Europe’s Role in a Changing World

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The old and the new normal ?
The old and the new normal?
So what follows?

Size matters

Europe as economic giant

Punching below its weight
The old is the new anchor /
Euro punching below its weight

Dollar and Euro as Anchor Currencies

Share of countries anchored to the dollar and euro by their share in world GDP, 1975-2015
The USD anchor 1999-2016
The USD anchor 1999-2016

Carney 2019
The Euro anchor 1999-2016
Euro safe assets

Figure VII. Marketable Debt Outstanding, 2018

Billions USD

Eurozone

Crisis Countries

Non-Crisis Countries

France

Germany

US
The incomplete reform agenda to make the Euro a safe haven currency

1. The financial package
   - EDIS
   - Doom loop
   - Safe asset, SBBS

2. The fiscal package
   - Unemployment Re-insurance
   - Meaningful fiscal capacity
   - Financing European public goods
Thank you