AN OVERVIEW OF EU MACROECONOMIC AND STRUCTURAL POLICIES[1]

KAREN GRIGORYAN

1. Introduction: Economic crisis under historical point of view

Surely, the European Union (EU) is a unique endeavor involving economic and political integration in the world today. Remarkably, Europe is more a cultural and political distinction than a physiographic one, leading to various perspectives about Europe's borders. However, recently, the European economy was in the midst of the deepest recession since the 1930s, with real GDP projected to shrink by some 4% in 2009, the sharpest contraction in the history of the European Union. Although signs of improvement have appeared recently, full recovery remains complex issue. The EU's response to the downturn has been quick enough and decisive.

Aside from intervention to stabilize, restore and reform the banking sector, the European Economic Recovery Plan (EERP) was launched in December 2008. The objective of the EERP is to restore confidence and bolster demand through a coordinated injection of purchasing power into the economy complemented by strategic investments and measures to shore up business and labor markets. The overall fiscal stimulus, including the effects of automatic stabilizers, amounts to 5% of GDP in the EU.

Definitely, the financial crisis that hit the global economy since the summer of 2007 is without precedent in post-war economic history. Although its size and extent are exceptional, the crisis has many features in common with similar financial-stress driven recession episodes in the past. The crisis was preceded by long period of rapid credit growth, low risk premiums, availability of liquidity, increased asset prices and the development of bubbles in the real estate sector. Over-charged leveraging positions rendered financial institutions extremely vulnerable to corrections in asset markets. As a result a turn-around in a relatively small corner of the financial system (the US subprime market) was sufficient to decline the whole structure. Such episodes have happened before (e.g. Japan and the Nordic countries in the early 1990s, the Asian crisis in the late-1990s). However, this time is different, with the crisis being global alike to the events that triggered the Great Depression of the 1930s[2].

Truly, while it may be appropriate to consider the Great Depression as the best

[1] Paper presented at the International conference on "Social Construction of Reality: Chances and Risks for Human Communications", Yerevan State University, Faculty of Sociology, Yerevan, September 25-27, 2012, Armenia.

[2] See "Economic Crisis in Europe: Causes, Consequences and Responses", European Economy 7/2009, European Commission, Directorate-General for Economic and Financial Affairs.

benchmark in terms of its financial triggers, it has also served as a great lesson. At present, governments and central banks are well aware of the need to avoid the policy mistakes that were common at the time, both in the EU and elsewhere. Large-scale bank runs have been avoided, monetary policy has been eased aggressively, and governments have released substantial fiscal stimulus. Unlike the experience during the Great Depression, countries in Europe or elsewhere have not resorted to protectionism at the scale of the 1930s. It demonstrates the importance of EU coordination, even if this crisis provides an opportunity for further progress in this regard.

While there is still major uncertainty surrounding the pace of economic recovery, it is now essential that exit strategies of crisis control policies be designed, and committed to. This is necessary both to ensure that current actions have the desired effects and to secure macroeconomic stability.

Nevertheless, the Stability and Growth Pact provides the flexibility for the necessary fiscal stimulus in this severe downturn, but consolidation is inevitable once the recovery takes hold and the risk of an economic relapse has diminished sufficiently. While respecting obligations under the Treaty and the Stability and Growth Pact, a differentiated approach across countries is appropriate, taking into account the pace of recovery, fiscal positions and debt levels, as well as the projected costs of ageing, external imbalances and risks in the financial sector.

Hence, having an exit strategy does not involve announcing a fixed calendar for the next moves, but rather defines those moves, including their direction and the conditions that must be satisfied for making them. Beside of financial policy, exit strategies need to be in place for macroeconomic and structural policies.

2. Main characteristics of EU macroeconomic and structural policies

In general, macroeconomic stimulus – both monetary and fiscal – has been employed extensively. The challenge for central banks and governments now is to continue to provide support to the economy and the financial sector without compromising their stability-oriented objectives in the medium term. While effects of monetary stimulus still look some far, central banks in the EU are determined to decrease the supportive stance of monetary policies once inflation pressure begins to fall. At that point a credible exit strategy for fiscal policy must be firmly in place in order to pre-empt pressure on governments to postpone or call off the consolidation of public finances. The fiscal exit strategy should outline the conditions for stimulus withdrawal and must be credible, i.e. based on pre-committed reforms of entitlements programmes and anchored in national fiscal frameworks. In addition, the withdrawal of fiscal stimulus under the EERP needs to be followed up by very substantial – though differentiated across Member States – fiscal consolidation to reverse the adverse trends in public debt. An appropriate mix of expenditure restraint and tax increases must be pursued, even if this is challenging in an environment where distributional conflicts are likely to arise. The quality of public finances, including its impact on work incentives and economic efficiency at large, is an overarching concern[3].

