

# Riflessioni sul discorso del Presidente della Bundesbank

Jens Weidmann:

alcune note metodologiche su Economic and Monetary Union (EMU),  
European Monetary Union, Capital Markets Union (CMU)  
e... le altre Unioni dell'EMU

RAINER MASERA

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# **Tratto da Dr. Jens Weidmann, Presidente della Bundesbank**

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*«Gentile Signora Ambasciatrice Wasum-Rainer,*

*Signore e signori,*

*Vi ringrazio per l'invito rivoltomi e sono lieto di poter parlare oggi dell'argomento "Solidità e solidarietà nell'Unione monetaria".*

*L'Unione monetaria in inglese è denominata European Monetary Union, abbreviato "EMU"...»*

## **La complessa problematica sottesa dalla corretta definizione dell'acronimo EMU**

- ✎ In realtà, nell'Unione Europea, EMU sta per Economic and Monetary Union, come mostrano le slides successive.
- ✎ La costruzione dell'Unione ha sempre sotteso l'esigenza di operare sul fronte economico e su quello monetario: su crescita economica e stabilità monetaria.
- ✎ Interpretare l'EMU come European Monetary Union non appare corretto sotto il profilo istituzionale, ma soprattutto sotto il profilo economico e politico.
- ✎ I padri fondatori dell'Europa e gli stessi 5 Presidenti attuali hanno indicato che l'Unione monetaria è un tassello di un disegno più ampio.
- ✎ Non tenerne conto è inevitabile fonte di confusioni/errori.

## Economic and Monetary Union

Economic and Monetary Union (EMU) represents a major step in the integration of EU economies. It involves the coordination of economic and fiscal policies, a common monetary policy, and a common currency, the euro. Whilst all 28 EU Member States take part in the economic union, some countries have taken integration further and adopted the euro. Together, these countries make up the euro area.

The decision to form an Economic and Monetary Union was taken by the European Council in the Dutch city of Maastricht in December 1991, and was later enshrined in the Treaty on European Union (the Maastricht Treaty). Economic and Monetary Union takes the EU one step further in its process of economic integration, which started in 1957 when it was founded. Economic integration brings the benefits of greater size, internal efficiency and robustness to the EU economy as a whole and to the economies of the individual Member States. This, in turn, offers opportunities for economic stability, higher growth and more employment – outcomes of direct benefit to EU citizens. In practical terms, EMU means:

- Coordination of economic policy-making between Member States
- Coordination of fiscal policies, notably through limits on government debt and deficit
- An independent monetary policy run by the European Central Bank (ECB)
- Single rules and supervision of financial Institutions within the euro area
- The single currency and the euro area

## Economic governance under EMU

Within EMU there is no single institution responsible for economic policy. Instead, the responsibility is divided between Member States and the EU institutions. The main actors in EMU are:

- The European Council – sets the main policy orientations
- The Council of the EU (the 'Council') – coordinates EU economic policy-making and decides whether a Member State may adopt the euro
- The 'Eurogroup' – coordinates policies of common interest for the euro-area Member States
- The Member States – set their national budgets within agreed limits for deficit and debt, and determine their own structural policies involving labour, pensions and capital markets
- The European Commission – monitors performance and compliance
- The European Central Bank (ECB) – sets monetary policy, with price stability as the primary objective and act as central supervisor of financial Institutions in the euro area
- The European Parliament - shares the job of formulating legislation with the Council, and subjects economic governance to democratic scrutiny in particular through the new Economic Dialogue

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## Completing the Economic and Monetary Union

Following the outbreak of the economic and financial crisis, the European Union took unprecedented measures to improve the economic governance framework of EMU (such as the strengthening of the Stability of Growth Pact or the adoption of new mechanisms to prevent economic imbalances and better coordinate economic policies).

