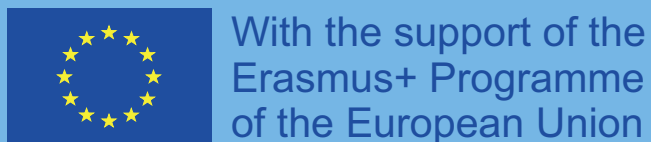


# Jean Monnet Module

## “Economic Policy in the European Union”

Session 2.2. European Central Bank: a central bank of the 21st century

Dr Mónica Puente Regidor



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- 8- Conclusions and closing of the session.

# 1- INTRODUCTION AND APPROACH TO THE SESSION



Wim Duisenberg  
(1998-2003)



Jean-Claude Trichet  
(2003-2011)



Mario Draghi  
(2011-2019)



Christine Lagarde  
(2019- )



## 2- BRIEF TOUR OF ITS HISTORY

Werner Report (1970)



Delors Report (1989)



## 2- BRIEF TOUR OF ITS HISTORY

- The Delors' Plan in three phases to conclude the EMU:
  - First phase (1990-1993)
  - Second phase (1994-1998)
  - Third phase (1999-2002)
- The creation of the Monetary Union in 1994.
- The constitution of the ECB on June 1, 1998.
- The adoption of the Euro on January 1, 1999.
- The introduction the cash in Euros on January 1, 2002.

# 2- BRIEF TOUR OF ITS HISTORY

## **BASIC FEATURES OF THE ECB:**

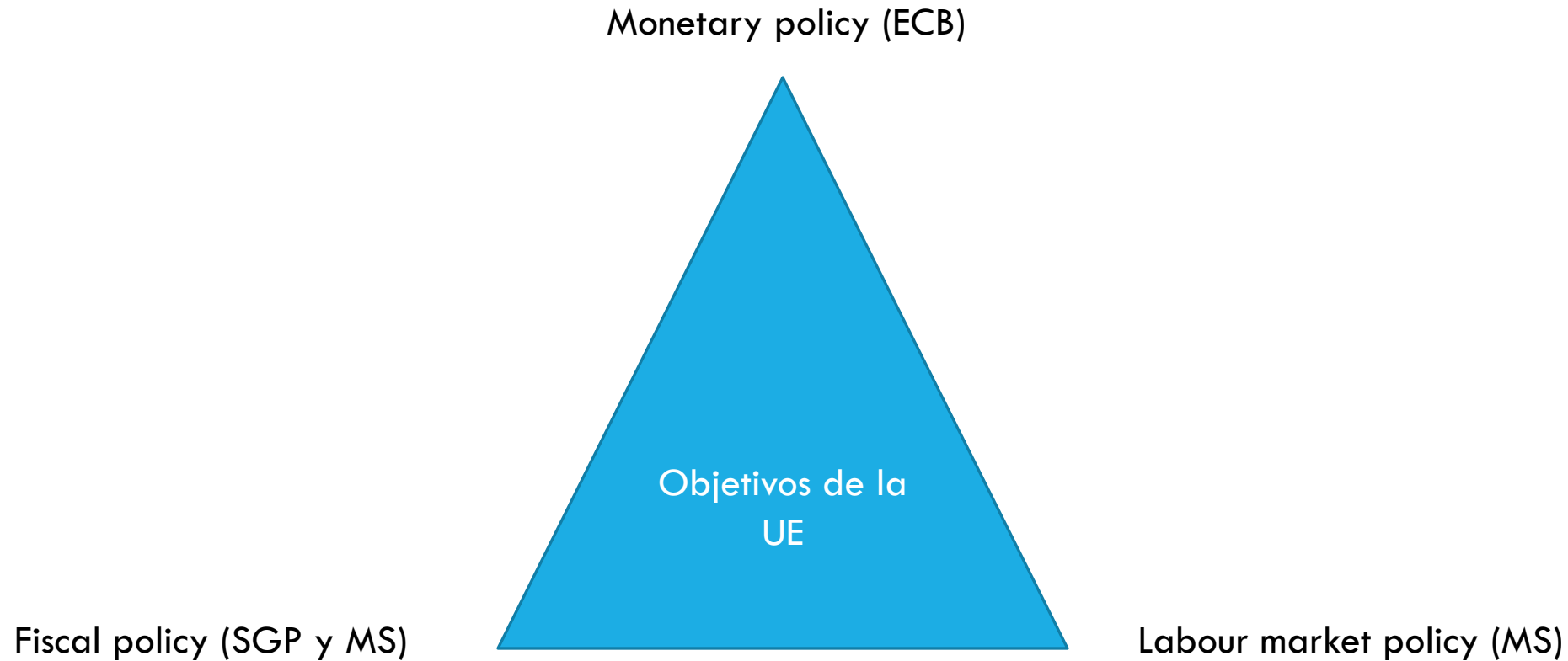
- Organization ( Statutes of the ESCB and the ECB)
  - **Monetary policy management of the Euro Zone:**
  - Governing Councils:
    - Government Council
    - Executive Committee
    - General Council
  - **Monitory function:**
  - Supervisory Board
- ECB mandate (Articles 3 and 13 del TUE)
  - Priority mandate: inflation control
  - Other secondary mandates

