

SUERF webinar

Tuesday, September 9, 2025

16:00-17:15 CET

Crisis Cycle:

Challenges, Evolution and Future of the Euro
by

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Discussant:

Jean-Pierre Vidal

European Investment Bank

Institutional Reform – A More Optimistic View

Progress Achieved During the Sovereign Debt Crisis

- *Fiscal Framework strengthened*
- *Banking Union established*
- *Crisis Resolution Framework created*

Questions

- *What would a new institution add beyond the ESM?*
- *Why not the Commission for this role (QMV)?*

ECB's Role & Rules vs. Discretion

Context & Leadership Matter

- *ECB's power requires backing by MS*
- *“whatever it takes” backed by 6/2012 European Council*

Rules vs. Discretion – A Risky Dichotomy?

- *Rules may suit yesterday's challenges, not tomorrow's*
- *Discretion allows adaptation and leadership*
- *TPI: ambiguity is part of its strength*

COVID-19 Lessons & Conclusion

Coordination Challenges & The Path Forward

- *COVID-19 response showed progress*
 - o *ECB acted first (PEPP)*
 - o *Fiscal authorities followed swiftly (NextGen EU)*

Fundamental Challenge Remains

- *Coordination without FU in exceptional times : part of EMU's political history*
- *ECB must act ahead of political consensus – don't tie its hands too much*