Appointment of the President of the European Central Bank - Candidate: Ms Christine LAGARDE

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The Committee on Economic and Monetary Affairs adopted a report by Roberto GUALTIERI (S&D, IT) on the Council recommendation on the appointment of the President of the European Central Bank (ECB).

The committee delivered a favourable opinion on the Council recommendation to appoint Christine Lagarde as President of the European Central Bank for a term of office of eight years, with effect from 1 November 2019.

Parliament's Committee on Economic and Monetary Affairs evaluated the credentials of the candidate, in particular in view of the requirements laid down in Article 283(2) of the Treaty on the Functioning of the European Union and in the light of the need for full independence of the ECB pursuant to Article 130 of that Treaty.

In response to questions from Members, Christine Lagarde said that the ECB should clarify its policy and make it more accessible to citizens. She stressed the need for more dialogue with civil society and not only with financial markets.

Regarding the extremely low rates, Christine Lagarde said that while the ECB's quantitative easing had indeed led to certain negative effects, its overall results were positive and that she saw such a 'highly accommodative stance continuing for a long time'.

She also stressed the need to learn lessons from the financial crisis by examining in the future how the ECB can best support the general policies of the European Union, such as sustainable and inclusive growth, without prejudice to its primary objective of maintaining price stability.

In her replies, Christine Lagarde agreed that it was time to review the ECB's monetary framework to address new challenges such as non-bank lending, fintech, the fight against money maundering, crypto currencies, and climate change.

She stressed that climate change should be a 'core concern' for the ECB. The ECB has already acquired several 'green bonds' and is expected to continue such acquisitions.

In the long term, she advocated a financing 'instrument' for the euro zone, similar to the 'US Treasury bonds'.