Invitation

wiiw seminar series

'Policy Perspectives for European Integration'

Helene Schuberth

Head of Foreign Research Division, National Bank of Austria (OeNB)

EMU architecture and governance of finance

Monday, 19 June 2017, 5 pm

wiiw, Vienna 6, Rahlgasse 3, lecture hall
(entrance from the ground floor)

Abstract

Governance reform is imperative for containing the centrifugal forces in the euro area. Completing the banking union is decisive for containing the centrifugal forces in the euro area and much has been accomplished so far. A banking union, in its current design, is a remedy to weaken the sovereign-bank nexus, but does little to alleviate the destabilising features stemming from the 'shadow-fiscal nexus': Since government bonds are the most important collateral in market-based finance in Europe, the fortune of sovereigns hinges, via the repo market, on the pro-cyclical shadow-banking activities of large banks, potentially leading to flight-to-safety and self-fulfilling crises. The most effective cure would be pooling sovereignty via euro bonds, or, given the reluctance for risk-sharing, introducing European Safe Bonds (ESBies) that work without mutualisation of debt.

Helene Schuberth has been Head of Foreign Research Division at the National Bank of Austria (OeNB) since 2013. Between 1999 and 2007 she was Deputy Head of the OeNB's Economic Analysis Division. She studied economics and social sciences at the University of Vienna and Harvard. Her research interests include monetary and fiscal policies, structural and labor market policies, financial governance, European integration and economics of transition, which is documented in her publications. Since 1992 she has been teaching macroeconomics at the Vienna University of Economics and Business Administration.

* * *

The wiiw seminar series **'Policy Perspectives for European Integration'** is the continuation of three earlier wiiw seminar series: 'Crisis management in Central, East and Southeast Europe: What is to be done?'; 'Policy options for the post-crisis economy in Central, East and Southeast Europe'; and 'EU in Crisis'. In this series, our emphasis is on issues that affect the future of the European Union: we look at the policy perspectives which may emerge after the crisis and affect the EU and its neighbourhood. Reforms of the EMU, the closer fiscal and economic cooperation of the Member States, bail-out schemes, solutions to the prevailing debt problems in the Southern Rim of the Union, the controversial relations between the EU and Russia affecting border countries and, furthermore, migration policy challenges within the EU and with neighbouring regions are topics we expect to remain of utmost importance in this and the coming years. Policies impacting on the further integration of the new Member States and future enlargements of the EU will remain an integral part of the discourse in this seminar series as well.

Univ. Prof. Dr. Michael Landesmann
Former Scientific Director wiiw

Dr. Sándor Richter
Organizer