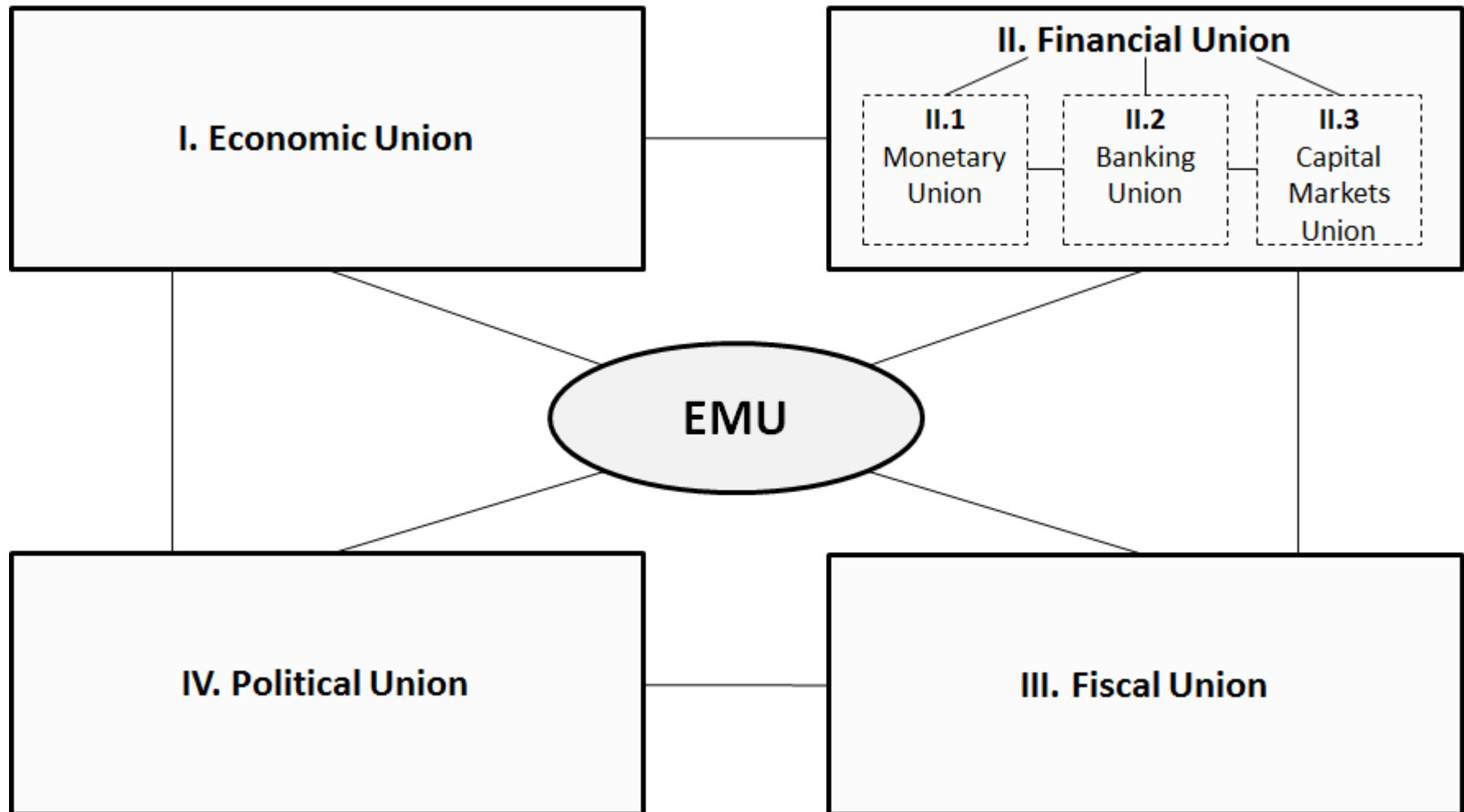
### Timeline on the Evolution of EU Economic Governance in Historical Context

However, these emergency measures needed to be consolidated and completed in the long-term so as to avoid that a new crisis could affect EMU so strongly. Therefore, the Presidents of five European Institutions – the European Commission, the European Parliament, the European Central Bank and the European Council (as President of the euro summit) – laid down a roadmap to deepen the Economic and Monetary Union in two stages as of July 2015 and complete it by 2025 at the latest.

- **Stage 1 or "Deepening by Doing" (1 July 2015 - 30 June 2017):** using existing instruments and the current Treaties to boost competitiveness and structural convergence, achieving responsible fiscal policies at national and euro area level, completing the Financial Union and enhancing democratic accountability.
- **Stage 2, or "completing EMU" (by 2025):** more far-reaching actions will be launched to make the convergence process more binding, through for example a set of commonly agreed benchmarks for convergence which would be of legal nature, as well as a euro area treasury.

In October 2015, the Commission began implementing the "Five Presidents' Report" by adopting a package of measures. More details, including the full report are accessible on the 10 priorities website of the Commission: [A Deeper and Fairer Economic and Monetary Union](#)

# The Five Presidents' Four interdependent Unions to transform the euro area into a "Genuine Economic and Monetary Union"\*



\*«All four Unions depend on each other. Therefore they must develop in parallel and all euro area Member States must participate in all Unions for the euro area to gradually evolve towards a genuine Economic and Monetary Union ... After many years of crisis, governments and institutions must demonstrate to citizens and markets that euro area will do more than just survive» (Juncker et al., 2015 p. 5).

Source: Masera R., *The Capital Markets Union and the elusive goal of a 'genuine', Economic and Monetary Union*, *Law and Economics Yearly Review*, 2015, Part 2, pp. 215 ff.

## The road to EMU

Economic and monetary union was a recurring ambition for the European Union from the late 1960s onwards because it promised stability and an environment for higher growth and employment.

However, a variety of political and economic obstacles barred the way. Weak political commitment, divisions over economic priorities and turbulence in international markets all played their role in frustrating progress towards EMU.

Despite these obstacles, the second half of the 20th century saw a constant search by the growing number of EU Member States for deeper economic integration as a means of strengthening the political bonds between them and protecting the common market.

