

The Asymmetric Design of the Eurozone and What To Do About It

The Economic and Monetary Union worked well for all members until 2009. Scholars saw the Great Recession, which followed the collapse of Lehman Brothers in September 2008, revealing deficiencies in the Union's design and called attention to the need for reforms in the Treaties. Although steps have been taken to address the symptoms of the Eurozone's crisis, its structure remains largely unchanged.

Dr Masouros will set out in plain words how the Eurozone's design works asymmetrically. His central aim here is to understand why under the current design the so-called surplus Member States will remain in surplus in perpetuity and the so-called deficit Member States will remain in deficit in perpetuity. Furthermore, the lecture seeks to demonstrate that a surplus Member State can use this surplus position within the Eurozone to shift a threatened crisis to a deficit Member State and deepen the latter's stagnation or recession.

Finally, remedies and suggestions as to how to cure the Eurozone's asymmetry will be suggested. Whether the Treaties allow for such asymmetry resolution mechanisms or whether an amendment thereof will be required is a central question of the "how to fix it" part of the lecture.

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