

Prof. Dr. Joachim Schild

Professor of Comparative Government
University of Trier

The Resilience of the Eurozone in Times of Crisis

This online seminar analyzes the governance of the EU's monetary union (EMU). It explains the basic pillars of EMU as laid down in the Maastricht Treaty and looks back at the experience of the Eurozone crisis years 2010-12 that almost led to a breakup of EMU.

It looks at a series of governance reforms to stabilize the Eurozone, to prevent future crises and to strengthen its capacity to deal with economic shocks, most importantly with asymmetric shocks hitting some parts of the currency area more than others. The seminar will discuss alternative models of how to govern the Eurozone. A rules based model will be compared to an "economic government" model with a higher level of centralization and more fiscal capacity building at the European level. Students will discuss advantages and drawbacks of different ways to organize the Eurozone's governance. How resilient is the Eurozone after a series of reforms during the last decade? This question will guide us through the seminar. Did policy-maker draw the right lessons from the past crisis? Did reforms make the Eurozone more resilient?

The ongoing COVID-19 pandemic provides us with a test case to assess the resilience of the Eurozone when facing major economic shocks. How did the EU and the Eurozone react to this challenge, which existing instruments were used and which new instruments created to face this situation of emergency? Will this crisis lead to a paradigmatic shift in the Eurozone's governance? Will a more centralized fiscal union be a likely outcome?

Based on past experiences, options on how to improve the Eurozone's resilience shall be broadly discussed.

Literature:

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Contact: schild@uni-trier.de