

PRESS RELEASE – SINGLE MARKET MUST BE STRENGTHENED TO BOOST EU GROWTH

Opportunities for growth stemming from the world's largest single market of 500 million consumers in the European Union, was one of the main solutions proposed Tuesday during the second-annual State of the Union meeting of the European University Institute. "Today there is a huge paradox. The single market may become the first victim of the crises, but it is also the greatest possibility (to exit the crisis)," said Michel Barnier, Commissioner for Internal Market at the European Commission, during a panel discussion on the outcomes of EU integration on the rest of the world, taking place in Florence, Italy.

Prospects for renewed economic growth could come from further reinforcing and developing a single market for services, said panelist Luca Cordero di Montezemolo, President of Ferrari, which he estimated could contribute up to an additional 140 billion euros in revenues. "We need more Italy in Europe and more Europe in Italy," Montezemolo said, accenting the need for deeper integration of Italy into the EU but also to promote Italy's economy.

Edmond Alphandery, Board Chairman of CNP Assurances, highlighted how reducing disparity in wages among EU countries would help to ease the gap in current account imbalances. He also underlined that the European Central Bank has a more restrictive monetary policy than its counterparts the US Federal Reserve and the Bank of Japan, and if it chose a looser policy that would result in a weaker, German exports would increase and worker productivity would be enhanced in southern Europe, two main ways to enhance economic growth.

Streamlining the efficiency of the European Commission, issuing Eurobonds, reforming fiscal regimes, backloading austerity programmes, and providing support for economic growth from the European Central Bank were the solutions proposed by Barry Eichengreen, Professor of Economics and Political Science at the University of California Berkeley. Eichengreen also said foreign aid could be extended to Greece based on completing structural reforms.

Several participants warned of the rising specter of nationalism, saying that extremist political parties on the right and left posed a clear and present risk to the European project. To provide greater flexibility on a national level, Harold James, Professor of History and International Affairs at Princeton University, said a system for international payments in one currency and another for local payments could help buffer payment shocks on countries, alongside a system that would include joint stock companies and clear limits on federal powers. In addition a resolution mechanism at European level, funded by a revenue source such as value-added taxes or customs revenues, should also be considered, James said.

CONTACTS

Stephan Albrechtskirchinger, Director, Communications Service
Stephan.Albrechtskirchinger@EUI.eu

Marco Agnoletti, Spokesperson of Matteo Renzi, Mayor of Florence
Marco.agnoletti@comune.fi.it



THE STATE OF THE UNION

9/10 MAY 2012
SALONE DEI CINQUECENTO
PALAZZO VECCHIO
FLORENCE - ITALY

EUI Social Media

follow the event on the EUI Twitter Channel and join the discussion with hashtag #SoU2012



UNDER THE PATRONAGE OF

*Presidenza del
Consiglio dei Ministri*



*Ministro per
gli Affari Europei*



MEDIA PARTNERS



GRUPPO 24 ORE

Bloomberg
TELEVISION



REUTERS

WITH THE SUPPORT OF



ENTE
CASSA DI RISPARMIO
DI FIRENZE



BANCA
CR FIRENZE

