



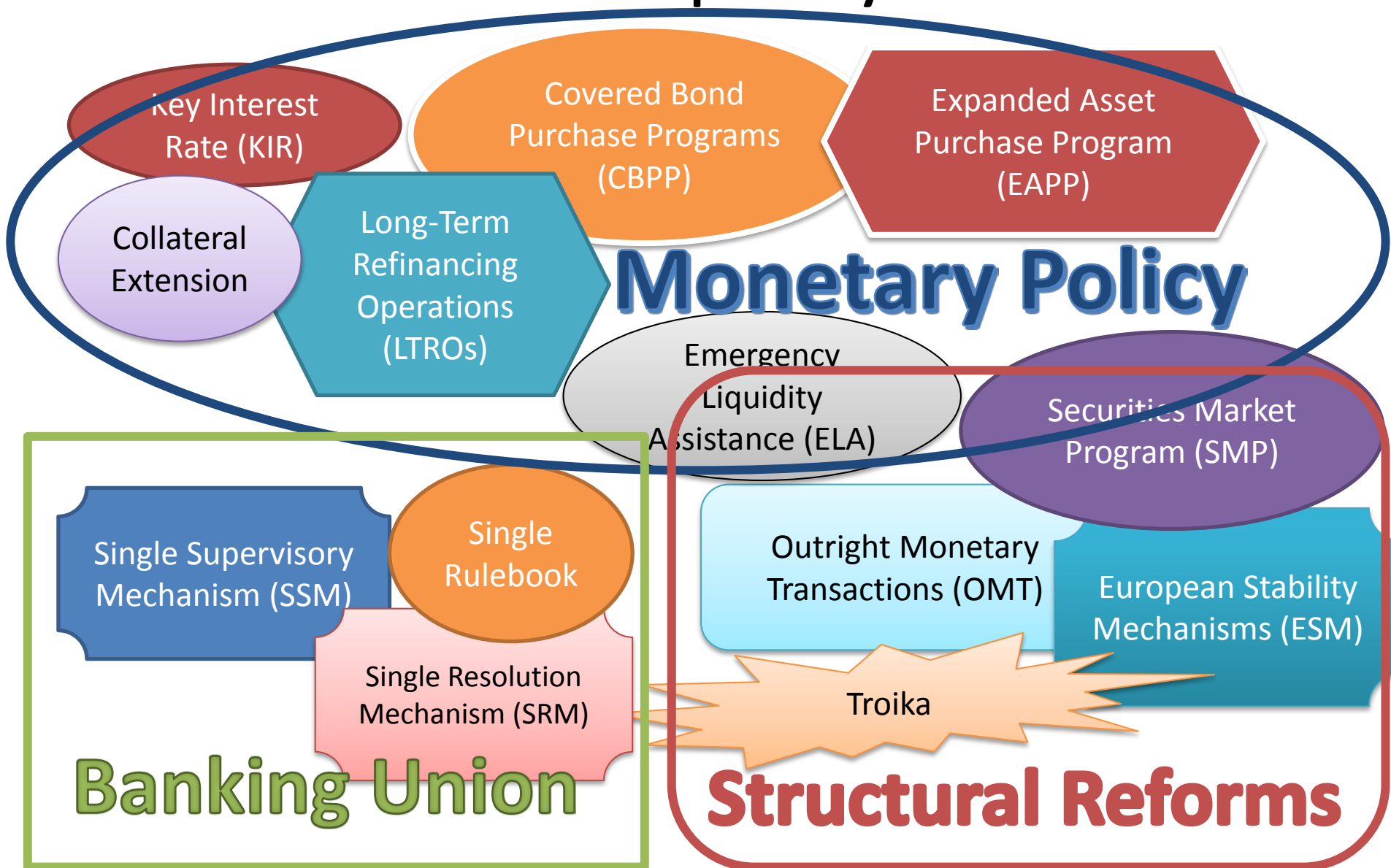
# The ECB and the Crises of the Eurozone

5<sup>th</sup> EU Expert Discussion of the Rosa-Luxemburg Foundation Germany  
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# The ambivalent policy of the ECB



# Structures of ECB activities in crisis

	Monetary Policy	Banking Union	Structural Reforms
Economic dynamic	Financial crisis (deflation, credit squeeze)	Banking crisis (systemic risk)	Euro crisis (debt, competitiveness)
Political setting	Global (monetary) governance	Financial market integration (BU)	European austerity & competition regime
Social Forces	Shadow banks and financial investors	Big banks (systemic relevant)	Transnational Corporations

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Politicization	Change operational mode (new policy)	Competence extension (new polity)	Power expansion (new politics)



**Brussels-Frankfurt Consensus Plus**

# A new consensus emerging?

- The old Brussels-Frankfurt Consensus (de Grauwe 2006)
  - Sound money
  - Sound finance
  - Labour market flexibility
  - No Financial Stabilization
- The new Brussels-Frankfurt Consensus **Plus**
  - Anglo-American Central Banking  
(crisis pragmatism, financial and money market orientation)
  - New Financial stability mechanisms and LLR
  - Even stronger enforcement of austerity and structural reforms



# Thank you!!!

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