In fact, governments in many EU Member States ran a relatively adjustable

[3] See "Economic Crisis in Europe: Causes, Consequences and Responses", European Economy 7/2009, European Commission, Directorate-General for Economic and Financial Affairs.

fiscal policy in the 'good times' that preceded the crisis. Although this cannot be seen as the main cause of the crisis, such behavior limits the fiscal room for manoeuvre to respond to the crisis and can be a factor in producing a future one – by undermining the longer-term sustainability of public finances in the face of aging populations. Policy agendas to prevent such behavior should thus be prominent, and call for a stronger coordinating role for the EU alongside the adoption of credible national medium-term frameworks. Intra-area adjustment in the Economic and Monetary Union (which constitutes two-thirds of the EU) will need to become fluent in order to prevent imbalances and the associated vulnerabilities from building up. This reinforces earlier calls, such as in the European Commission's EMU 10 report[4], to broaden and deepen the EU surveillance to include intra-area competitiveness positions.

Consequently, the financial crisis led to, and was reinforced by, a steep decline in economic activity from the fourth quarter of 2008 onwards. This forced EU central banks and governments to adopt an extraordinary expansionary stance of macroeconomic policies. Besides the lowering of borrowing costs, central banks stepped in as central providers of liquidity, thereby ensuring the allocation of short-term bank funding on dysfunctional money markets.

Reflecting the discretionary fiscal stimulus adopted, but also, and more importantly, falling of tax revenues and inertia in expenditure programs, government deficits have increased more than twice as much as one would predict from the automatic stabilizers. The overall support of government finances to the economy in 2009 and 2010, as measured by the deterioration in the government balance, amounts to 5 percentage points in the EU (around 4½ percentage points in the euro area).

Indeed, before the financial crisis, potential output growth was expected to decline twice to as little as around 1% by the 2020s due to the ageing population[5]. But such low potential growth rates are likely to be recorded already in the years ahead in the wake of the crisis. As noted, it is important to decisively repair the longer-term viability of the banking sector so as to boost productivity and potential growth.

Surely, this will not suffice and efforts are also needed in the area of structural policy proper. A sound strategy should include the exit from temporary measures supporting particular sectors and the preservation of jobs, and resist the adoption or expansion of schemes to withdraw labor supply. Beyond these defensive objectives, structural policies should include a review of social protection systems with the emphasis on the prevention of persistent unemployment and the promotion of a longer work life. Further labor market reform in line with a flexibility based approach may also help avoid the experiences of past crises when hysteresis effects led to sustained period of very high unemployment and the permanent exclusion of some from the labor force. Product market reforms in line with the priorities of the

[4] See «European Commission» (2008), *Quarterly report on the euro area*, fourth quarter, December 2008.

[5] See "Economic Crisis in Europe: Causes, Consequences and Responses", European Economy 7/2009, European Commission, Directorate-General for Economic and Financial Affairs.

Lisbon strategy (implementation of the single market program especially in the area of services, measures to reduce administrative burden and to promote R&D and innovation) will also be key to raising productivity and creating new employment opportunities.

Certainly, the crisis may weaken the incentives for structural reform through a range of channels, and thereby adversely affect potential growth and the abilities of economies to recover – factors which are not incorporated in the above projections. A slowdown or reversal in structural reform, if not outright protectionism, would lead to further losses in potential output. Although past country experiences suggest that economic crises can promote reforms by revealing the lack of sustainability of current policies and institutions[6], the political opposition to reform may actually harden in this crisis: the risk of 'populism' is spreading and protectionist instincts may appear to have been merely reposed. Moreover, stiffer credit market conditions may mute the transmission channel from reform to 'permanent' income and wealth[7].