The road towards today's Economic and Monetary Union and the euro area can be divided into four phases:

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**+ Phase 1: From the Treaty of Rome to the Werner Report, 1957 to 1970**

**+ Phase 2: From the Werner Report to the European Monetary System, 1970 to 1979**

**+ Phase 3: From the start of EMS to Maastricht, 1979 to 1991**

**+ Phase 4: From Maastricht to the euro and the euro area, 1991 to 2002**

**+ Enlargement, and reforms and completion of EMU**

Last update: 17/July/2015

## The long road to Economic and Monetary Union (EMU) in Europe: 1969-2015, key

Phase 1 (1969-1999)	
1969	Hague Summit decided that a plan should be drawn to create in stages an Economic and Monetary Union.
1970	Werner Report presented a plan for the attainment of EMU.
1972	Creation of the “snake” exchange rate agreement.
1979	Creation of the European Monetary System (EMS) and the European Currency Unit (ECU).
1985	The Single European Act set out a programme to create a unified economic area with freedom of movement of persons, goods, services and capital.
1988	The European Council confirmed the goal of EMU and mandated a Committee chaired by Jacques Delors to propose concrete stages leading to the Union.
1989	The Delors Report proposed that EMU should be achieved in three evolutionary stages, leading to strengthened economic and fiscal convergence and ultimately to the introduction of the Single Currency.
1991	Maastricht meeting of the European Council which drafted the Treaty on the European Union and on European fiscal convergence.
1992	Maastricht Treaty signed on 7 February.
1997	Treaty of Amsterdam signed on 2 <sup>nd</sup> October. The Treaty contains the Stability and Growth Pact (SGP).
1998-99	Preventive and Corrective Arms of SGP.
1999	The ECB was created and the euro established with 11 initial participating national currencies.

Source: Masera R., *The Capital Markets Union and the elusive goal of a 'genuine', Economic and Monetary Union, Law and Economics Yearly Review*, 2015, Part 2, pp. 215 ff.

## The long road to Economic and Monetary Union (EMU) in Europe: 1969-2015, key

Phase 2 (2000-June 2015)	
EU Treaties affecting EMU	
2001	Treaty of Nice
2007	Treaty of Lisbon
2012	Treaty establishing the European Stability Mechanism European Fiscal Compact
EU Pacts on economic commitments	
2005	SGP Amendment
2011	Europlus Pact Six Pack
2013	Two Pack
2014	SGP Review
2015	SGP Flexibility
Banking Union	
2013-14	Single Rule Book Capital Requirements Directive IV Capital Requirements Regulation Single Supervisory Mechanism Deposit Guarantee Scheme Directive* Bank Recovery and Resolution Directive Regulation (EU) No 806/2014*
Note	*To be completed

Source: Masera R., *The Capital Markets Union and the elusive goal of a 'genuine', Economic and Monetary Union, Law and Economics Yearly Review*, 2015, Part 2, pp. 215 ff.

# Alcune citazioni politiche sull'EMU



17 February 1986 in Luxembourg and 28 February 1986 in The Hague - The Single European Act, the first revision of the Treaty of Rome, is adopted. The preamble recalls the will of the Twelve "to transform relations as a whole among their States into a European Union" and reaffirms "the objective of the progressive realization of economic and monetary union".

# Alcune citazioni politiche sull'EMU



19 April 1990 - In a message to Mr Haughey, the Prime Minister of Ireland, Mr Kohl and Mr Mitterrand state that in view of the radical changes affecting Europe, it is necessary to accelerate the political construction of Europe of the Twelve. They hope that the European Council of 28 April will initiate the preparatory work for an intergovernmental conference on political union. It would focus on the need to:

- strengthen the democratic legitimacy of the Union;
- make the institutions more effective;
- ensure unity and coherent action;
- define and implement a common foreign and security policy.

The goal should be to bring these radical reforms - EMU and political union - into effect on 1 January 1993 after ratification by the national parliaments.

## Alcune citazioni politiche sull'EMU

*«It cannot be repeated often enough. Political union is the indispensable counterpart to the economic and monetary union (EMU)... Recent history, and not just that of Germany, teaches us that the idea of sustaining an economic and monetary union overtime without political union is a fallacy» [Chancellor Kohl, Discorso al Bundestag, 6 novembre 1991].*

# Conclusioni

- ✧ La CMU e l'imperativo della crescita: il titolo della sessione plenaria di chiusura ci riporta alla vera interpretazione dell'EMU.
- ✧ Il piano Juncker e la CMU vanno nella giusta direzione.
- ✧ Il rilancio degli investimenti è essenziale e deve essere accompagnato da adeguate riforme strutturali (J. de Larosière e R. Masera - La Repubblica, 25 aprile 2016 e M. Draghi – ECB, Francoforte 2 maggio 2016).
- ✧ Un vero investment compact, in presenza di tassi nominali e reali negativi sul debito pubblico, dovrebbe comprendere il temporaneo riesame delle regole fiscali per quanto concerne gli investimenti pubblici co-finanziati da privati e «certificati» dal Fondo europeo per gli investimenti strategici.
- ✧ La tendenza in Europa verso un sistema di intermediazione maggiormente affidata ai mercati deve essere sostenuta, ma occorre opportuna gradualità, per evitare effetti destabilizzanti sulle banche e conseguenze perverse sugli stessi investimenti.