Italian contribution on deepening the EMU

Executive summary

The Italian Government put forward in February 2016 a comprehensive position on the future of Europe included in the document[1] "*A shared European Policy Strategy for Growth, Jobs and Stability*". The current document focuses on the most relevant issues for the deepening the EMU, with a more detailed analysis of some of the topics in the Annexes.

1. A comprehensive approach for a more sustainable and resilient Economic and Monetary Union should aim at boosting growth potential while enhancing the adjustment capacity in all Member states, vis-à-vis both asymmetric and EU-wide shocks, also through better risk sharing.

The **governance framework** should provide the right incentives to growth-friendly fiscal policy and to continuous reform effort to foster convergence. The Euro area needs an aggregate policy stance and an EMU-wide growth strategy which goes beyond the mere sum of national performance. Fiscal space should be fully used to spur actual and potential growth; at the same time, restoring a sustainable pace of growth and job creation is also the most effective way to keep debt on a sustainable path. More symmetry is needed in macroeconomic adjustment and contribution to the overall growth performance of the euro area. Fiscal rules should prove their adequacy to cope with a challenging economic environment which despite improved short term developments is still negatively affected by the lingering effects of the crisis and uncertain future prospects, (see Annex 1).

2. Large scale **European investment** initiatives should be promoted to enhance growth potential and ground the current recovery on solid bases. To reverse the fall in investment at the European level and promote innovation, knowledge-intensive initiatives, focusing on human capital, research, innovation and high-level education should be adequately supported. Genuine European investment initiatives

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[1] Available at the following link : http://www.governo.it/sites/governo.it/files/ASharedPolicyStrategy_20160222.pdf

should finance those European common goods that can be better provided at a systemic level such as borders, security, large scale projects, defence. The refugee crisis still requires an effective common European response to provide immediate relief and design common initiatives to facilitate integration. The rapidly changing geopolitical scenario makes it necessary to strengthen the European Union's defence and security capabilities. Besides strengthening existing instruments like the Juncker plan, the EU budget should be tasked with the aim to cover the financing of common European goods while Member States should also consider the recourse to a fiscal capacity based on specific revenue sources as well as a mutualized funding mechanism which could entail issuance of common bonds, (see Annex 2).

3. A **European Unemployment Benefit Scheme** would provide the Euro Area with an instrument that mitigates the impact of particularly pronounced shocks that would affect employment, reducing the cost of the area's stabilisation which today is either incomplete or absorbed primarily by the monetary policy. The transfer of the resources from the fund would be only made in the presence of significant shocks in the participating countries; the resources transferred would be proportional to the intensity of the shock. The design of the mechanism avoids prolonged or significant unidirectional transfers of resources between countries over time. The mechanism could be activated to limit the effects of asymmetric shocks only; should the Euro Area wish to be more ambitious and effective, it could also tackle symmetric shocks. The Treaties in force allow for the creation of a European fund for unemployment benefits applicable to the Member States of the Euro Area, (see Annex 3).

4. A genuine Economic and Monetary Union requires a complete and well-functioning **Financial Union** to (i) translate monetary policy uniformly in interest rates prevailing in banking and capital markets across the euro area (ii) ensure that the Single Market is well served by truly transnational EU banks and capital markets. A well-functioning Financial Union cannot be fully established until the **Banking Union** is **completed** with a EU public backstop and an European Deposit Insurance

Scheme in force and until major progress is made in carrying forward ambitiously the Capital Markets Union[2].

5. The institution of the **European Stability Mechanism** (ESM) has been a major advance for the management of sovereign crises, through the use of pooled resources. To fully exploit its role, while preserving its ultimate firewall function, the ESM could take up additional tasks that would follow the development of further EMU integration. In the shorter term, the ESM would become a fully-fledged backstop to the Single Resolution Fund to effectively safeguard financial stability in the Union; in the medium term it could manage the implementation of a common unemployment benefit scheme, a first step in developing a stabilization function to cope with asymmetric shocks and help in building the necessary trust for more ambitious initiatives in the future.

6. In the long term, the Monetary Union should be equipped with a genuine fiscal capacity tailored to the tasks of promoting investments and smoothing the cycle. Those functions should be managed by a **Eurozone Finance Minister**. The value added of a Eurozone Minister would be to run a common fiscal policy and to ensure that a coherent and internally balanced fiscal stance is pursued at the aggregate level. To this end, a Eurozone budget would be needed, with adequate resources. Of course, such a Minister would have to be politically accountable and endowed to play this role. While this figure could be enshrined within the European Commission – along the lines of the High representative – it would be important to have a strong link with both the European Parliament and Council. She/he will also chair the Eurogroup.

[2] An extended description of the Italian position on the future of the CMU can be found at the following link: http://www.politicheeuropee.it/attivita/20256/consultazione-pubblica-sul-piano-dazione-per-lunione-dei-mercati-dei-capitali)

Annex 1 - Deepening the EMU: economic governance to boost growth

1. A comprehensive approach for a more sustainable and resilient Economic and Monetary Union should aim at **boosting growth potential while enhancing the adjustment capacity** in all Member states, both vis-à-vis asymmetric and EU-wide shocks, also through better risk sharing. Indeed, risk sharing can be a driving force behind reforms and towards implementation of coherent measures across countries.

This policy objective can be fully achieved with a mix of short and longer term policy measures. Action must be accelerated on several fronts: structural reforms, investment, employment, the financial sector, including banks and capital markets, and the internal market. Actions on the different fronts are complementary and mutually reinforcing.

2. **The governance framework must provide the right incentives to growth-friendly fiscal policy and to continuous reform effort**. Further steps are urgently needed vis-à-vis protracted historically low levels of investment and employment.

The Commission's communication on flexibility in the Stability and Growth Pact marked a step forward in improving the policy mix. It creates the appropriate **incentives for reforms and investment.** It strengthens the coordination between structural and fiscal policies triggering a virtuous circle: structural action and investments boost medium-term growth thus supporting consolidation of public finance. Its scope could be extended in making it more accessible to member states and in considering the multiannual dimension of investment and reforms.