Specifically, countries where export demand has been strong and/or which have registered current account surpluses are more exposed to the sharp contraction of world trade (e.g. Germany, the Netherlands, and Austria). Countries which have been running large surpluses are also more likely to be exposed to adverse balance sheet effects of corrections in international financial asset markets. Conversely, countries which have been running large current account deficits may face a risk of reversals of capital flows. Some Member States in Central and Eastern Europe are in this category. In some of these cases, the sudden stops in foreign financing forced governments to make a call on balance of payment assistance from the EU, IMF and the World Bank[8].

So, apparently surplus counties have been hit comparatively strongly by the global trade shock, while deficit countries were hit more by the decline in the demand for housing and other credit sensitive items (consumer durables) at home. This suggests that the crisis may well be prompting adjustment of current account imbalances within the European Union, although further developments have to be awaited before drawing any strong conclusions.

Of course, the single market of EU is the biggest and most available market for national exporters in EU, but, the construction of the internal market in Europe does not seem to have altered the competitive positions of the states in the internal EU market[9].

In fact, the EU member states have different standards, legislation, currencies, and languages, and a lack of homogeneous infrastructures. Industrial integration in Europe is not complete yet. Thus, there should be a dynamic technological

---

[6] See **Drazen, A**. (2000), *Political economy in macroeconomics*, Princeton University Press, Princeton. Drazen, A. and W. Easterly (2001), Do crises induce reform? Simple empirical tests of conventional wisdom, *Economics and Politics* 13, 129-157.

[7] See **Buti, M., A. Turrini, P. van den Noord** and **P. Biroli** (2009), Defying the 'Juncker curse': can reformist governments be re-elected?, *Empirica* 36, 65-100.

[8] See "Economic Crisis in Europe: Causes, Consequences and Responses", European Economy 7/2009, European Commission, Directorate-General for Economic and Financial Affairs.

[9] See **Grigoryan K**. (2012), Study of the Peculiarities of Export Developments in EU Member Countries and in Armenia, working paper, *"Romanian Journal of European Affairs"*, Vol. 12, No. 3, September 2012, pages 65-82

component in all these fields of EU policy, based on a capacity to identify the indirect effects of specific policies on catching up, forging ahead and falling behind in technical change. The purpose of the policies should be to improve the capacity for change and improvement of the European region, and to encourage the assimilation of best practice technologies and management from outside the EU area[10].

However, a basic tension exists within the European Union between intergovernmentalism and supranationalism. Intergovernmentalism is a method of decision-making in international organizations where power is possessed by the member states and decisions are made by unanimity. Independent appointees of the governments or elected representatives have solely advisory or implementation functions. Intergovernmentalism is used by most international organizations today. An alternative method of decision-making in international organizations is supranationalism. In supranationalism power is held by independent appointed officials or by representatives elected by the legislatures or people of the member states. Member state governments still have power, but they must share this power with other actors. Furthermore, decisions are made by majority votes; hence it is possible for a member-state to be forced by the other member-states to implement a decision against its will.

3. Survey of new legislative instruments for regulation of EU macroeconomic equilibrium

Presently, the recent economic and financial crisis revealed weaknesses in the governance framework underlying the functioning of EMU. As part of the response to this challenge, the EU institutions adopted several legislative proposals, the so-called 'six pack', to enhance the enhanced economic governance in the EU.

The legislation entered into force on 13 December 2011, i.e. in time for the 2012 European semester. This legislative package introduced a new surveillance procedure for the prevention and correction of macroeconomic imbalances (hereafter called the Macroeconomic Imbalance Procedure – MIP) and a regulation to reinforce the MIP application.[11] Under its preventive arm, the MIP aims at detecting the emergence of imbalances early-on. In case of existing serious imbalances, the corrective arm of the procedure requires the Member State to put in place a detailed policy plan to achieve their correction and provides means to effectively enforce it. The MIP is built around a "two-step" approach. The first step is an alert mechanism which works as a filter.[12] The objective of the alert mechanism is to focus attention to observed risks early on and identify the countries for which, in the second step, more in-depth analysis appears warranted so as to

[10] See **Grigoryan K.**, (2011), Technological progress and foreign trade: EU experience in innovation policy in comparison with non-EU developed countries, *research paper in collective monograph on "Innovative kind of development and modernization", (co-authors O. S. Belokrilova and others),* Southern Federal University, Rostov-on-Don, "Sodejstvie-21 vek" publ. house, pages 26-35

[11] See Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances and Regulation (EU) No 1174/2011 of the European Parliament and of the Council of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area.

