

## Challenges for the euro area

In June, the Heads of State or Government of the countries sharing the euro currency will discuss ways to improve the functioning of the euro area. French President Emmanuel Macron has proposed an ambitious reform plan, but Germany, the euro area's economic powerhouse, is more cautious. Despite continued growth, after years of stagnation, the euro area needs better governance to meet future challenges, economic analysts say. They add that recent political developments in Italy may complicate the drive for reform, as could unstable political situations elsewhere.

This note brings together **commentaries, analyses and studies by major international think tanks and research institutes** on challenges facing the euro area and related issues. Earlier publications on the topic can be found in a [previous edition](#) of 'What Think Tanks are Thinking' published in December 2017.

[Why Italy will confront the EU, but stay in the euro](#)

Centre for European Reform, June 2018

[Italy's hazardous new experiment: Genetically modified populism](#)

Brookings Institution, June 2018

[The EU must realize that populism is a symptom of real policy failure](#)

Chatham House, May 2018

[How to exit the euro in a nutshell 'Il Piano Savona'](#)

Centre for European Policy Studies, June 2018

[Mattarella's line in the sand](#)

Bruegel, June 2018

[Italy heads for confrontation with itself, financial markets, and Europe](#)

Peterson Institute for International Economics, May 2018

[Quit kicking the can down the road: A Spanish view of EMU reforms](#)

Real Instituto Elcano, May 2018

[Turmoil in euro area spreads as Rajoy's government is ousted in Spain](#)

Atlantic Council, May 2018

[Italy is too big to fail](#)

Atlantic Council, May 2018

[Does the euro area need a safe or a diversified asset?](#)

Centre for European Policy Studies, May 2018

[Are SBBS really the safe asset the euro area is looking for?](#)

Bruegel, May 2018

[Capital position of banks in the EMU: An analysis of Banking Union scenarios](#)

Netherlands Bureau for Economic Policy Analysis, May 2018

[Fiscal rules and the role of the Commission](#)

Bruegel, May 2018

[Tackling non-performing loans in the euro area](#)

Institut der deutschen Wirtschaft, May 2018

[Completing Europe's Banking Union means breaking the bank-sovereign vicious circle](#)

Peterson Institute for International Economics, May 2018

[EFN report: Economic outlook for the euro area in 2018 and 2019](#)

Robert Schuman Centre for Advanced Studies, April 2018

[Macron, Merkel and the new European sovereignties](#)

Real Instituto Elcano, April 2018

[Convergence in the European Union: Inside and outside the euro](#)

Centre for European Policy Studies, April 2018

[Should Bulgaria join the euro now?](#)

Jacques Delors Institut Berlin, April 2018

[Une finance au service du développement de long terme en Europe](#)

Confrontations Europe, April 2018

[Quelles perspectives pour renforcer la zone euro?](#)

Confrontations Europe, April 2018

[The European ETF market: What can be done better?](#)

Centre for European Policy Studies, April 2018

[Making a reality of Europe's capital markets union](#)

Bruegel, April 2018

[State contingent debt as insurance for euro-area sovereigns](#)

Bruegel, April 2018

[Economic recovery and inflation](#)

Center for Social and Economic Research, April 2018

[Reforming the European Monetary Union: The challenge of reconciling risk sharing with market discipline](#)

Istituto Affari Internazionali, April 2018

[How to solve the Greek debt problem](#)

Peterson Institute for International Economics, April 2018

[Debt mutualisation, inflation and populism in the euro zone](#)

Real Instituto Elcano, April 2018

[Market discipline and liquidity key issues in the EMU reform](#)

Research Institute of the Finnish Economy, April 2018

[The fallacy of fiscal discipline](#)

LUISS School of European Political Economy, April 2018

[No escape from politics: Four tests for a successful fiscal instrument in the euro area](#)

Notre Europe, Bertelsmann Stiftung, March 2018

[Cash outflows in crisis scenarios: Do liquidity requirements and reporting obligations give the SRB sufficient time to react?](#)

Bruegel, March 2018

[Domestic banks as lightning rods? Home bias during the euro zone crisis](#)

Centre for European Policy Studies, March 2018

[Is the bank-sovereign link truly severed?](#)

College of Europe, March 2018

[The search for a euro area safe asset](#)

Peterson Institute for International Economics, March 2018

[Enhancing credibility and commitment to fiscal rules](#)

Center for Social and Economic Research, March 2018

[The new global economic governance: Can Europe help win the peace?](#)

LUISS School of European Political Economy, March 2018

[Macron's plans for the euro](#)

Centre for European Reform, February 2018

[The missing third leg of the euro architecture: National wage negotiations](#)

Peterson Institute for International Economics, February 2018

[ECB interventions in distressed sovereign debt markets: The case of Greek bonds](#)

Institut für Weltwirtschaft Kiel, February 2018

[The effects of unconventional monetary policy in the euro area](#)

Netherlands Bureau for Economic Policy Analysis, February 2018

[The euro paradox: Explaining the resilience of the single currency](#)

Stiftung Wissenschaft und Politik, January 2018

[Tales from a crisis: Diverging narratives of the euro area](#)

Bruegel, February 2018

[Some unpleasant euro arithmetic](#)

Centre d'études prospectives et d'informations internationales, January 2018

[Bank liquidation in the European Union: Clarification needed](#)

Bruegel, January 2018

[Risk reduction through Europe's distressed debt market](#)

Bruegel, January 2018

[Reconciling risk sharing with market discipline: A constructive approach to euro area reform](#)

Centre for Economic Policy Research, January 2018

[Reconciling risk sharing with market discipline](#)

LUISS School of European Political Economy, January 2018

[Oil price shocks, monetary policy and current account imbalances within a currency union](#)

Centre for European Policy Studies, January 2018

### **Disclaimer and Copyright**

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2018.

[eprs@ep.europa.eu](mailto:eprs@ep.europa.eu)

<http://www.eprs.ep.parl.union.eu> (intranet)

<http://www.europarl.europa.eu/thinktank> (internet)

<http://epthinktank.eu> (blog)