IGWEL: Finding resilience in a global economy with new rules

This is intended to be a free-flowing discussion and will take place behind closed doors. Below is a summary of the four points you made in your Frankfurt speech, which you could draw on in your intervention.

Promoting a stronger international role for the euro

- There is space and demand for the EU to play a stronger global role and a stronger role for the euro internationally can and must be a part of that.
- This would make the global financial system less vulnerable to shocks, strengthen ‘monetary sovereignty’ of the euro area and improve the liquidity of, and preference for, euro assets.

Completing the architecture of the Economic and Monetary Union

- While there have been important first steps [agreement on ESM reform, the budgetary instrument of convergence and competitiveness], the overall progress toward completing the EMU has been insufficient.
- Complete the Financial Union is key for stability and spurring private investment needed especially for the green transition.
- The Banking and Capital Markets Union are key to addressing remaining pockets of instability and fragmentation of banking and capital markets. Our ability to deliver EDIS is a key test of credibility.
- A euro area safe asset could break the sovereign-bank nexus, support monetary policy transmission, strengthen the euro internationally and integrate our capital markets.

A fiscal policy appropriate to the new environment

- I will present a review of our fiscal framework on 5 February, opening a period of consultation before we draw our conclusions later this year.
- The current framework provides an important anchor for stability, and offers some flexibility. But it is also highly complex, and can produce procyclical effects. We need to address these two points.

More efficient decision-making and accountable institutions

- Lastly, we need more effective democratic checks and balances when it comes to decisions affecting the euro area as a whole. The institutions built under the extreme pressure of the crisis were based on the intergovernmental method, which is unsatisfactory both in terms of efficiency and democratic accountability.
- It is now time to reflect on the appropriate institutional structure for the long-term.