22nd Forum Financial Market Regulation of 10 March 2016

The vicious circle between sovereign and banking crises: case studies from the euro area and policy responses

The existence of vicious circles between sovereign and banking crises is well documented in academic literature and became evident during both the recent (2007-2009) international financial crisis, and the current (since 2010) fiscal (and/or debt) crisis in the euro area. During the recent international financial crisis, it was mainly failures in the financial system which caused fiscal imbalances and triggered a fiscal crisis in certain euro area Member States. On the other hand, the current fiscal crisis in the euro area demonstrated how a sovereign crisis may negatively affect the banking system – the Greek case being now a textbook example. The primary policy response in the European Union in order „to break the vicious circle between banks and sovereigns“ was the creation of the European Banking Union (EBU).

Agenda

12:15 p.m. Welcome
Prof. Dr. Rolf Sethe

12:20 p.m. Presentation
Prof. Dr. Christos Gortsos, Panteion University of Athens

12:50 p.m. Open discussion

1:45 p.m. End of the event