3. **Fiscal space should be fully used to support growth**. At the same time, restoring a sustainable pace of growth and job creation is also the most effective way to keep debt on a sustainable path. **More symmetry is needed in macroeconomic adjustment**. Very large current account surpluses have a negative impact on the overall functioning of the Eurozone just as current account deficits. In addition, asymmetries in the adjustments to both internal and external imbalances in the absence of a balanced distribution of the efforts to support a common policy stance, contribute to uncertainties and to the lack of economic convergence within the EU. To the extent that they reflect excess savings surpluses

they should be addressed by policies spurring investment, both private and public. A more cooperative approach to support demand would lead to a win-win equilibrium complementing structural reforms. The macroeconomic imbalance procedure should be implemented more effectively to this end.

The new **European Fiscal Board** should take a pan-European view in its analyses and contribute to the formulation of policy recommendations for the euro area as a whole. This is key to develop an aggregate policy stance and an EU-wide growth strategy which goes beyond the mere sum of national performance.

4. **Fiscal rules should prove their adequacy to cope with a challenging economic environment**. A framework designed for normal conditions of growth and inflation has proved incapable to effectively tackle the impact of very low nominal growth on potential growth and on debt dynamics. These shortcomings have implications for the measurement of fiscal indicators on which policy recommendations are based and should be addressed. Price developments should be more effectively embedded in fiscal rules. A revision of the approach to assess potential output and cyclical conditions should be put in place.

5. **More coordination and benchmarking will stimulate reforms in all countries, facilitate domestic political support to reforms and improve implementation**. A more coordinated effort among countries and policy instruments generates positive spillovers that testify for the added value of being part of an economically integrated area. Moreover, convergence and coordinated structural adjustment would bring more symmetry in macroeconomic adjustment.

All countries need to boost the reform effort. Structural reforms would support rebalancing both in surplus and deficit countries as they open profit opportunities that stimulate investment. This would also facilitate the implementation of a more balanced fiscal stance for the Eurozone as a whole and reduce current overburdening of monetary policy.

Furthermore, a much closer link should be established between the analysis and policy recommendations at the aggregate level and their implications for individual countries, taking into account the spillover effects of national economic policies on other countries.

Annex 2 - Deepening the EMU: financing truly European common goods (e.g. borders, large scale investment, security, defence)

Genuine **European investment initiatives** should finance those European common goods that can be better provided at a systemic level such as borders, security, large scale investments, defence. Besides strengthening existing instruments like the Juncker plan, the EU budget should be tasked with the aim to cover the financing of common European goods while Member States should also consider the recourse to a fiscal capacity based on specific revenue sources as well as a mutualized funding mechanism which could entail issuance of common bonds.

1. **The migration challenge.** Europe is facing formidable and systemic challenges represented by the influx of migrants and asylum seekers. The refugee crisis is clearly a systemic issue, in large part of an asymmetric nature, which puts Europe to the test. Countries on the frontline are facing high costs to face an humanitarian crisis on behalf of the European Union. The Schengen agreement is one of the main achievements of European integration and must be preserved and strengthened. Any tightening of internal border controls would be detrimental to free movement of labour and goods with negative consequences of unpredictable impact.

The issue is widely perceived by the public opinion as requiring a common European response, to provide immediate relief and design common initiatives to facilitate integration. Also the subsidiarity principle points to the need of a European dimension to deal with the size and complexity of the issues at stake. A common and shared response is necessary. A long term refugee policy is required as the phenomenon is expected to last. Sharing the responsibility for the management of external borders between the EU and the relevant Member states would represent a powerful response. Financial and human resources from the EU should complement national policies for rescue operations, administration of hotspots and first integration of refugees reaching the European frontier.

2. **Investment to boost growth potential.** Over the recent past, the fall in investment in the European countries has been dramatic and widespread; its reversal is still slow. To help reverse this

trend, the Commission has launched the Juncker Plan and created the European Fund for Strategic Investment (EFSI).

Knowledge-intensive initiatives, focusing on human capital, research, innovation and high-level education are investments with the highest growth potential and should be adequately supported. To this aim the ongoing common initiatives such as the extension and improvement of the EFSI (so called EFSI2 proposal) should be swiftly implemented, while further ways to leverage the resources in synergies with the European Structural and Investment Funds and national promotional Banks could be explored.

To expand investment countries should fully use their fiscal space, where available, while the governance framework should provide for further incentives for investments in European common public goods also at national level (see also Annex 1).

Finally, further common European initiatives such as large scale investments to enhance EU growth potential where there are clear market failures (e.g. natural monopolies, public goods, significant positive externalities) could also be financed by joint debt issuances.

The on-going efforts to revitalize the Single market, targeted at removing obstacles to the single capital market and creating a genuine Capital Markets Union, overcoming the segmentation of the energy market, and promoting the digital economy and innovation go in the right direction, but are not sufficient by themselves. With regard to energy, the integration of national markets would have a significant impact on the competitiveness of the European economy. Further steps at the national level would complement progress towards the single market by creating conditions to facilitate investment opportunities. Areas where reforms would deliver considerable benefits include public administration reform, including access to public procurement and reform of civil justice, including insolvency regimes. Finally, progress in addressing unfair tax competition and in achieving more transparency in the tax area can greatly benefit cross border business activity and improve consumers' welfare.

The most promising source of growth in an ageing economy such as the EU is innovation-driven productivity. In this respect the goal of a shared growth strategy should be to move towards a fully-fledged Innovation Union, i.e. the EU should adopt an integrated set of initiatives, to stimulate knowledge creation through investment in education and research, which are the main drivers of innovation.

3. **Defence and security.** The rapidly changing geopolitical scenarios make it necessary to strengthen the European Union's defense and security capabilities, in complementarity with the common external policy, also through the development of an efficient and competitive internal market. The European defense integration project should identify concrete instruments to promote industrial co-operation and remove those obstacles which have restricted so far the integration and competitiveness of the European defense sector. Moving from the early experience of the European Defense Fund, mutualization mechanisms could be identified for specific joint projects, being aware that in the medium term this would lead also to overall savings.