[12] See Regulation (EU) No 1176/2011, Chapter II, Article 3, paragraph 1.

assess their vulnerability and substantiate policy recommendations if appropriate. The alert mechanism consists of an economic reading of a scoreboard with early warning indicators put in place by the Commission. The design of the initial scoreboard is presented in the first Alert Mechanism Report (AMR) issued by the Commission on 14 February 2012[13].

Certainly, the scoreboard indicators are neither policy targets nor policy instruments. Moreover, the reading of the scoreboard results is not mechanical but takes into account other relevant information as well as the broad economic context. [14] The design of the scoreboard is based on the relevant provisions in the legislation.[15] Considerable progress was made as regards the design of the initial scoreboard in the course of 2011 and the Commission presented a Staff Working Paper in early November 2011 with a proposal for the initial design of the scoreboard[16]. The proposal contained ten indicators and envisaged that an additional indicator of the banking/financial sector will be developed by the end of 2012, in time for the subsequent European semester.

In brief, the scoreboard consists of the following ten indicators with indicative thresholds[17]:

1. three-year backward moving average of the current account balance in percent of GDP, with a threshold of +6% and - 4%;
2. net international investment position in percent of GDP, with a threshold of -35%;
3. five-year percentage change of export market shares measured in values, with a threshold of - 6%;
4. three-year percentage change in nominal unit labor cost, with thresholds of +9% for euro-area countries and +12% for non-euro-area countries, respectively;
5. three-year percentage change of the real effective exchange rates based on HICP/CPI deflators, relative to 35 other industrial countries, with thresholds of -/+5% for euro-area countries and - /+11% for non-euro-area countries, respectively;
6. private sector debt in percent of GDP with a threshold of 160%;
7. private sector credit flow in percent of GDP with a threshold of 15%;
8. year-on-year changes in the house price index relative to a Eurostat consumption deflator, with
9. a threshold of 6%;
10. general government sector debt in percent of GDP with a threshold of 60%;
11. three-year backward moving average of the unemployment rate, with a threshold of 10%.

---

[13] See **Cuerpo Carlos, Hobza Alexander, Mordonu Aurora** and others (2012), Scoreboard for the Surveillance of Macroeconomic Imbalances, European Commission, *Occasional Papers,* EU, 2012.

[14] See Regulation (EU) No 1176/2011, Chapter II, Article 3, paragraph 2.

[15] See Regulation (EU) No 1176/2011, Chapter II, Article 4.

[16] See European Commission, (2011), "Scoreboard for the surveillance of macroeconomic imbalances: envisaged initial design", *Commission Staff Working Paper SEC (2011) 1361,* Brussels.

[17] See **Cuerpo Carlos, Hobza Alexander, Mordonu Aurora** and others (2012), Scoreboard for the Surveillance of Macroeconomic Imbalances, European Commission, *Occasional Papers,* European Union, 2012.

However, recognizing the critical importance of taking due account of country-specific circumstances and institutions, the economic reading of the scoreboard is complemented by additional information and indicators. This *inter alia* includes the general macroeconomic situation, such as growth and employment developments, nominal and real convergence inside and outside the euro area and specificities of catching-up economies. Additional indicators are considered that reflect the potential for the emergence of imbalances as well as the adjustment capacity of an economy, including its potential to sustain sound and balanced growth, such as different measures of productivity, inflows of FDI, capacity to innovate and energy dependence. The state of financial markets, which played an important role in the current crisis, will also be covered. Moreover, it is envisaged to develop an indicator on the banking/financial sector to be included in the scoreboard by the end of 2012 and in time for the subsequent European semester[18].

