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**07.11.2024**

**Investiture of José Luis Escrivá as an ex officio member of the  
Council of State\***

Madrid  
José Luis Escrivá  
Governor

\* English translation from the original in Spanish.

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Madame Chair of the Council, Council Members, Lawyers, ladies and gentlemen,

Today I would like to dedicate my first words to the victims of the recent floods. This tragedy has deeply affected us all, and our foremost priority is to ensure that recovery efforts reach all those affected as swiftly as possible. Rest assured that the Banco de España is doing everything within our remit to mitigate the impact of this disaster, including in the areas of payment and cash circulation systems and macro and microprudential supervision, while also helping to evaluate the consequences.

Turning our attention to what concerns us today is not easy. Nonetheless, I would like to thank María Luisa Carcedo and Santiago Muñoz for agreeing to be my sponsors in the ceremony today. Over the past few years I have had very fruitful interactions with them which I look forward to continuing in the Council of State.

It is a great honour to take office as an ex officio member of this Council. As stated in its regulating law, the Council of State is the supreme advisory body to the Government and exercises this function with organisational and functional autonomy to guarantee its objectivity and independence, in accordance with the Constitution and the Law. Beyond the regulatory requirement, **it seems reasonable to include the governor of the Banco de España as ex officio member of an institution that, like the Bank, is entrusted with advising and supporting the economic policy of the Government.** One of the best ways to provide guidance is by analysing regulations and proposing improvements, making them as useful as possible to society.

With this in mind, allow me to list some reasons why I believe that the Banco de España, and I as Governor, can be of service to the Council of State in the exercise of its functions.

**Firstly, because of the Banco de España's status as an independent institution.** The proper functioning of democratic societies requires attributing certain clearly demarcated powers to impartial institutions. This is especially important when the tasks in question are associated with medium-term objectives or are eminently technical or supervisory in nature. Central banks are a good example: they need to be independent from immediate political pressures to ensure economic and financial stability in the medium term. This explains why central banks have high levels of institutional, functional, financial and legal autonomy. In the case of the Banco de España, the Law of Autonomy of 1994 has provided an appropriate framework for the Bank to exercise its powers effectively over the past three decades.

**Secondly, the Banco de España has valuable insight** into Spain's economic and financial landscape, thanks to its ability to collect economic and financial data through statistics, its in-depth knowledge of the state of the financial system, derived from its supervisory role, and its long-standing experience in diligently and impartially analysing the Spanish economy. This insight is further enhanced by our membership in the European System of Central Banks and the Single Supervisory Mechanism, as well as our participation in numerous international committees and working groups, which provide us with a comprehensive understanding of the international economic, financial and regulatory environment. As a result of these factors, the Banco de España is uniquely placed to provide advice on the Spanish economy.

**Thirdly, I would like to stress the importance of the Banco de España's institutional quality, which is most evident in the strength of its human capital.** The Banco de España

is staffed by a team of highly committed and qualified professionals and has consistently promoted a culture based on diligence, excellence and dedication to public service, encouraging internal debate and continuous learning. This is a remarkable strength, which is well worth putting at the service of Spanish society.

**However, we should not take these qualities for granted. On the contrary, we need to remain ever vigilant, continually striving for excellence and consistently upholding the values that guide the institution. That is why my goal for the next six years is to enhance these values, identify areas for improvement and increase the efficiency and effectiveness of our operations. Allow me to me briefly comment on some of the main objectives that I have set for my mandate at the helm of the Banco de España.**

**My first objective is to strengthen the independence of the institution.** As I mentioned earlier, the Law of Autonomy of the Banco de España dates back to 1994. Since then, the economic environment and the institutional framework in which we operate have undergone major transformations, including the creation of the euro and our participation in the European System of Central Banks, the creation of a European Single Supervisory Mechanism, the international financial crisis and the lessons learnt from it, and the emergence of new functions involving central banks, such as macroprudential and bank resolution policies. Given these changes, and after 30 years, there are compelling reasons to consider revising and enhancing our Law of Autonomy. For this reason, the Governing Council of the Banco de España has decided to set up a working group to reflect on and propose possible improvements.

Any **changes to the Law of Autonomy** should help further consolidate the Banco de España's independence. However, the autonomy of impartial institutions must be accompanied by high levels of transparency and accountability, which are essential for legitimising an unelected power. Therefore, one of my first measures upon taking office at the Bank was an internal reorganisation to give greater prominence to the areas of transparency and communication.

My goal is to **make the Banco de España more open and approachable**, promoting a better understanding of our functions and activities, and to foster an institutional culture that embraces transparency as one of our guiding principles. We will endeavour to make our work, as well as our tremendous historical and cultural heritage, more accessible to the public at large.

**Second, we must closely monitor developments in other European countries and capitalise on them in our own work.** A key goal of my mandate is to help **modernise the institution through a dedicated commitment to technological innovation** and attracting top-tier talent. While rapid digitalisation poses challenges for institutions such as the Banco de España, it also presents opportunities that we must recognise and seize. Artificial intelligence (AI), especially generative AI, holds significant disruptive potential due to its widespread impact across all sectors of the economy. The Banco de España must prepare to assume its role in supervising the implementation of these technologies in the financial sector, while at the same time utilising them to operate more efficiently and effectively. To achieve this, we need to make sure we have the right human resources and the necessary computational capabilities, and establish effective lines of communication with other relevant authorities, especially the Spanish Artificial Intelligence Oversight Agency.

Furthermore, if we are to understand today's economic landscape, we must **be open to listening to and forging stronger relationships with other institutions** that, due to their roles or technical capabilities, can help us build a better, more complete picture. Our analysis of the economic and financial situation cannot be performed in isolation; we must maintain fluid channels of communication with key stakeholders and institutions in society. Only then can we be of service to the economy, the public and, if I may, to all of you here and the Council of State, which, incidentally, has fully embraced the need for multidisciplinary in its governing bodies, incorporating profiles such as that of the Governor of the Banco de España.

**Lastly, it is essential that we reinforce the quality of our institution.** The **legitimacy of independent bodies ultimately hinges on their ability to effectively perform the functions** delegated to them. At the Banco de España, this should be furthered by the development of a new Strategic Plan that drives technological, cultural and structural change, with a view to modernising the institution and enhancing its effectiveness.

The Banco de España has made positive strides in recent years by promoting **external evaluations of some of its functions**. In my view, this is something we should strengthen further. To this end, we have decided to enhance the independence of those evaluations by having the Independent Evaluations Office report directly to the Bank's Governing Council. We will also bolster the monitoring of the action plans formulated as a result of these evaluations and incorporate them into our medium-term budget planning.

I would like to conclude by expressing **my desire to be of service to the Council of State** from my position at the Banco de España. Both institutions have a long history of working side by side, and it is vital that they continue to do so. I offer my fullest cooperation and support in the important tasks entrusted to it.

Thank you.