Two-Speed Europe?

Minister for Finance
Magdalena Andersson

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Challenging times for Europe

First time asylum applicants
Percent of current population 2012 and 2014

Source: Eurostat.
Other challenges

- Climate
- External Security
- EU-sceptical opinions
- Economic Growth

GDP growth (y-o-y)
Economic challenges

- Diverging unit labour costs
- Low productivity and potential growth
- High public and private debt
- High unemployment
- Ageing population

<table>
<thead>
<tr>
<th>Figures for EU-28</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP (y-o-y)</td>
<td>1,7</td>
<td>-0,5</td>
<td>0,2</td>
<td>1,4</td>
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<tr>
<td>Public Debt</td>
<td>81,0</td>
<td>83,8</td>
<td>85,5</td>
<td>86,8</td>
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<tr>
<td>Inflation (HCIP)</td>
<td>3,1</td>
<td>2,6</td>
<td>1,5</td>
<td>0,6</td>
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<tr>
<td>Unemployment</td>
<td>9,7</td>
<td>10,5</td>
<td>10,9</td>
<td>10,2</td>
</tr>
<tr>
<td>- Youth Unemployment</td>
<td>21,7</td>
<td>23,3</td>
<td>23,7</td>
<td>22,2</td>
</tr>
</tbody>
</table>
Progress in some areas

• European Stability Mechanism
• ECB
  – Outright Monetary Transactions (OMT)
  – Quantitative Easing (QE)
• Reformed Economic Governance Framework
• Banking Union
• Financial support to crises countries
Different ways to organise cooperation

- Rely on market discipline
- Rules-based framework
- Institutionalised framework
Current proposals

Completing the EMU

Economic Union

Fiscal Union

Financial Union

Political Union
Possibilities and risks

+ Better coordination could lead to less economic imbalances within the Euro area

- Lack of popular support
- Could increase the divergence between ins and outs within the European Union
Are we moving to a Two-Speed Europe...

Steps are being taken to strengthen the Eurozone cooperation
…or a Multi-Speed Europe?
…or a Multi-Speed Europe?
...or a Multi-Speed Europe?

EU
Eurozone
Schengen
EFTA
Fiscal compact
Banking union
FTT
…or a Multi-Speed Europe?

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Cooperation constellations vary between areas

- Internal market
- External trade
- EU-budget
- Security policy priorities
Swedish perspective

• Want to be an active EU member – even if we are outside the euro
• Internal market regulations is a priority for Sweden
• Reasonable with closer cooperation but require more transparency for the Euro-group
• Common concerns should be discussed and decided by all 28 member states
• New initiatives should be open for all 28 member states as far as possible
Thank you!