Furthermore, with improvements in data availability or enhancements in the underlying analysis, better-quality and new indicators might replace some of the existing indicators or be added to the scoreboard. In addition, new sources of potentially harmful macroeconomic imbalances might develop in the future. This will need to be reflected in the MIP and also the scoreboard. The MIP legislation fully recognizes the need for flexibility in the design of the scoreboard and entrusts the Commission with a task to regularly assess the appropriateness of the scoreboard, including the composition of indicators, the thresholds set and the methodology used and make the necessary changes.[19]

4. Study of indicators of current account balance, real effective exchange rate and export market shares

Indeed, the scoreboard indicator is the three-year backward moving average of the current account balance expressed in percent of GDP, based on Eurostat data from Balance of Payments statistics, with the indicative thresholds of +6% and -4%. The current external balance/current account balance[20] is the major driver of net lending/borrowing of the economy as a whole and thereby provides important information about the economic relations of the country with the rest of the world.[21] A high current account deficit indicates that the economy is borrowing and typically it is importing in excess of its exports. Based on an extensive literature review of 83 papers, Frankel and Saravelos (2010)[22] point out that the current account balance is one of the most frequent statistically significant indicators in explaining crisis incidence.

Accordingly, the Task Force set up by President Van Rompuy concluded that

---

[18] See **Cuerpo Carlos, Hobza Alexander, Mordonu Aurora** and others (2012), Scoreboard for the Surveillance of Macroeconomic Imbalances, European Commission, *Occasional Papers,* European Union, 2012.

[19] See Regulation (EU) No 1176/2011, Article 4, paragraph 7.

[20] These terms reflect the same economic concept but are usually associated with different data sources for this indicator.

[21] Net lending/borrowing *versus* the rest of the world comprises both the current and the capital account (the latter recording mainly capital transfers, which in the case of EU Member States may be relatively sizeable due to transfers under EU structural funds).

[22] See **Frankel, J.** and **G. Saravelos** (2010), Can Leading Indicators Assess Country Vulnerability? Evidence from the 2008-09 Global Financial Crisis, Harvard Kennedy School, mimeo.

policy action "to address macroeconomic imbalances and divergences in competitiveness is required in all Member States, but the nature, importance and urgency of the policy challenges differ significantly depending on the Member States concerned. Given vulnerabilities and the magnitude of the adjustment required, the need for policy action is particularly pressing in Member States showing persistently large current-account deficits and large competitiveness losses. Also, in Member States that have accumulated large current account surpluses, policies should aim to identify and implement the structural reforms that help strengthening their domestic demand and growth potential".[23]

The next scoreboard indicator is the percentage change over three years of the real effective exchange rate (REER) based on consumer price index deflators, [24] with the indicative thresholds of +/–5% and +/–11% for euro-area and non-euro-area countries, respectively.

Also, the scoreboard includes a measure of the real effective exchange rate based on consumer prices in order to capture the drivers of persistent changes in price and cost competitiveness of each Member State relative to its major trading partners. In contrast to assessing relative competitiveness through relative production costs, [25] this indicator accounts for broader price developments and thus casts a more comprehensive picture of global 'price' pressure on domestic producers in a medium-term perspective.[26] Since it is closely related to the terms-of-trade concept, this indicator also exemplifies the attractiveness of imports over domestic production.[27]

Additionally, in the economic literature, the REER has often been found to be a statistically significant predictor of the incidence of economic crises: it is thus frequently considered among early warning indicators[28]. In particular, Frankel and Saravelos (2010)[29] identify the REER as a very important leading indicator in 48 out of 83 studies on crises occurring before 2008. In an empirical analysis on the

[23] See “Strengthening Economic Governance in the EU", Report of the Task Force to the European Council, 21 October 2010.

[24] REER are based on the harmonized index of consumer prices (HICP) where available. For (non-EU) trade partners without HICP methodology, the respective headline Consumer Price Index (CPI) is used.

[25] Production cost indicators only capture direct production costs and are more dependent on the definition of productivity than CPI.

[26] Given that this indicator is meant to monitor the global competitiveness of each member state, it is very relevant not to exclude the influence played by the exchange rate developments so to assess the relative price developments conditional on exchange rates. This indicator will not be used as a trigger to discuss exchange rate policy that is outside the scope of the entire exercise.

[27] Terms of trade are country-specific and defined as the ratio of export to import prices, which in principle can be understood as a REER for a particular choice of deflators. In contrast to pure external competitiveness indicators such as export market shares, the REER thus not only embodies price features of exported goods and services to external markets, but also the attractiveness of imports versus domestically produced goods. As a two-sided indicator, it is therefore frequently related to current account developments (cf. Salto and Turrini, 2010, for an overview).

[28] See **Reinhart, C., G. Kaminsky** and **S. Lizondo**, (1998), Leading Indicators of Currency Crisis, *IMF Staff Papers*, vol. 45(1).