Annex 3 - Deepening the EMU: the creation of a European Unemployment Benefit Scheme

1. In October 2015 the Italian government proposed the creation of a European Unemployment Benefit Scheme (EUBS), reviving the discussion already initiated about the issue at the informal ECOFIN organised by the Italian Presidency in 2014. The objective is to provide the Euro Area with an instrument that (a) mitigates the impact of particularly pronounced shocks that would affect employment in the absence of any changes in the exchange rate; (b) as a consequence, that would prevent an increase in cyclical unemployment from turning into an increase in structural unemployment. Furthermore, the EUBS would reinforce the governance of the Monetary Union, and contain the uncertainty about its prospects, reducing the cost of the area's stabilisation which today is either incomplete or primarily absorbed by the monetary policy.

2. The resources transferred to the beneficiary countries will be **solely used for policies in favour of the unemployed**, in respect of the specific characteristics of the national labour markets. From the standpoint of labour policies, the fund would contribute to the budget of the national institutions put under pressure by a significant deterioration of the labour market. From the standpoint of the recipients, the European unemployment benefits could provide **a basic coverage** in terms of duration and the rate of substitution vis-à-vis the salary previously earned (e.g. 6-8 months and 40 percent, respectively). The national administrations responsible for the disbursements of the subsidies will be required to indicate the portion of individual unemployment benefits paid by the fund. Such reporting would allow citizens of the Member States to see concrete European action in fighting unemployment, and this would be an important sign of European integration and vitality, which is needed for reinforcing faith in the European project.

3. **The only condition set by the EUBS is that the resources have to be used for active and passive labour policies.** In imposing conditions about active and passive policies, the EUBS could stimulate convergence of labour market institutions in the Euro Area. However, there are already other mechanisms in place for prompting Member States to adopt structural reforms in the labour market,

e.g. the country specific recommendations, the macroeconomic imbalance procedure, and the clause for structural reforms. The main objective of the EUBS is instead that of preventing a particularly harmful cyclical trend from negatively impacting employment. However, the EUBS would also have an indirect beneficial effect on long-term economic trends since it would limit the risk of a cyclical shock resulting in structural unemployment (hysteresis).

4. With the perspective of maximising social well-being, a European Unemployment Benefit Scheme could, and actually should, redistribute resources in favour of the weaker segments of the labour market. This would also be in the interest of the stronger economies, but since it would imply transfers between countries (a very sensitive issue at present), **the proposal has been developed in a manner to exclude permanent transfers between Member States.** The design of the mechanism avoids prolonged or significant unidirectional transfers of resources between countries over time since:

- ✓ the transfer from the fund is to be made against **a cyclical shock and not by virtue of structural disparities**. A country with high structural unemployment and weak labour market institutions will not receive any transfer of EU resources unless it is affected by a shock; furthermore, such country remains responsible for resolving its own structural inefficiencies. At the same time, the mechanism will be activated in favour of a solid country that has undertaken structural reform of its economy, but which, despite lower structural unemployment, is dealing with a cyclical shock;
- ✓ since the mechanism is activated in response to cyclical movements only, and shocks tend to be evenly distributed among countries over the long term, **there will be no countries that are net beneficiaries or net contributors for significant amounts over the long term**, as demonstrated by the results of the simulations (see below);
- ✓ the entire **transfer received must be repaid over time** (see below).

5. The transfer of the resources from the fund would be made only in the presence of **significant shocks** to employment (and/or economic activity) in the participating countries. The mechanism could

be activated to limit the effects of asymmetric shocks only; should the Euro Area wish to be more ambitious and effective, it could also tackle symmetric shocks.

The resources that the fund would transfer to the beneficiary country would be **proportional to the intensity of the shock** and, in any event, **limited to 200% of the contribution paid** by the country. Once that threshold would be reached, the beneficiary country would have to wait for five years before being able to access the fund resources again.

The transfer of the resources would be automatic; namely, the fund manager would have no discretionary power with respect to if transferring the resources or with respect to the amount of the transfer. The mechanism would be automatically activated on the basis of a formula in which the variable chosen for tracing the performance of the labour market (and/or the whole economy) would be evaluated with respect to:

1) the trend of the variable **in the other Euro Area countries** in the period considered,

and, in the case of an EUBS that sets the objective of also dealing with symmetric shocks,

2) the trend of the variable **over time** for the individual Member State.

The same variable would be used for identifying the intensity of the shock, and, therefore, the amount of the transfers.

The **relative weights** of components (1) and (2) reflect the decision of focusing the transfer of resources mainly on asymmetric or symmetric shocks, respectively. As the value of component (2) increases and thus the fund's role in stabilising symmetric shocks increases, the size of the fund needed to ensure a sufficient stabilising function also increases. Obviously, if the objective is to limit the action to asymmetric shocks only, component (2) would not be relevant.

The measurement of the shift of the employment (and/or the economic activity) with respect to the two components could be **done twice a year**, for example, at the time of the European Commission's Spring and Autumn forecasts.

6. The size of the fund will be equal to **0.5 percent of the Euro Area GDP**, or approximately €50 billion when considering 2015 GDP. This amount of resources is capable of ensuring an adequate

function of stabilising the economic cycle in the midst of asymmetric shocks. Should there be a decision to having the EUBS also stabilise the cycle in the midst of symmetric shocks, the amount of resources required could be greater than the aforementioned threshold.

The fund will be financed:

1) **by Member States** (0.5 percent of GDP) **in order to deal with asymmetric shocks,** through resources that the Member States would independently identify within their public budgets;
2) **through the issuance of bonds**, **should the fund provisionally run out of resources or should the EUBS be also responsible for dealing with symmetric shocks.** Such securities would be marked by an extremely low risk profile and thus an extremely limited return. The issuance of bonds would not lead to any assumption of pooling national public debts; instead, it would be justified as a measure necessary for financing a project of common interest among the Euro Area Member States.

7. During the initial period of the fund's operation (first five years), each country would annually contribute 0.1 percent of national GDP; if an asymmetric shock was to occur during this period, the fund would transfer to the affected country a portion of the transfer to be paid when the mechanism is fully operational, namely $i/5^{th}$ ($i = 1$ to 5) [3]. Once the fund is fully operational, the Member States would each contribute annually an amount equal to 0.5 percent of their GDP growth rate.

