

# IMF Surveillance in Europe

## A Political Economy Perspective

Seminar of IMF Task Force of Eurosystem's International Relations Committee

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## Seven “Traction” Steps for IMF Surveillance of Europe

### “INTEGRATION” TRACTION

1. *Fuller integration of euro area and national surveillance.* Include ref. to EA policies in national Art IVs and Risk Matrices. “EA surveillance report” idea. Overall consistency of recommended fiscal stance.

### POLITICAL TRACTION

2. *Full involvement of Minister in national Article IVs.* Participation in final meeting, with whole team on and in format conducive to in-depth discussion. Press conference and customized outreach strategy.
3. *High-level engagement and participation at euro area level.* More substantive discussion of mission conclusions by Eurogroup Ministers (EWG preparation). High-level final press conference (with MD, Presidents of euro area and of ECB, and EU Economics Commissioner).

### POLICY TRACTION

4. *Parsimony of recommendations.* Analogies with conditionality; macro-criticality. In line with “consistency and focus” theme of 2014 TSR.
5. *Ownership and country-specificity.* Meshing of recommendations with country policy priorities. Need to be closely attuned to country’s political economy. Related issues of team continuity, nationality, language and cultural affinity. Trade-offs.

### EU-IMF SYNERGIES TRACTION

6. *Exploit potential synergies.* Leverage commonalities in EU AGS and IMF WEO, and similarities between EU country-specific recommendations and those in IMF surveillance reports. Also between EU and IMF EA reports. Greater awareness of EU surveillance framework. Re-open IMF Office in Brussels.
7. *Examine scope for mutually-supporting timing.* Seek best fit between IMF surveillance exercise and European Semester process. Trade-offs between autumn (AGS, draft budgets) and spring (CSR).