[29] See **Frankel, J**. and **G. Saravelos**, (2010), Can Leading Indicators Assess Country Vulnerability? Evidence from the 2008-09 Global Financial Crisis, Harvard Kennedy School, mimeo.

determinants of the Great Recession, the same authors find that high past REER appreciations are associated with higher incidence of the current crisis. An important strand of literature also asserts that REER appreciations do not need to be considered as harmful in all cases[30].

However, the years preceding the crisis saw persistent REER divergence among Member States beyond what could be considered as incidence of such convergence effects. And the most recent empirical studies find a Balassa-Samuelson effect for new Member States of only 1% per year, on average[31]. This is a rather modest contribution that is not sufficient to explain the observed REER appreciations in catching-up countries. The scoreboard indicator is the percentage change of export market shares over five years, based on Balance of Payments Eurostat data, with a lower indicative threshold of -6%.

Evidently, the current economic crisis has exposed the importance of non-price factors for export developments. To this end, the scoreboard on macroeconomic imbalances includes an indicator on export market shares. This indicator aims at capturing structural losses in competitiveness. A country might lose shares of export market not only if exports decline but most importantly if its exports do not grow at the same rate of world exports and its relative position at the global level deteriorates. Hence, the reasons why countries might not have exploited new market opportunities or sharpened comparative advantages in newly traded products warrant investigation.

Specifically, export market shares can be driven by the increase/decrease of a country's export volume (numerator effect) but also by the growth of total world exports in goods and services (denominator effect). World exports have almost doubled in the period 1994-2007 (+83%), due to factors such as multilateral trade liberalization and unilateral trade liberalization of some emerging countries (e.g. China, India and Brazil among some) but also to the increased trade in services favored by the development of Information and communication technologies (ICT). Hence, it can also be the case that some countries apparently lose market shares because their exports grow more slowly than total world exports. Although this 'denominator effect' needs to be considered differently from the loss in market shares due to a 'numerator effect', the scoreboard should capture the *overall* position in terms of market shares of each country[32].

In particular, export performance as measured by export market shares diverged across EU Member States. As the numerator effect shows, some Member States benefited from a surge in exports of goods and services while others recorded a rather dismal export performance. To some extent, this disparity reflects differences in geographical specialization, with some Member States being better positioned in fast growing export destinations such as East Asia and Eastern

[30] See **Cuerpo Carlos, Hobza Alexander, Mordonu Aurora** and others (2012), Scoreboard for the Surveillance of Macroeconomic Imbalances, European Commission, *Occasional Papers,* European Union, 2012.

[31] See **Égert, B., L. Halpern** and **R. MacDonald**, (2005), Equilibrium exchange rates in transition economies: Taking stock of the issues, *William Davidson Institute Working Paper* 793.

[32] See **Cuerpo Carlos, Hobza Alexander, Mordonu Aurora** and others (2012), Scoreboard for the Surveillance of Macroeconomic Imbalances, European Commission, *Occasional Papers,* European Union, 2012.

Europe. The causes of this divergence in export market shares can be related to both differences in trade openness and in product composition of exports. Small open economies that concentrate on few closely related trade partners tend to be more exposed to external demand shock risks than countries with a variety of export destinations or less trade openness.

Likewise, similar arguments extend to the concentration in the sectoral composition of exports. In addition, technology-intensive products and services are found to be much less sensitive to changes in relative costs than low-technology sectors. Overall, relative prices only partly explain export performance, while other factors such as product quality and market structure can play an important role[33].

Conclusions

Definitely, structural reform is among the most powerful crisis prevention policies in the longer run. By boosting potential growth and productivity it eases the fiscal burden, facilitates deleveraging and balance sheet restructuring, improves the political economy conditions for correcting cross-country imbalances, makes income redistribution issues less onerous and eases the terms of the inflation-output trade-off. Further financial development and integration can help to improve the effectiveness of and the political incentives for structural reform.

Remarkably, conventional monetary policy as well as fiscal policy easing came in about a year later than at the other side of the Atlantic. This is not surprising to the extent that the United States has been the epicenter of some of the initial shocks that shaped the downturn. This may partly explain why the US economy so far has appeared to be less severely affected by the crisis than the EU economy.

