

**A new fiscal and monetary framework for the EMU?  
The EU presidents' roadmap in 2018**

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**Objectives**

- To evaluate the recent experience of the EMU, assessing the Van Rumpoy report 'Towards a genuine economic and monetary union' (2012) and the Five Presidents' Report (2015)
- To use that experience and the research of Ademu to reassess the overall fiscal and monetary framework of the EMU
- Present a proposal to strengthen the economic and fiscal union in Europe

The European Monetary Union and its institutions have a number of important advantages: the prevention of inefficient fragmentation incorporation of externalities within the single market; confrontation of time-inconsistency problems; the improvement of the competitive advantage of the EU in the global economy.

But they are also challenged by a number of negative side effects: possible negative externalities between the three unions; major exposure to global shocks; minor capacity to react to local shocks; the exacerbation of moral hazard problems.

Both the EMU experience and the theoretical and empirical research of Ademu and other economists and legal scholars consistently emphasise the important role of the EMU institutions – in particular the ECB and the ESM – in the resolution of the euro crisis and the need to further strengthen the resilience of the EU to avoid recessions.

This translates into making the Economic and Fiscal Union more capable of credibly satisfying its role of guaranteeing economic stability and completing the Financial Union. This view is compatible with different degrees of Union integration. The main institutional proposals of Ademu to achieve this goal are consistent and implementable designs, founded on research.

### Further reading

To read the full paper which accompanies this policy brief, see chapter 12 (pages 105-117) of the ADEMU e-book published by VoxEU.org:

[www.voxeu.org/The-emu-after-the-crisis](http://www.voxeu.org/The-emu-after-the-crisis)

You can see a short video summary of this topic by the author at:

[www.ademu-project.eu/ademu-explained-a-new-fiscal-and-monetary-framework-for-the-emu-the-eu-presidents-roadmap-in-2018-video-with-ramon-marimon](http://www.ademu-project.eu/ademu-explained-a-new-fiscal-and-monetary-framework-for-the-emu-the-eu-presidents-roadmap-in-2018-video-with-ramon-marimon)

This topic also relates to the following policy briefs:

The European Stability Mechanism: The path to reform

[www.ademu-project.eu/the-european-stability-mechanism-the-path-to-reform](http://www.ademu-project.eu/the-european-stability-mechanism-the-path-to-reform)

The political economy of policy implementation

[www.ademu-project.eu/the-political-economy-of-policy-implementation](http://www.ademu-project.eu/the-political-economy-of-policy-implementation)

There are 25 working papers related to this topic. See the full list:

[www.ademu-project.eu/ademu-working-papers-related-to-work-package-4](http://www.ademu-project.eu/ademu-working-papers-related-to-work-package-4)

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