



## **Panel 3:** Making European non-financial corporations more resilient Lessons from the financial and sovereign debt crises

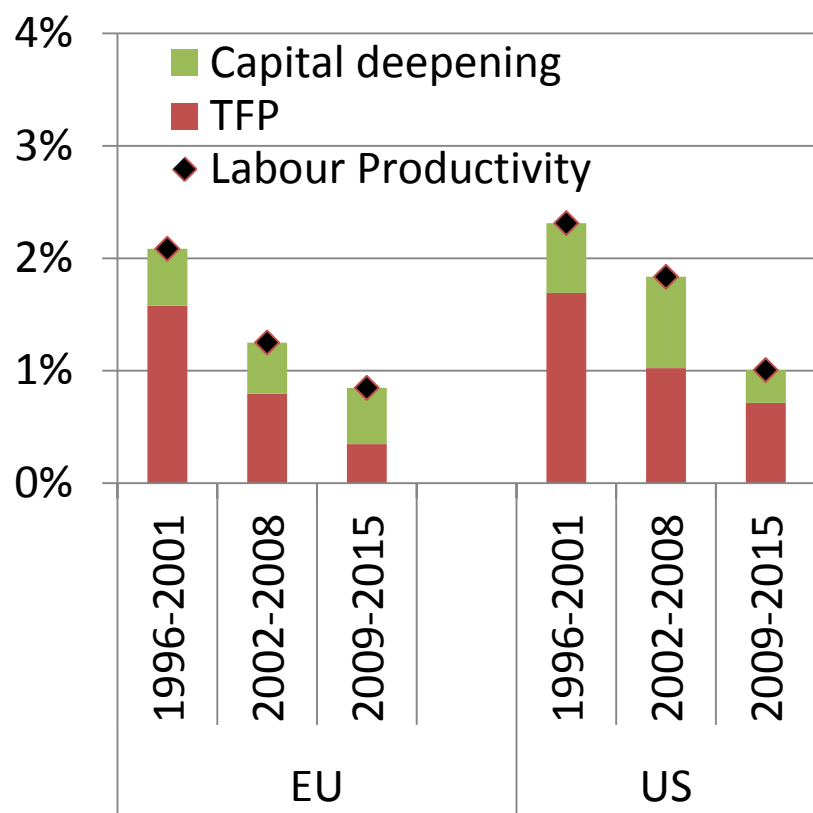
Chair: Pedro de Lima, EIB

Panel discussion:

- **Eric Bartelsman**, Vrije Universiteit
- **Sebnem Kalemli-Özcan**, University of Maryland
- **Gianmarco Ottaviano**, London School of Economics
- **Jan Svejnar**, Columbia University
- **Reinhilde Veugelers**, University of Leuven and Bruegel



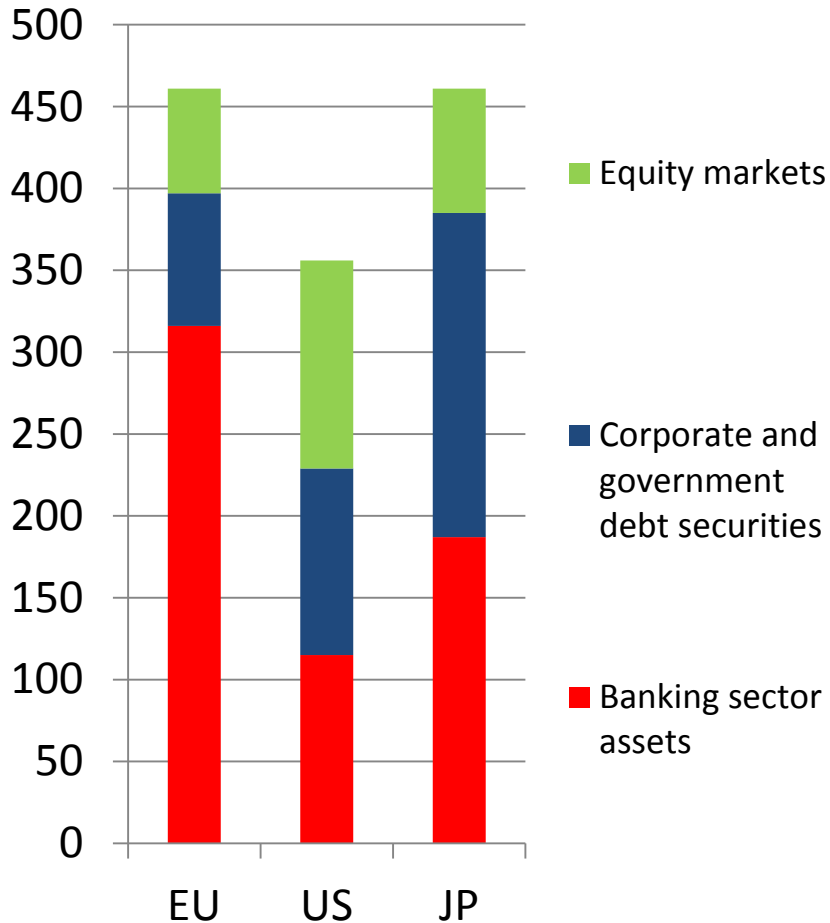
# How did the financial crisis interacted with productivity developments?



- The credit boom before the crisis undermined productivity
- During the crisis productivity was further undermined by
  - Binding financial constraints
  - Reduced efficiency of the financial system



# Is Europe's financial system fit for the future?



- No consensus about the impact of financial structure on growth.
- Equity finance is important in the initial stages of a firm's life.
- Debt finance is crucial in order to scale up quickly.
- Do different growth stages need different financial structures?



## ...and your thoughts on...

- What is the impact of an impaired financial system on productivity growth?
- Does the structure of the financial system matter for its efficiency of resource allocation and for productivity growth?
- Does the European financial system provide an adequate offer of external financing options to NFCs?
- How can we make banks more resilient to risk, while also easing credit availability to smaller (and less transparent) firms? How can we balance the medium to long-term objective of diversifying the financial sector (capital markets) against the objective of supporting financial intermediation over the short and medium-term?
- What role can the EIB play in supporting financial sector diversification/strengthening and access to finance for small firms?