Although mounting budgetary pressures may increase the perceived urgency of reforms so as to restore fiscal soundness, resistance against fiscal consolidation may build up. Moreover, fiscal consolidation – which is inevitable to restore public finances once the recovery is firm may dent the political capital available for introducing structural reforms.

In sum, ‘horizontal’ coordination between Member States will help them to avoid or manage cross-border economic spillover effects, to benefit from shared learning and to leverage relationships with the outside world. Moreover, within the euro area, close coordination will ensure that Member States’ growth trajectories do not diverge as the economy recovers. Addressing the underlying causes of diverging competitiveness must be an integral part of any exit strategy.

ԿԱՐԵՆ ԳՐԻԳՈՐՅԱՆ – ***ԵՄ մակրոտնտեսական և կառուցվածքային քաղաքականությունը*** – Վերջին ժամանակներս եվրոպական միության տնտեսությունը խորը անկում ապրեց, որի նախադեպը, թերևս, 1930-ական թվականների Մեծ ճգնաժամն է: Տնտեսական վերականգնման եվրոպական ծրագիրը (EERP) մեկնարկել է 2008 թ.: Վերջինս անհրաժեշտ էր ինչպես ընթացիկ գործողությունների իրականացման, այնպես էլ երկարաժամկետ մակրոտնտեսական կայունության ապահովման համար: Ընդհանուր առմամբ, մակ-

[33] See **Carlin, W., Glyn, A**., and **J. van Reenen**, (2001), Export Performance of OECD Countries: An empirical Examination of the Role of Cost Competitiveness, *The Economic Journal* 111, pp. 128-162.

րոտնտեսական քաղաքականության դրամավարկային և հարկաբյուջետային խթանները լայնորեն օգտագործվում են ԵՄ անդամ պետությունների բազմաթիվ կառավարությունների կողմից: Սակայն դա բավարար չէ, և անհրաժեշտ է ավելի շատ ջանքեր գործադրել համապատասխան կառուցվածքային քաղաքականություն իրականացնելու համար: Ռազմավարությունը պետք է ներառի ոչ միայն կոնկրետ ոլորտներում ժամանակավոր աջակցության և առկա աշխատատեղերի պահպանման միջոցառումներ, այլ նաև աշխատանքի շուկայի զարգացման երկարաժամկետ սխեմաներ: Բացի այդ, կառուցվածքային քաղաքականությունը պետք է ներառի սոցիալական պաշտպանության համակարգի վերանայումը:

Օրենսդրական փաթեթը (մակրոտնտեսական անհավասարակշռության ընթացակարգ - MIP) ներդրել է մակրոտնտեսական անհավասարակշռության ախտահանման և կարգավորման համար դիտարկումների նոր ընթացակարգ: Ճգնաժամի ահազանգման մեխանիզմը բաղկացած է այն կանխատեսելի դարձնող առաջանցիկ մակրոտնտեսական ցուցանիշների համակարգից:

ԵՄ անդամ երկրներն ունեն տարբեր չափորոշիչներ, օրենքներ, արժույթներ և լեզուներ, բացի այդ, բացակայում են միատարր ենթակառուցվածքները: Ավելին, Եվրոպայում արդյունաբերական ինտեգրումը դեռևս ավարտված չէ, և բոլոր բնագավառներում ԵՄ տնտեսական քաղաքականությունը պետք է ներառի տեխնոլոգիական դինամիկ բաղադրիչը:

КАРЕН ГРИГОРЯН – ***Обзор макроэкономической и структурной политики ЕС***. – Недавно европейская экономика перенесла самую глубокую после 1930 года рецессию. Европейский план экономического восстановления (EERP) был запущен в декабре 2008 г. Он призван обеспечить длительную макроэкономическую стабильность. Необходимы также усилия в области структурной политики. Кроме того, продуманная стратегия должна включать в себя долгосрочные схемы для рынка труда и систему социальной защиты.

Законодательный пакет (процедура макроэкономического дисбаланса – MIP) ввел новую процедуру наблюдения для профилактики и коррекции макроэкономических дисбалансов. Механизм оповещения состоит из экономических индикаторов раннего предупреждения. Но промышленная интеграция в Европе еще не завершена. Страны – члены ЕС имеют разные стандарты, законодательство, валюту; отсутствует также однородная инфраструктура. Таким образом, политика ЕС нуждается во всех областях в динамичной технологической составляющей.