



Please check against the spoken words

The bank of the European Union

Luxembourg, 12 June 2012

Address by
Dr Werner Hoyer, President,
(EIB Institute Launch Event)

Dear Vice-President Reding,
Dear Philipp Maystadt,
Dear Magdalena, dear Plutarchos, dear Wilhelm,
Ladies and gentlemen,

It is a great pleasure for me to be with you at the end of this eventful day for the newest addition to the EIB family.

The EIB Institute has just had the first meeting of its Supervisory Board preceded by its launch event. Babies often have teething troubles, but I am pleased to see that this baby is already showing some very strong teeth right after birth. And it stands not on two but on three legs – its three strategic programmes – and has got off to a great start, with a lecture by a Nobel Prize laureate on the first day, and a pipeline of exciting events.

You might be asking, is it not a luxury to be setting up a philanthropic institution at a time when cutbacks are the order of the day pretty much everywhere? My answer is, not at all, and precisely because bodies such as the EIB Institute are sorely missing in today's Europe. While the EIB mobilizes financial resources for targeted investments, the Institute tackles the problems of economic and social development from a different perspective. It supports EU social cohesion by:

- Funding education and research, particularly in applied economics, and thus contributing to one of the EIB's lending priorities – the development of the knowledge economy in the European Union.
- Supporting job creation within the EU – again, a critical priority for the Bank - via nurturing social innovation.
- And promoting the arts, in particular emerging artists.

This morning some of you had the privilege to hear a lecture by Professor Pisarides on "Problems and Challenges of Employment in Europe." Indeed, the historically high unemployment is something that keeps politicians across the continent awake at night.

Two other enlightened economists, Carmen Reinhart and Kenneth Rogoff, recently examined all modern-day severe financial crises and found out that unemployment rates rise an average **7 percentage points** during the down phase of the cycle, which lasts on average **more than four years**.

Ameliorating the social and economic consequences of high unemployment is a key focus for the EIB Institute. With the help of skills accumulated at the EIB over more than five decades, and via partnerships with local NGOs, academic networks, firms and governmental bodies, it will channel support mainly through grants and sponsorship to education and research for the benefit of the wider community.

I would like to thank those involved in the setting up of the Institute as well as the members of its Supervisory Board, and wish the latest arrival in the EIB family sound health and lots of good ideas.

Here's to the EIB Institute!