

***CONSOLIDATING THE ECONOMIC AND  
MONETARY UNION***

**CONVERGENCE, PROSPERITY, SOCIAL  
COHESION AND THE CRISIS**

**EUROPEAN INSTITUTE OF ROMANIA  
Bucharest (Romania), December 9th, 2015**

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# COMPLETING EUROPE'S ECONOMIC AND MONETARY UNION

1. The Nature of a Deep, Genuine and Fair Economic and Monetary Union
2. Towards Economic Union - Convergence, Prosperity and Social Cohesion
3. Towards Financial Union - Integrated Finance for an Integrated Economy
4. Towards Fiscal Union - an Integrated Framework for Sound and Integrated Fiscal Policies
5. Democratic Accountability, Legitimacy and Institutional Strengthening

# TOWARDS ECONOMIC UNION - CONVERGENCE, PROSPERITY AND SOCIAL COHESION

- In EMU, monetary policy is centralized, although important parts of economic policy remain national, euro area members depend on each other for their growth. .
- Convergence requires a set of ‘structural reforms’ to achieve similarly resilient economic structures
- After a deep financial and economic crisis the integrity of the euro area and the internal market is still strong.
- Paths to overcome political obstacles:
  - a new boost for jobs and growth with competitiveness and social cohesion

# NEW BOOST TO CONVERGENCE, JOBS AND GROWTH

On the basis of 2011 Euro Plus Pact on Stronger Economic Policy Coordination for Competitiveness and Convergence:

- A euro area system of Competitiveness Authorities:
  - to coordinate the national and the Commission authorities
- A stronger Macroeconomic Imbalance Procedure:
  - labor markets and welfare systems must be efficient in all euro MS.
  - promote a high level of employment and absorb shocks for functioning of EMU
  - it is essential to allow geographic and professional mobility
  - citizens should have access to adequate education
  - effective social protection system including a ‘social protection floor’
- A stronger coordination of economic policies:
  - give MS recommendations to focus on priority reforms to reach potential growth, support job creation and exploit the opportunities offered by the Single Market
  - The Eurogroup could play a coordinating role in cross-examining performance, with increased focus on benchmarking and pursuing best practices.

## FORMALISING THE CONVERGENCE PROCESS

- High-level standards that would be defined in EU legislation, as sovereignty over policies of common concern would be shared and could be settled decision-making within the euro area.
- In some areas, it will be necessary further harmonization
- Common standards should focus on labor markets, competitiveness, business environment, public administrations and certain aspects of tax policy
- The Macroeconomic Imbalance Procedure (MIP) might be a tool to prevent and correct imbalances and to foster reforms and monitor progress in euro area MS.

# THE IMPACT OF THE DISPLACED WAVE ON THE EMU

- No single MS may absorb and integrate a huge number of immigrants
- The flow of immigrants and refugees has positive and negative consequences
- A mass of low skilled people would have an influence on:
  - unemployment rate in some MS
  - level of wages and salaries of unskilled EU workers
  - an increase of social deficit in the short run
  - internal imbalance: increase in social and education expenditure
- High qualified immigrants will have some positive effects on:
  - growth and competitiveness of some economic sectors
  - the consumption and the effective demand
  - housing and infrastructure activities
  - social security incomes and sustainability of pension system
- Positive and negative effects would have an impact on the EMU with unpredictable balance

**Gracias por su atención**  
**Thank you for your kind attention**  
**Vă mulțumesc pentru atenția acordată**

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