

Christine Lagarde: Building European autonomy - cooperation and the rule of law

Dinner speech by Ms Christine Lagarde, President of the European Central Bank, at the 2025 ECB Legal Conference "Building Europe's autonomy: law, institutions, cooperation", Frankfurt am Main, 1 September 2025.

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It is a real pleasure to join you tonight at the 2025 ECB Legal Conference. This year's theme raises one of the defining questions of our time: *how can Europe advance its autonomy while remaining committed to multilateral cooperation and the rule of law?*

Throughout the day you have been discussing the many ways in which Europe is trying to build its capacity to respond to the major challenges of our era – whether in the area of defence, the economy or technology. Yet I understand that behind these specific issues lie deeper questions that cut across them all.

Three key questions come to mind.

First, how is "European autonomy" defined in EU law in particular? Second, how can the EU's pursuit of geopolitical and geoeconomic autonomy coexist with its commitment to multilateral cooperation? And third, how do rule-of-law norms relate to the independence of central banks in today's world?

The definition of European autonomy

Autonomy can mean many things, and different people use the term in different ways. Most would agree, however, that autonomy is about Europe's ability to act collectively, guided by its own values and interests.

We are at a global juncture where autonomy – or sovereignty, to use another term – is making a comeback as a central organising principle of international affairs. Yet the European model of autonomy seems to me to be distinct from others in two important respects.

First, European autonomy is *collective* autonomy. It is not the autonomy of a single sovereign state, but of a group of Member States that have pooled some of their powers and exercise certain public functions together through common institutions. In other words, European autonomy is autonomy without a conventional state-type sovereign. Autonomy exercised through EU institutions under EU law is a form of shared sovereignty projected onto the world stage.

This, of course, poses challenges. In the EU, action on a global scale requires unanimity, or at least broad agreement, in the form of majority voting, which can sometimes be slow and cumbersome. And for some, this might appear to be a weakness. But Europe's constitutional order is based on checks and balances, and this

also applies to autonomy-building. European autonomy is based upon competence-sharing under the Treaties, compromise and a commitment to follow rules that include and balance different perspectives.

Second, the EU – more so than other major powers – has tied its autonomy to commitments made under international law. The Treaty on European Union makes this abundantly clear, stating that in its relations with the wider world, the EU must contribute to "the strict observance and the development of international law." Even in creating space for itself to make autonomous choices on the international scene, the EU and its Member States remain bound to their international legal commitments.

In financial and trade matters, this translates into respecting international agreements – whether International Monetary Fund (IMF) programmes or Basel Committee standards – and seeking out cooperative multilateral solutions within established legal frameworks, such as the World Trade Organization.

Squaring European autonomy with multilateralism

But this brings me to my second question: is this definition of European autonomy not increasingly contradictory?

At first sight, reconciling autonomy with international law and multilateral cooperation looks like a paradox. On the one hand, the EU, like other major powers, wants to defend its interests and act decisively. On the other, it wants to remain integrated with an international rules-based system. But I believe that law can align these two central notions, autonomy and cooperation, without compromising either.

First, autonomy can be exercised in a way that is both flexible and bounded. Autonomy-building inevitably involves high-level political judgements. Law in these areas is not always black and white. Rules have exceptions, and their interpretation requires careful attention to their purpose. Legal advisers know this well: law provides for discretion to policymakers but also sets outer limits. Respecting those limits – the "red lines" set by EU and international law – is essential if autonomy is to remain anchored in the rule of law.

Second, international law is itself co-determined. In shaping and exercising its autonomy, Europe – or any other jurisdiction – cannot unilaterally define what international law means and expect others to follow. But, where necessary, we can advocate for reforms that reflect new global realities. The key point is that our interpretations must be part of a global conversation. Engaging with other perspectives is a necessary part of building a truly multilateral order – even one that gives countries more space to pursue "sovereign" economic policies.

International rule of law, cooperation and central bank independence

Now, since we are at a central bank, we cannot let dinner be served without mentioning central bank independence!

But bringing independence to the table is more than a central banker's reflex. I believe that central bank independence perfectly illustrates the model of autonomy I have been

outlining. Autonomy does not mean unbound power. Independent courts, specialised agencies, a free press – these all belong to the infrastructure of constitutional democracy as the essential checks and balances of public authority. And so do independent central banks.

Independence is, at its core, a rule-of-law guarantee. By committing to independence in law, countries around the world secure credibility for their monetary policy. And as we have seen on several occasions, that credibility ultimately affords greater autonomy to central banks – allowing, for example, policy tools to be adopted during crises without de-anchoring inflation expectations¹.

In Europe, the EU Treaty explicitly protects the ECB and national central banks from political instructions. Beyond the EU, the IMF promotes central bank independence, sometimes making it an explicit component of financial programmes. Independence thus becomes not only a domestic legal rule, but also a feature of the international financial rule of law – a condition for trust among states, markets and institutions.

And this trust is also the basis of cooperation between central banks themselves. Central banks work together on the assumption that each one of them remains mandate-driven and protected from undue political interference.

Of course, independence does not mean immunity from accountability. The rule of law demands transparency, responsibility and clear mandates. In Europe, the Treaties provide mechanisms to ensure that independence goes hand in hand with accountability.

Conclusion

Let me conclude.

The topics you are discussing at this conference are closely interwoven. European autonomy means acting decisively and collectively on the world stage to uphold our values and interests. Multilateralism means doing so in concert with others, under shared rules and through trusted institutions.

Far from being opposed, the two reinforce one another. Back in 1989, at another critical juncture, Jacques Delors called for Europe to be "powerful enough to command respect and to promote our values of freedom and solidarity."²

The rule of law is not the enemy of autonomy; it is its foundation. The backbone of autonomy in a civilised world is the rule of law.

Consider the ECB: its independence, grounded in treaty law, gives Europe and its currency credibility and strength. More broadly, the EU can pursue its policy choices effectively precisely because they are framed by legal commitments that others recognise and respect.

The success of European autonomy should not be judged by how much Europe can do alone, but by how much and how well it can build and sustain the multilateral order. If the EU can stand on its own feet – technologically, militarily and economically – it will

be a stronger partner. And its commitment to law and cooperation will enhance its legitimacy and impact.

As we enjoy our evening, let us remember that our laws are bridges, not walls. Their purpose is not to isolate, but to bind Member States together internally and bind Europe to the wider world externally. The challenge before us is to remain bold yet collaborative, independent yet interdependent. And if we see it like this, the challenge may serve as an opportunity for Europe to grow stronger and more united.

Thank you very much.

¹ For a discussion on the interaction between instrument effectiveness and credibility see Nakamura, E., Riblier, V. and Steinsson, J. (2025), *Beyond the Taylor Rule*, Federal Reserve Bank of Kansas City, August.

² "Soyons assez puissants pour nous faire respecter et pour promouvoir nos valeurs de liberté et de solidarité." See Delors, J. (1989), "[Speech at the opening session of the 40th academic year of the College of Europe](#)", Bruges, 17 October .