8. During the years following the transfer, the **beneficiary country will gradually and completely repay the resources received**, with the return to more favourable macroeconomic conditions having been verified (see the simulations for a possible definition).

9. The treaties allow for the creation of a European fund for unemployment benefits applicable to the Member States of the Euro Area. In effect, the European Union is empowered to set up funds for reinforcing, inter alia, social cohesion, and it may adopt specific actions that prove necessary outside of the existing funds (Article 175, Paragraph 3, Treaty on the Functioning of the European Union). The

[3] The involvement of the ESM in the financial and administrative management of the fund could be envisaged already during the transition phase; this, however, would require the amendment of the international agreement setting up the ESM, whose mandate covers risks originating in one of the Member States for the financial stability of the Euro Area as a whole or its Member States, and in particular, for the sustainability of the public debt of the State affected by ESM intervention (Articles 3 and 13).

European Union would act with ordinary legislation (therefore, the European Parliament and Council would be co-legislators on perfectly equal footing). The sphere of application of the fund could be limited to the Member States of the Euro Area pursuant to Article 136, Treaty on the Functioning of the European Union.

Alternately, should this construction be considered insufficient to justify the creation of the fund, the provisions mentioned above could be supplemented by the flexibility clause (Article 352, Treaty on the Functioning of the European Union). In such case, the Council would vote unanimously subject to approval of the European Parliament.

Simulations on the European Unemployment Benefit Scheme for the 1999-2015 period

Several simulations are presented below with respect to the European Unemployment Benefit Scheme (EUBS), assuming the scheme was active during the 1999-2015 period. A number of assumptions were made about specific variables to be used and the related threshold values in order to render the EUBS operative. The assumptions should be considered as purely illustrative.

Assumptions

The **transfer of the resources from the fund** would occur:

a1) in the event of an employment trend in the country worse than the area average by at least one percentage point in the same year (component α, which approximates an asymmetric shock); the existence of such condition would trigger a disbursement of between 0.5 percent and 1.0 percent of the Member State's GDP, proportional to the intensity of the shift from the average trend in the area;

a2) eventually, the scheme being designed also to tackle symmetric shocks, in the event of a decrease in employment in the country compared with the previous year with an intensity above 1.0 percent (component β, which approximates a symmetric shock); the existence of such condition would trigger a disbursement equal to 0.5 percent of the Member States' GDP.

For the purposes of these simulations, a decision was made to use the stock of the employed rather than the unemployed, the former variable being statistically more robust than the latter. It is noted nonetheless that, with both indicators, the simulations produce similar results in the distribution of resources among countries and in the fund's balance.

In fact, assuming the transfer of resources in the presence of an unemployed growth in excess of 10 percent over the previous year or the Euroarea average, , the fund would have transferred resources 43 times in the period considered versus the 47 recorded when considering the stock of the employed. The distribution of the disbursements by country would also not be significantly different.

Tables 1 and 2 report the changes in employment in the various countries that would have led to the transfer of fund resources during the 1999-2015 period, in the presence of asymmetric and symmetric shocks, respectively.

In any event, the **overall ceiling on disbursements** remains at 1.0 percent of GDP for an individual country during one year; once such threshold is reached, the beneficiary country must wait at least five years to be able to access the fund's resources again.

In each of the years following the disbursement, the beneficiary country is to repay one-fifth of the resources received, until the entire sum has been repaid, with an increase in employment having been verified. In essence, the repayment period may extend beyond five years if the country were to be affected by new shocks; before the entire sum is repaid to the fund, the benefited country cannot receive any new disbursements, even in the presence of significant shocks.

Each of the Member States will annually contribute to the fund a sum equal to 0.5 percent of the its GDP growth rate.

The figures below report the results of the simulations run assuming that the EUBS is activated:

a) only in the presence of asymmetric shocks (component α);

b) in the presence of asymmetric and symmetric shocks (component α and/or component β);

In both cases, the disbursements between 1999 and 2015 are sufficiently evenly distributed among the countries of the Euroarea; obviously, the funds transferred are in larger amounts for the larger countries, which, in turn, are the main contributors (Figures 1 and 2).

Considering the net balance between the disbursements received, the repayments made, and the annual contributions to the fund, as a percentage of GDP, the disparities between the countries are limited (Figures 3a and 4a). In reality, such disparities only highlight the fact that some of the participating countries, by virtue of the distribution of the shocks over time, will need to finalise the repayment of portions of the transfers received after the year in which the series ends; each country operates in a state of financial equilibrium over the long term, considering the requirement for the full repayment of the transfer. Considering, for example, the operation of the fund through the year of 2010, the net balances will change significantly among the Member States with respect to the entire 1999-2015 period (Figures 3b and 4b).

With reference to the fund's financial resources, the configuration assumed would lead to a slight deficit only in the years of 2005 and 2006, thereby requiring, at the most, bond issues equal to 2 percent of the fund's initial balance (Figure 5).

It is noted that the simulations do not incorporate:

1) the stabilisation effect produced by the operation of the fund, which probably would have generated a more favourable trend in the Euroarea as a whole, and in all of the Member States; it is therefore possible to assume a smaller number of significant shocks vis-à-vis those indicated in Tables 1 and 2;
2) the reduction of the systemic uncertainty in the Euroarea connected with the introduction of the fund, which would also support demand and growth in the Euroarea.

