope for criticism. Naturally, it is possible to criticise an independent central bank or those who make the decisions. This is actually necessary in order to maintain its accountability and to provide a counterweight to its independence. But this criticism has to be voiced in an objective debate with respect and decency.

Too often, Mr Draghi, respect and decency towards you have been replaced by clichés. Many of the accusations directed at the ECB either focused solely on the interests of certain groups or were self-contradictory. Or as you, Ms Schnabel, said: "Some people in Germany have taken the easy way out and made the ECB a scapegoat."

I am concerned by the thoughtless finger-pointing at Frankfurt. We only have one ECB. Germany needs the ECB – and the ECB needs Germany.

I therefore hope that we will revert to a debate which is serious, conducted with conviction, and yet remains objective. We need a debate which is not exclusively conducted by those who believe that the low interest rates are good in the United States but bad in Europe or that they are bad for savers but good for the construction industry. I hope that it is possible to overcome the misunderstandings – and yes, the occasional breakdown in communication between the ECB and the German public.

This requires the ECB to explain its own policies. And it requires the public to be willing to examine these arguments.

Because much is at stake. Confidence in the guardians of our currency is at stake. Confidence in our single currency is at stake. The foundations of our prosperity are at stake.

The euro has increased this prosperity – even in times of low interest rates. Interest rates which – as the Frankfurter Allgemeine

Zeitung newspaper so aptly formulated – are essentially determined by the market and not by officials.

However – and you, Mr Draghi, have stressed this time and again – monetary policy is never more than a fine tuning tool for a successful economic and financial policy. Key political decisions have to come from democratically elected governments.

You, Mr Draghi, have always clearly stated the challenges: they include responsible budgetary management and investments in the future. They include bold structural reforms. And they also include finishing the journey on which we embarked in Maastricht – taking the next steps towards full economic and monetary union. Federal Chancellor, at the ceremony marking Mr Draghi's departure in Frankfurt, you highlighted the further steps needed to complete the banking and capital markets union. And I would like to add that if we do not make progress here then Mr Draghi's successors will be left alone all over again in the difficult situation of having to deal with future European crises largely without the necessary guidelines.

Only if we ensure that the euro can better withstand crises – and truly only then – will it be possible to create what Mervyn King, the former Governor of the Bank of England, described as the ideal central bank: "A successful central bank should be boring – rather like a referee whose success is judged by how little his or her decisions intrude into the game itself."

However, whether calm is restored on the pitch is not solely in the hands of the central bank. It is up to the players, the democratically elected governments. Federal Chancellor, I think I speak on behalf of everyone in wishing you a sure hand and every success for the further negotiations on deepening monetary union. For Germany. For Europe!

Mr Draghi, our common Europe is close to your heart. You have served our united Europe with conviction and commitment. And you have thus also done Germany a great service.

For that I would like to express my thanks and present you with the Grand Cross 1st class of the Order of Merit of the Federal Republic of Germany.

Allow me to offer you my heartfelt congratulations!