

Invitation

wiiw seminar series

‘Policy Perspectives for European Integration’

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at the European Commission

**United in Diversity?
Rebalancing, structural convergence and
the deepening of EMU**

Friday, 4 March 2016, 2 p.m.

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

Abstract

In response to the euro-area crisis, a large number of policy initiatives have been undertaken leading, on the one hand, to structural adjustment in the periphery, and, on the other hand, to a much higher degree of area-wide integration and governance in the fiscal and financial domain. In many cases these initiatives have been born out of crisis situations and are not the result of a carefully elaborated master plan. But while the worst of the crisis appears to be behind us, the crucial question remains whether this is enough to make EMU work – perhaps not in an optimal design but at least fulfilling the minimum requirements for functioning in a sustainable manner. The long-term solution is to complete the European monetary union and make it less vulnerable to shocks. The foundations of this road have been laid by the Five Presidents’ Report, and it implies setting up new risk-sharing mechanisms among the participating economies. But that will probably not happen in a situation where large imbalances between member countries already exist and deep structural divergences are considered as a state of nature. Against this background, the lecture will examine the progress and essential features of sustainable rebalancing, discuss the required degrees of structural convergence, and draw some conclusions for the deepening of EMU.

Karl Pichelmann, an Austrian citizen born in Vienna in 1956, has been with the European Commission since 1998, and currently holds the position of a Senior Adviser in the Directorate General for Economic and Financial Affairs. Karl Pichelmann earned his Ph.D. in economics from the University of Vienna in 1983. Before joining the European Commission, he was a senior economist at the Institute for Advanced Studies in Vienna, where he also taught at the University for Economics and Business Administration. He held various consultancy positions in the past, including a stint at the OECD in the context of the Jobs Study. From 2001 to 2014 he was also teaching at the Université Libre de Bruxelles as an associated professor with the Institut d'Études Européennes. His research, analysis and contributions to policy formulation focus on globalisation and European economic and monetary integration, and on the impact of the financial crisis on labour markets and social models in Europe. In DG ECFIN Karl Pichelmann plays a leading coordinating role across units and directorates in a wide array of activities in this field such as work on growth and inequality, wage and productivity dynamics, and mobility and migration, to name but a few; he has also hands-on experience in these issues as the person responsible in DG ECFIN for the Macroeconomic Dialogue, a high-level forum for the exchange of views between the European Commission, ECB, ECOFIN Council and the Social Partners. He is also tasked with the management of DG ECFIN's non-resident fellowship programme and plays a key role in the communication and interaction with the outside world, in particular the economic research community.

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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
Scientific Director wiiw

Dr. Sándor Richter
Organiser