Table 1

Trend of employment versus the average for the area (asymmetric shocks)

(Difference from the Euroarea mean, the table presents only variations of intensity above 1.0 percent)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Belgium			-2.6					-1.2									
Germany		-1.4	-1.3	-1.8	-1.9	-1.3											
Estonia	-5.9	-1.8		-1.2					-1.3		-6.9	-3.3					
Ireland										-1.3	-5.2	-2.8	-1.8				
Greece									-1.2			-2.5	-7.6	-8.0	-4.2		
Spain										-1.3	-4.4		-1.6	-3.5	-2.6		
France							-1.6	-1.3									-1.8
Italy							-1.4		-1.3						-1.2		
Cyprus	n.a.	n.a.	n.a.											-2.2	-4.2	-2.0	-2.3
Latvia	-3.7	-3.9	-2.2			-1.2					-1.9	-4.2				-1.3	
Lithuania	-3.5	-6.0	-4.1			-1.5		-2.6		-2.8	-5.7	-4.3					
Luxembourg								-1.4		-1.5							
Malta	-2.0	-2.0															
Netherlands					-1.6		-1.6					-1.1				-1.4	
Austria	-1.6	-1.4	-1.1	-1.5		-3.7											
Portugal					-1.5		-1.7	-1.3	-1.7				-2.6	-3.7	-1.7		
Slovenia	-2.6			-1.5	-1.8								-2.7		-1.7		
Slovakia	-4.3	-3.0										-1.5					
Finland					-1.2											-1.2	-1.5

Trend of employment compared with previous year (symmetric shocks)

(The table presents only the data in which intensity decreases by more than 1.0 percent)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Belgium																	
Germany																	
Estonia	-4.0										-8.7	-4.2					
Ireland											-7.4	-3.7	-1.7				
Greece											-1.1	-3.5	-7.5	-8.6	-4.8		
Spain											-6.2	-1.8	-1.5	-4.2	-2.7		
France																	
Italy											-1.4				-1.6		
Cyprus	n.a.	n.a.	n.a.											-2.9	-4.8		-1.4
Latvia	-1.8	-2.0									-12.7	-5.2					
Lithuania	-1.7	-4.0	-2.5							-1.8	-7.5	-5.0					
Luxembourg																	
Malta																	
Netherlands												-2.7					
Austria						-2.9											
Portugal											-2.8	-1.2	-2.5	-4.3	-2.3		
Slovenia											-1.8	-1.4	-2.6		-2.2		
Slovakia	-2.5										-2.5	-2.4					
Finland											-2.7				-1.1		

Figure 1

Disbursements per year and country (asymmetric shocks)

(€ mn)

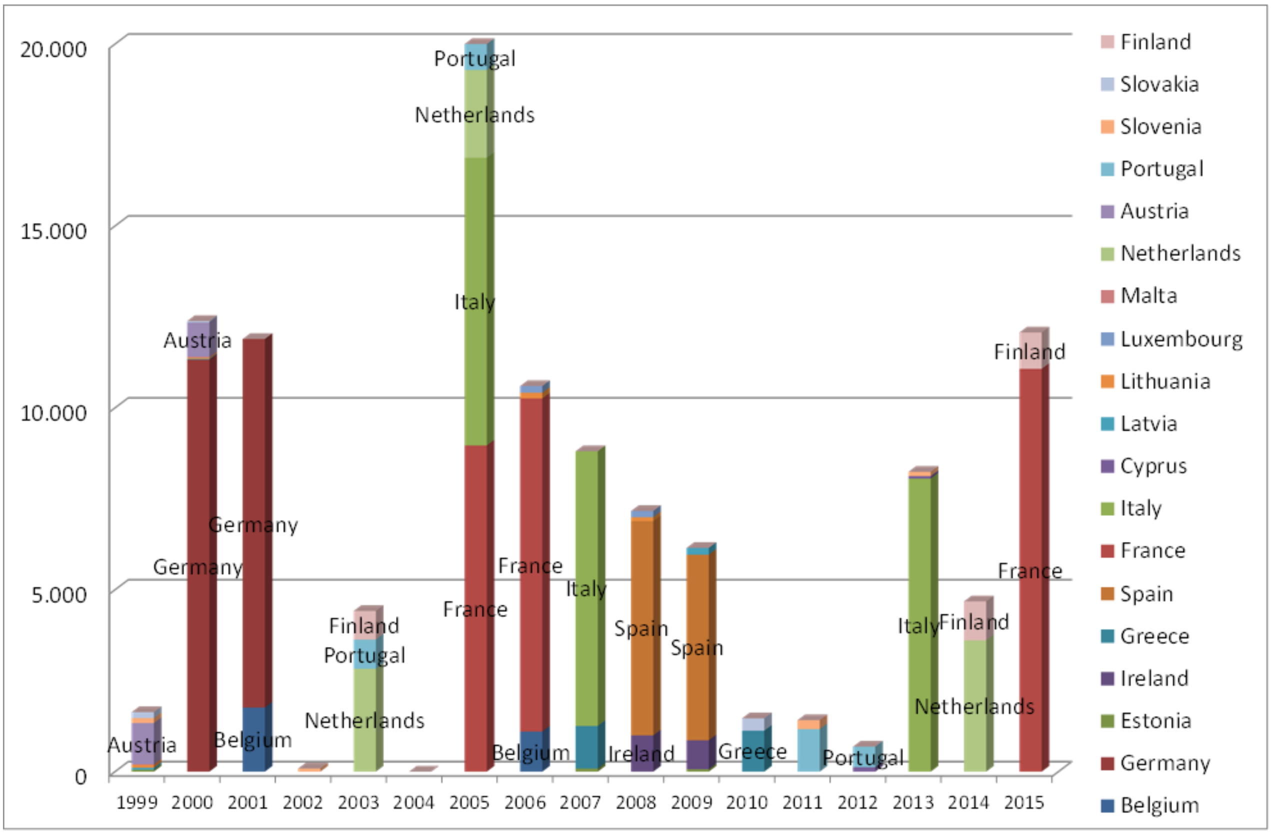


Figure 2

Disbursements per year and country (symmetric and asymmetric shocks)

(€ mn)

