



SSH WORK PROGRAMME 2012

The future of macro-economic and monetary integration in Europe

**POLSCA meeting
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Social Sciences and Humanities**



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FP7 rationale and policy context

- Emphasis on competitiveness: **Lisbon strategy**
- **Barcelona target** 3% of GDP for R&D
- **Sustainable development** (Gothenburg) objectives
- **Ljubljana process** - advancing the European Research Area
- Enhanced **international cooperation** - Enlarged EU, more Associated Countries, ICPC participation
- Renewed **Social Agenda**



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Community research

FP7 overview

FP7 Structure

'Cooperation' Programme

'Ideas' Programme - ERC

'People' Programme

'Capacities' Programme

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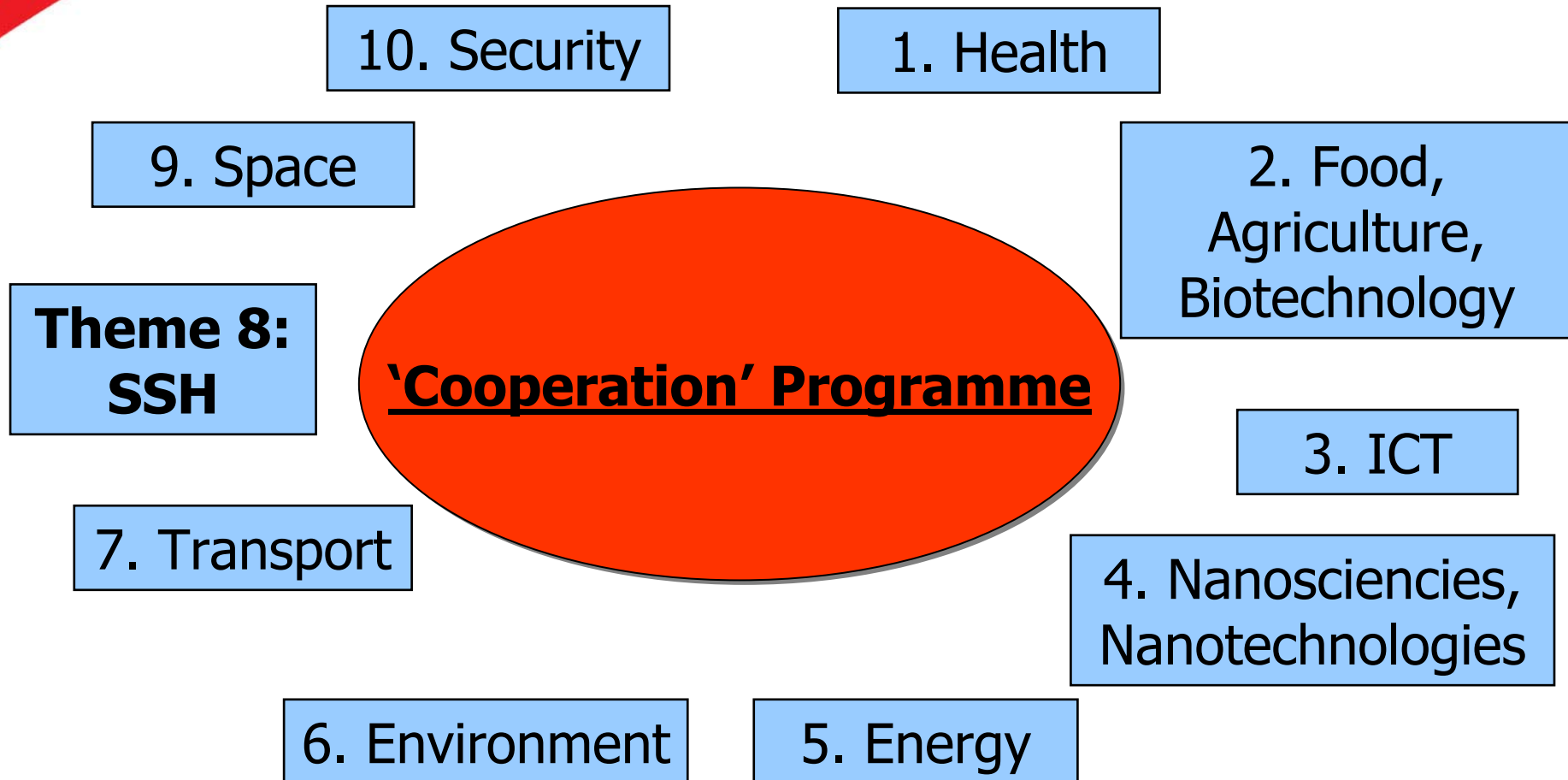


