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EIN-A4

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EIN Seminar jointly organized with Konrad Adenauer Foundation on *Overall Eurozone stabilization combined to the development in Greece*

Welcome and Introduction

- **Paulo RANGEL MEP**, *EIN Chairman, Vice- Chairman of the EPPGroup in the European Parliament Responsible for Political Strategy and the European Ideas Network*
- **Matthias SCHAEFER**, *Head of Team Economic Policy, Department Politics and Consulting, Konrad Adenauer Stiftung*

Chair:

- **Godelieve QUISTHOUDT-ROWOHL MEP**, *Member of Committee on International Trade in the European Parliament*

Speakers:

- **Sebastian PLOCIENNIK**, *Polish Institute for International Affairs(PISM), European Union Program Coordinator (KAS)*
- **Jürgen MATTHES**, *Cologne Institute of Economic Research*
- **Miguel MARIN**, *FAES Madrid, Head of Department Economic Policy*

- Member states have to look how we are interconnected. The development in each country, for example Greece, is inter-related to the growth of the Eurozone. UK, Denmark, Poland etc., are not in the Eurozone but they are affected and concerned about the crisis in the EU monetary union.
- There is a rise of left front governments in Europe which could put in danger the Eurozone stability (Greece, Portugal and potentially Spain).
- The current Eurozone crisis is exceptional, it is deeper and longer than usual. This crisis can be seen as an evidence for the lack of adjustment capacity. The experience about debt is not the same among different MS. We are facing the question: Is fiscal integration necessary to deepen the monetary union. The problem for EU countries outside the Eurozone is that joining the union was easier because of the obvious benefits but it is difficult to explain the advantages of the euro for the people.
- The consequences of the crisis after 2009 created new dimension of the Eurozone. We saw that euro is not ideologically neutral.
- Eurozone stabilization is more or less crisis driven. The problems of implementation of Eurozone stabilization mechanisms are major disadvantage for the competitiveness of EU. Market integration is much slower than it should be.
- Excessive credit cycle led to high current accounts deficits and high private indebtedness in periphery countries. Reform period of Germany's labour market contributed to divergences in competitiveness and current accounts.
- We should not keep the national approach on dealing with those problems but on EU level. Remains of current crisis can and should be tackled but only in temporary way.
- A limited set of additional reforms are needed but they should be implemented.
- Eurozone has to avoid strong-bust (credit) cycles in the future (private, government debt etc.). We have to make banking system more robust in order to tackle the private debt legacy.
- Troika model was not successful because of the specifics of each country. Since there is no common opinion, we need to accept the differences and to improve the communication between experts, politicians and people needs. We need to create wealth, not only economic growth.

The 'EIN-A4' represents a summary of EIN seminar initiatives. The views expressed do not necessarily reflect the EPP Group political line.