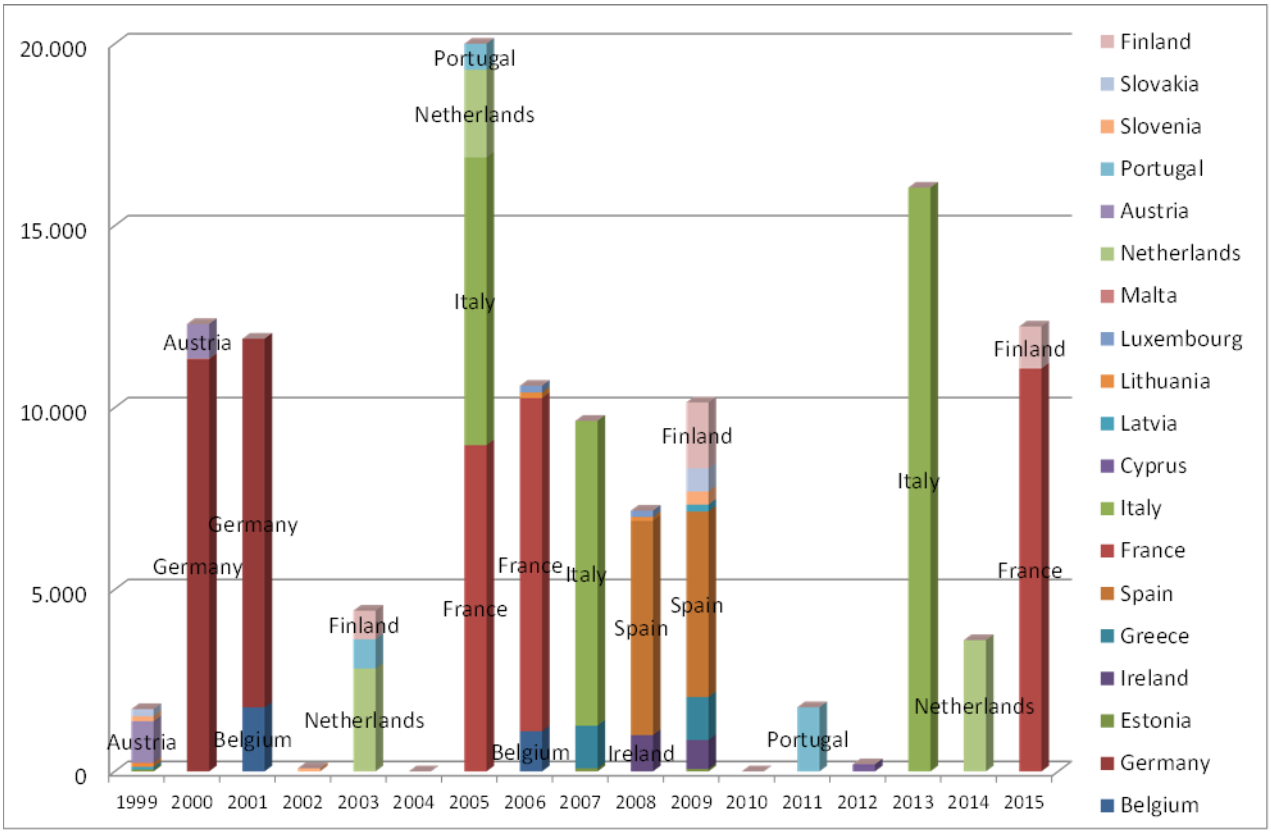
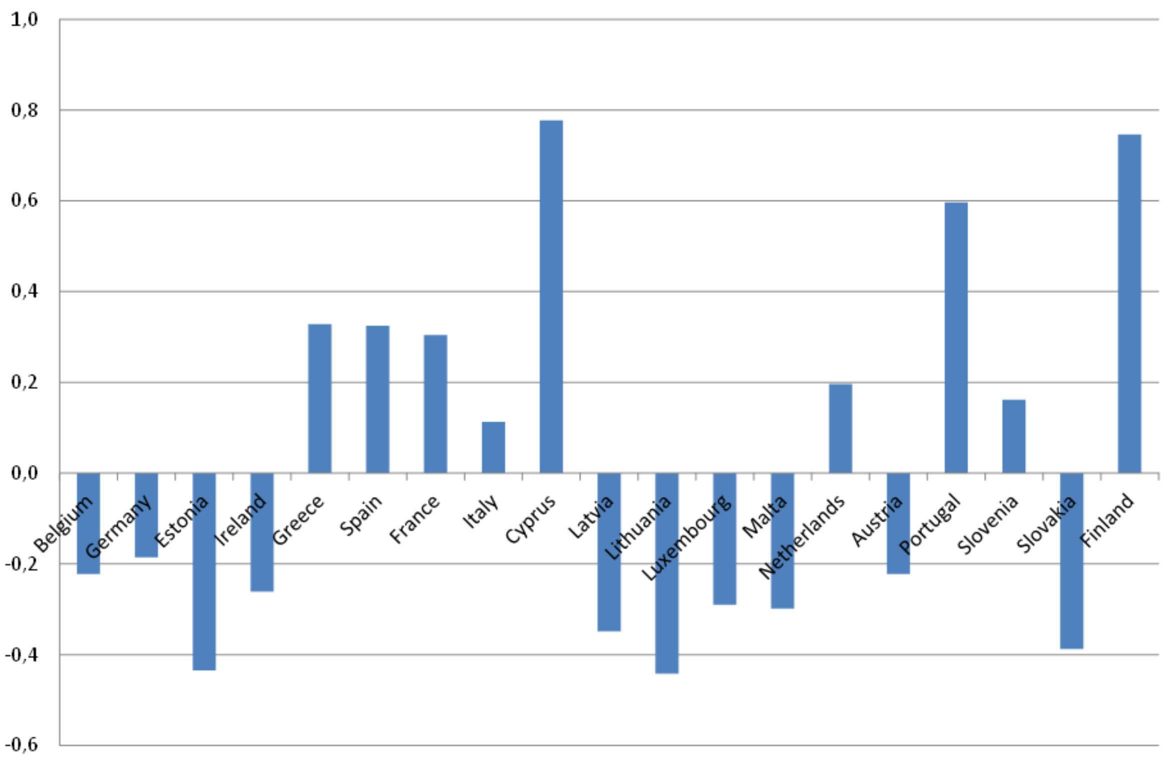


Figure 3

Balance between transfers received, repayments and annual contributions (asymmetric shocks)

(% of GDP)

