INITIAL RESEARCH PROGRAMME

Bruegel's initial Research Programme covers the period up to the end of 2006, and was adopted by Bruegel's Board in October 2005 on the basis of prior consultation of all Bruegel's members. It is based on four main policy themes:

1. Europe's growth and reform strategy
2. Integration and competitiveness
3. Challenges and policies for the Euro Area
4. Europe and the world economy

The first theme is an ongoing work on economic policy frameworks and priorities, especially through dialogue with the successive presidencies of the EU which started in 2005 with André Sapir's reflection on social models and Bruegel's first Policy Brief.

Under the three other themes, the programme includes a number of projects whose execution will combine publications, organisation of events at Bruegel, and external outreach:

- European integration benchmarks. There are few widely accepted quantitative measures providing a synthetic view of economic integration within the EU. This project's aim is to set a range of indicators to measure the European integration trends and compare them to integration dynamics within countries and on a global scale.

- Financial integration and corporate funding. Different views currently exist on whether European financial markets need further integration efforts in the near future. The aim of this project is to provide an economic assessment of this policy issue from the point of view of corporate funding, by analysing how different legislative and regulatory options may affect the conditions of access to external capital for European companies, including small-and-mid-sized ones.

- The new migration issue. The national character of migration policies was sustainable as long as migration flows remained minor, but globalisation and enlargement are changing the context. This project aims to better understand the economic consequences of the fact that skilled and unskilled people are on the move again, and to identify possible policy responses, including the shifting of certain decisions to European level and further differentiation between unskilled and skilled populations.

- Globalisation, enlargement and the new industrial organisation of Europe. The new geography and heterogeneity which result from the 2004 enlargement are still insufficiently analysed and taken into account in policy formulation. This project, which has not yet been launched, will aim to specifically analyse the consequences of enlargement on European economic integration in a globalised economy, and the implications for the EU's approach to regulation and competition.

- Global economic adjustment and the choices for Europe. There is abundant literature about global financial imbalances, with insistence either on US deficits or on the "saving glut" in the Middle East and Asia. However, relatively little attention has been given to the stakes of this issue for Europe, and how the EU may specifically respond to the related risks. This project aims to fill this gap and identify possible strategies for Europe and the euro area.

- Economic divergence within the euro area. Prolonged growth and inflation divergence between different countries of the euro area are documented by a growing body of evidence. This project aims to determine whether this phenomenon can be expected to be self-correcting or should be a cause for concern over the longer term, and what are the resulting policy options.

- The international economic policies of the European Union. The EU has external economic policies in many areas including trade, energy, development, environment, financial regulation, competition, technology, etc. This project aims to assemble analyses of these various policies, thus examining how far they add up (if at all) to a strategy and what are the comparative advantages of their different governance models.

- Finally, Bruegel is exploring the possibility of a partnership with a leading North American policy research institute to jointly explore a specific issue related to global economic integration.