



Call for expression of interest to develop a study on an alternative Economic Governance for the European Union.

Brussels, 10th October 2011

Summary

The Centre Maurits Coppieters (CMC) is seeking to engage a researcher on the field of EU policies or EU economy to write a study developing the concept of an alternative economic governance for the EU in the framework of the current financial and economic crisis.

Main ideas to be developed

The economic and financial crisis that erupted in the summer of 2007 has had the greatest impact on the global economy to date since the Second World War. The panic on the stock markets, which broke out in September 2008, due to the rescue of mortgage giants Fannie Mae and Freddie Mac and the bankruptcy of Lehman Brothers, was the outbreak of the U.S. housing bubble and the collapse of their most important financial institutions. It rapidly spread to the EU, while the economic activity began to suffer a strong contraction.

Furthermore, most Member States face the fact that they can't invoke a devaluation of their currencies to restore competitiveness, i.e. the countries of the euro area may not use the exchange rate as a stabilizing instrument, so they should appeal to other ways to achieve it. Similarly, many of the countries that are not yet part of the euro area face the problem that in the past they have borrowed excessively in euros, because interest rates were lower than the loans in their own currency. So the crisis in these countries is consequently aggravated when foreign lenders suddenly demand the repayment of the loans.

In short, the crisis has led to higher tax costs which have resulted in high levels of public deficit. Few Member States have managed to escape, which has caused, and will go on causing in the coming years, the deterioration of public accounts, while doubts about the long-term fiscal sustainability are increasing.

As a result, 2010 ended with 24 of the 27 member states breaking the Stability and Growth Pact (SGP) criteria. This opens a debate on the unfair and unequal treatment of the member states in the application of the Pact. The EU faces, as it did in 2004, tense relations between "major powers" and "weaker" members. In 2004 preferential treatment to the firsts became apparent and this resulted in a reform of the SGP (as it liked to France and Germany) which advocated the relaxation of tax rules.

As it happened in 2005, when the SGP's deficiencies were clear as well as the guidelines to its reform, now the limitations of the EU in crisis management are obvious.

Thus, the main axis of this publication could be proposing an alternative economic governance for the EU, which guarantees sustainable economic growth, a fair and equal treatment of all the member states, and also the main fiscal measures to guarantee an orderly way out of the crisis, such as:

- Review of the Stability and Growth Pact. Specially concerning the establishment of mechanisms to encourage national governments to adopt effective policies for each phase of the economic cycle.
- Reinforcement of the transparency and fiscal discipline.
- Higher control over financial markets.
- Securing and deepening of the welfare state.
- A stricter implementation of the principle of subsidiarity – regarding economics. With an eye on the specificity of minorities and subcentral governments.



Key tasks

The selected researcher(s) will write an article developing the concept of an alternative economic governance of the EU. Extension of the paper should be of at least 12.000 words.

The paper will be developed preferably in the mother tongue(s) of the researcher(s) or in English.

Translation into English and publication will be managed by the CMC.

Budget and Duration of the project

The total budget earmarked for this call is estimated at 5.000 EUR. If proposal is approved the paper should be handed no later than 3 months after the official notice of acceptance.

This activity bears financial support of the European Parliament.

Publication

The paper will be published under the publications line of the Centre Maurits Coppieters in 2012. Intellectual property rights and publication rights are transferred to the CMC for this purpose.

Application Instructions

Interested researchers should submit a brief proposal (2 pages max) by 15th November 2011 to info@cmc-foundation.eu stating "CMC Call for expression of interest – alternative economic governance for the EU" in the subject line.

The narrative and financial proposal should be submitted in English.

A short CV of the researcher(s) must accompany the proposal.

Candidates will be informed of the outcome of their application.

Submission of the proposal implies acceptance of the terms and conditions as expressed in this call.

CMC is an equal opportunity employer and does not discriminate on the basis of origin, religion, gender, disability, and/or sexual orientation.