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FP7 overview

FP7 Structure



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FP7 Structure

SH 6

The study of
the human
past

'Ideas' Programme – ERC
6 SSH panels

SH 1

Individuals,
institutions
and markets

SH 5

Cultures and
cultural
production

SH 4

The human
mind and its
complexity

SH 3

Environment
and society

SH 2

Institutions,
values, beliefs
and behaviour

FP7 Structure

'Ideas' Programme – ERC
6 SSH panels

SH 1

Individuals,
institutions
and markets

SH 1_1: Macroeconomics, growth, business cycles
SH 1_3: Econometrics, statistical methods
SH 1_4: Financial markets, banking and corporate
finance



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FP7 overview

FP7 Structure

'Capacities' Programme

Research infrastructures

Data banks, Observatories,
Communication networks

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SSH Programme in FP7

SSH Programme – characteristics of policy relevant research

- **Issues of interest for European policy making**
- **Highest academic quality**
- **Interdisciplinary, often comparative empirical research, incl. data collection**
- **Taking stock and building up research on the already existing knowledge with special focus on EU funded projects**

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SSH Programme in FP7

EU research in SSH: Objectives

Knowing: Data, statistics, indicators

Explaining: Tools, definitions, methods

Understanding: Context, causes, mechanisms

Forward looking: Modelling, foresight, scenario

Recommending: From knowledge to policy

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8. Socio-Economic Sciences and the Humanities

Growth, employment and competitiveness in a knowledge society

**Combining economic, social and environmental
objectives in a European perspective**

Major trends in society and their implications

Europe in the world

The citizen in the European Union

Socio-economic and scientific indicators

Foresight activities

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The future of macro-economic and monetary integration in Europe

Objective:

To investigate how the evolving system of economic governance is likely to work in practice and to affect economic stability, what systemic solutions could work best and how the new framework will affect relations between Eurozone and non-euro Member States.

Rationale:

- Unprecedented challenges to economic governance in the EU following the financial crisis
- Major reform of the Eurozone governance system including institutional and legal framework
- Uncertainty about effectiveness of the new mechanisms and solutions put in place
- Non-euro EU members and future enlargements of the Eurozone

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The future of macro-economic and monetary integration in Europe

Topic content:

- **Introduction** – description of the issue, the current situation and of policy challenges
- **Research dimensions** – evolving system of economic governance and its impact on economic stability; practical implementation of economic governance and decision-making processes; institutional framework in response to risk and risk absorption; citizens' perception of monetary integration and advancement of economic policy coordination; relations between Eurozone and other Member States (opt-out and non-opt-out).



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Research in macroeconomics and finance

MONFISPOL

Modelling and Implementation of Optimal Fiscal and Monetary Policy Algorithms in Multi-Country Econometric Models

- ✓ Analysis of optimal fiscal and monetary policy in a monetary union
- ✓ Extension of DYNARE – numerical tool for computation of large DSGE models
- ✓ Development of model database, extension of models, homogeneous agents environment

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Research in macroeconomics and finance

POLHIA

Monetary, Fiscal and Structural Policies with Heterogeneous Agents

- ✓ Role of macroeconomic policies and the nexus of macroeconomic with microeconomic/structural policies with heterogeneous agents
- ✓ Econometric models and experiments
- ✓ Improving policy coordination and coherence

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Research in macroeconomics and finance

FINESS

Financial systems, efficiency and stimulation of sustainable growth

- ✓ Exploring implications of financial market integration in Europe on growth, employment and competitiveness
- ✓ Construction of indicators to measure financial integration
- ✓ Liaison with Lisbon goals - macro perspective
- ✓ Paths of economic development

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Research in macroeconomics and finance

FINNOV

Finance, innovation and growth: changing patterns and policy implications

- ✓ Investigating connections between financial markets and innovation
- ✓ Analysing effectiveness of different institutional arrangements
- ✓ Europeanisation of financial services sector
- ✓ Contribution of finance to Lisbon objectives through fostering innovative enterprises

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Research in macroeconomics and finance

FESSUD

Changing the role of the financial system to better serve economic, social and environmental objectives

- ✓ Evolution of the financial system and its impact on the real economy
- ✓ Financialisation and the sustainability of the financial system and economic development
- ✓ Analysis of the financial and debt crisis, policy responses, lessons for the future
- ✓ Features of a sustainable financial system in the light of Europe 2020 objectives

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Thank you for your attention!

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