

# **Brussels Economic Forum 2010**

## Session III: The Crisis

### Part 1: Policy Co-ordination in the Euro Area – Lessons from the Crisis

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# The Crisis – Evidence for Lack of Co-ordination?

- Fiscal Policies? Violation of European Rules
- Policy Mix?
  - Monetary Policy
  - Fiscal Policy
  - Wage Policy
- European Surveillance – National Responsibilities

# The Crisis – Evidence for Lack of Co-ordination? (ctd.)

- Exchange of Information and Views
- Ex-ante Co-ordination
  - Risk of
    - Confusing Specific Roles and Mandates
    - Blurring Responsibilities
    - Reducing Transparency of Economic Policy Framework

# The Institutional Framework of EMU

- Monetary Policy:  
Priority for Maintaining Price Stability
- Fiscal Policy:  
National Political Responsibility – European Rules (SGP)
- Wage Policy:
  - National Framework
  - Orientation from National and Regional Labour Market Conditions and Productivity

# Building the Future

- European Economic Government?
  - Lack of Competence
  - No Legitimacy
- Strengthened European Monitoring
  - Observation of Rules
  - Peer Pressure
    - Transparency
    - Naming and Shaming