(a) 1999-2015



(b) 1999-2010

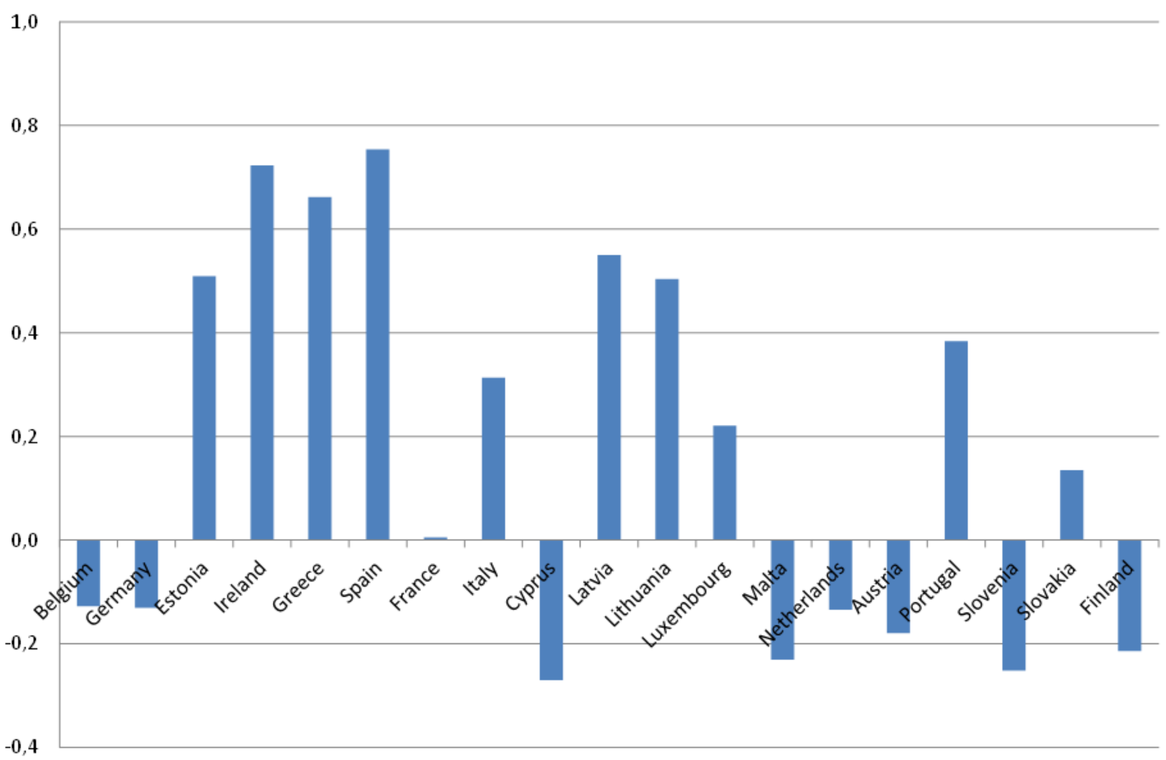
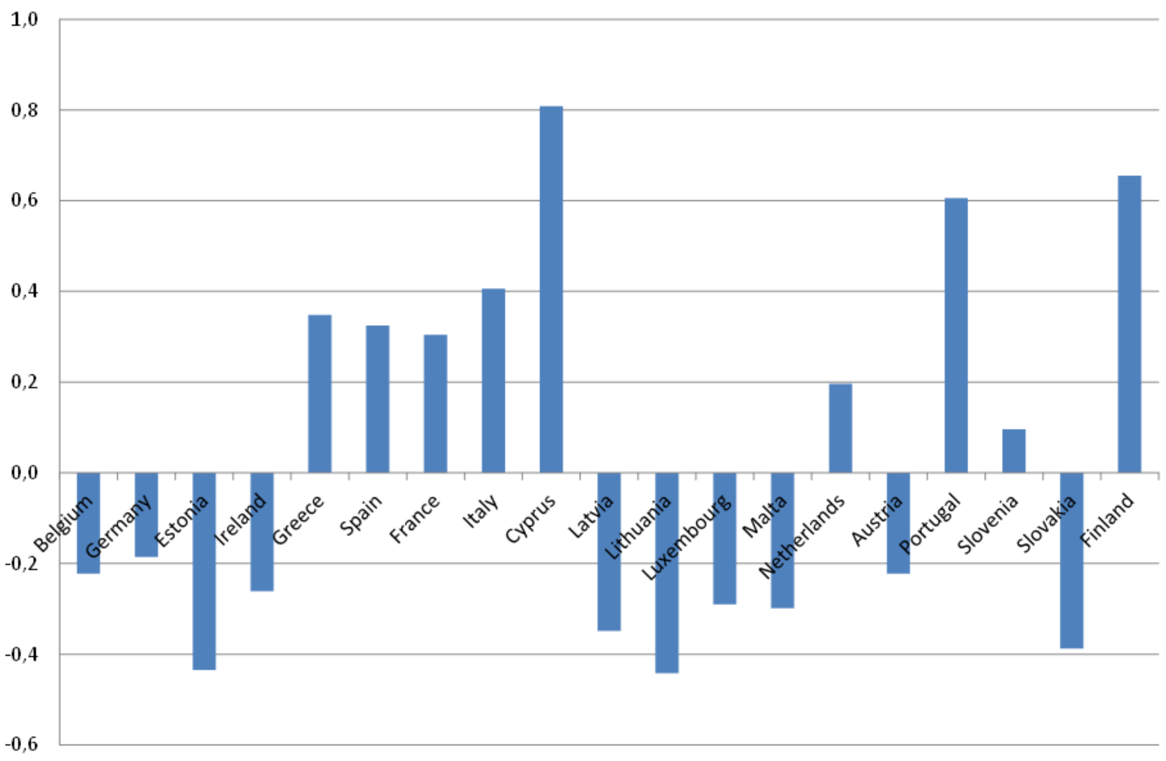


Figure 4

Balance between transfers received, repayments and annual contributions (symmetric and asymmetric shocks)

(% of GDP)