# 2- BRIEF TOUR OF ITS HISTORY

## **BASIC FEATURES OF THE ECB:**

- Political Independence of the ECB:
  - Instrument to guarantee the political independence of the ECB:
    - Institutional independence
    - Legal independence
    - Functional and operational independence
    - Financial and organizational independence
- Legitimacy of the ECB:
  - Institutional legitimacy
  - Legitimacy of result
- Accountability:
  - The role of the European Parliament

# 3- THE ECB IN THE EU ECONOMIC GOVERNANCE MODEL





# 4- ECONOMIC CRISIS AND CHANGE IN THE ECONOMIC GOVERNANCE MODEL AS OF 2011



# 5- THE ROLE OF THE ECB IN THE EU ECONOMIC GOVERNANCE MODEL



## **Monetary policy**

Interest rate management: - Main financing operations

Deposit facilities

Marginal credit facilities

Nonstandard measures:

Securities markets program

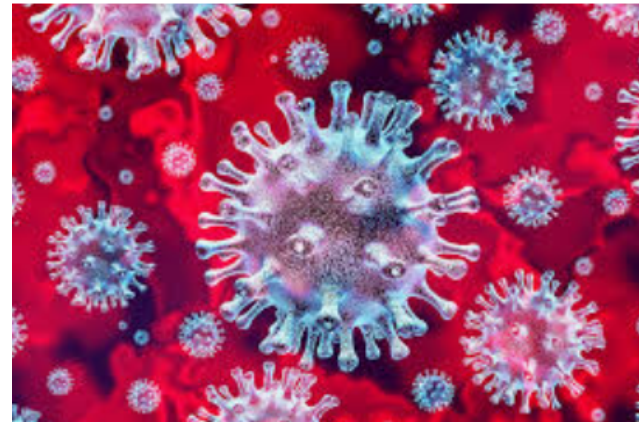
Deposit facilities at negative rates

TLTROs (long-term refinancing)

APP (asset purchase program)

## **Banking supervision**

# 6- SOME REFERENCES ON THE ACTIONS OF THE ECB DURING THE COVID-19 PANDEMIC



Emergency purchasing program against the COVID-19 pandemic

# 7- THE ECB'S ACTION IN THE UKRANIAN CRISIS



Economic persuasion measures and sanctions

# 7- CONCLUSIONS

- The ECB was created in 1998 in response to the monetary management needs established by the Maastricht Treaty.
- The Maastricht Treaty implements a European Monetary Union with an ECB that directs the monetary policy of the Euro States and with multiple coordination dynamics with the Non-Euro Member States (ESCB).
- It was born with a specific role and mandate in the fit of the economic governance model of the European Union, which, as of 2011, changes to face the consequences of the economic crisis.
- With this reform, the institution has gained power to act to face the challenges of the present and has become a fundamental element to economically manage the covid-19 pandemic.

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