(a) 1999-2015



(b) 1999-2010

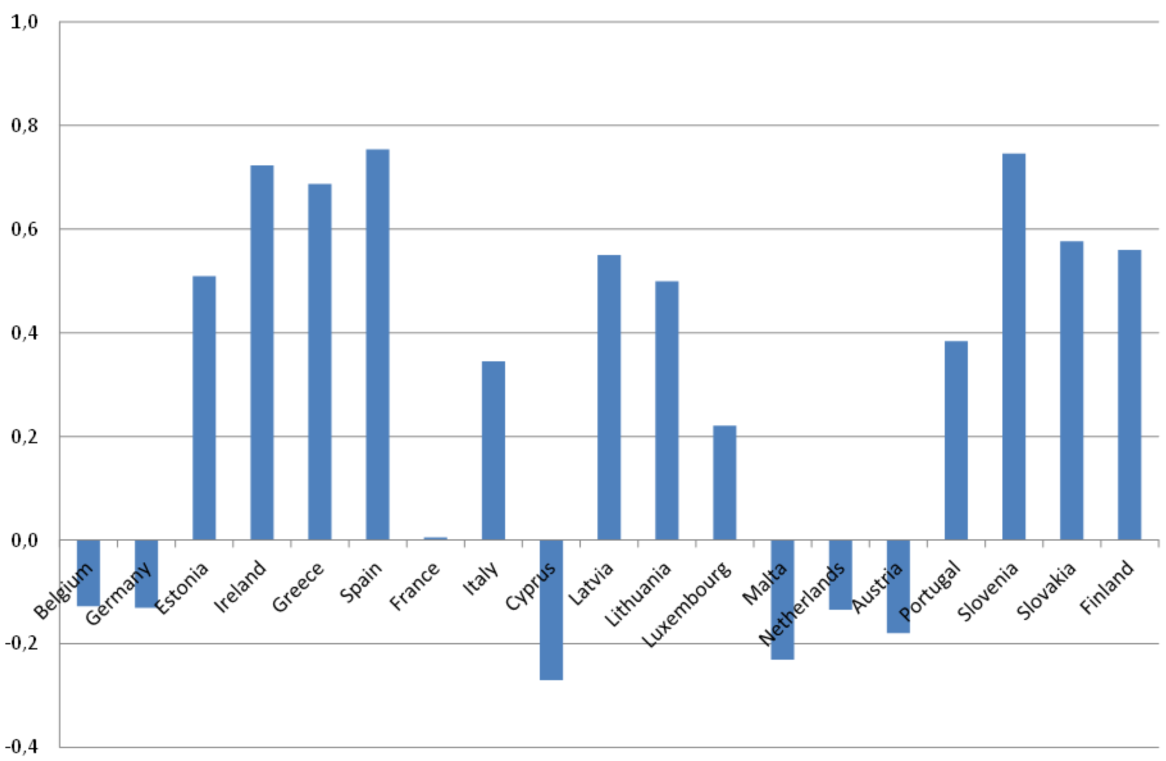


Figure 5

Fund resources (asymmetric shocks)

(€ mn)

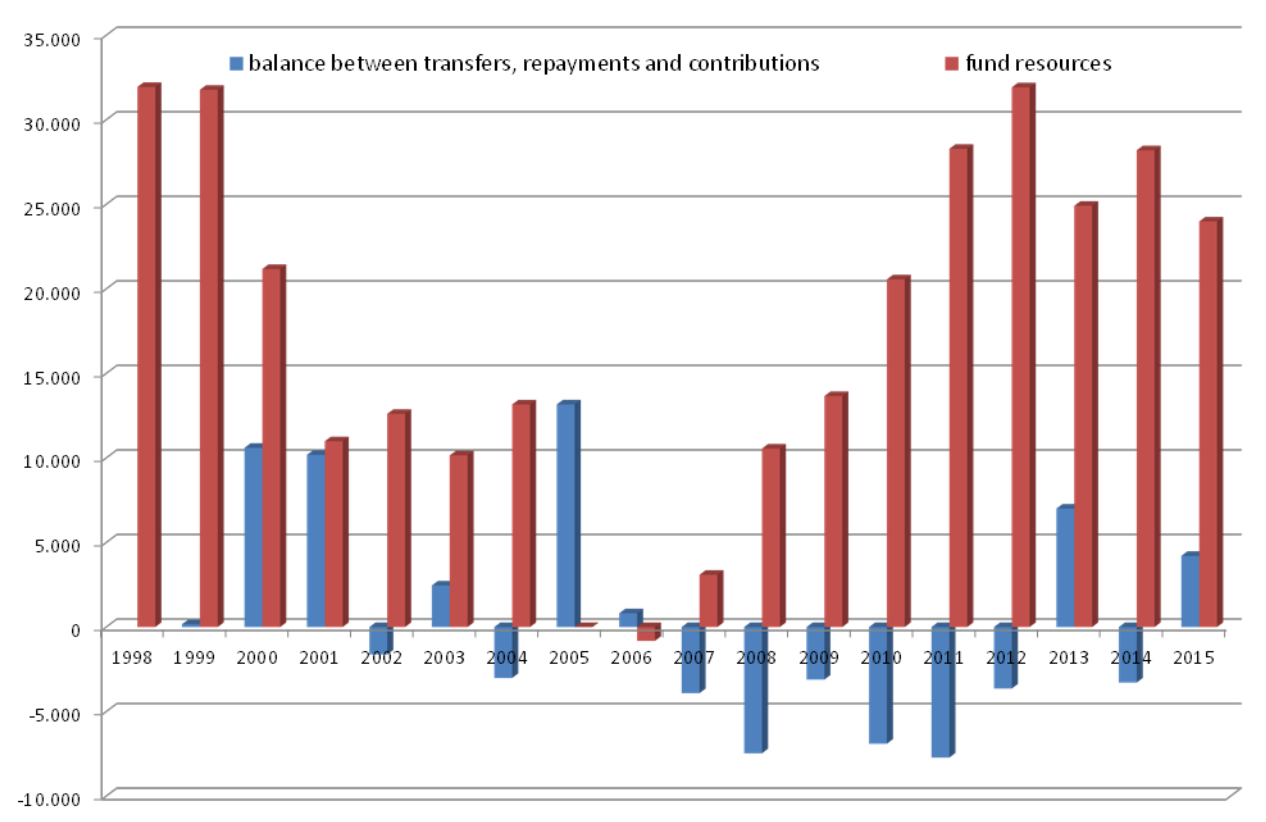


Figure 6

Fund resources (symmetric and asymmetric shocks)

(€ mn)