HOW SHOULD A FISCAL UNION FOR EMU LOOK LIKE?

Florin-Alexandru MACSIM
"Alexandru Ioan Cuza" University of Iași
Iași, Romania
florin.macsim1@yahoo.ro

Abstract: *The European Economic and Monetary union has never needed more a fiscal union than in current times. High levels of public debt and public deficits, weak soundness of public finances and argues between member states directly affect the long-run stability of the Eurozone. It was our goal to analyze the most recent papers on subject, as a small survey, and to identify the most important elements that a European fiscal union should include. Our research indicates that most out the authors pointed a larger common budget, stabilization and equalization mechanisms, fiscal transfer and coordinated fiscal policies as being the key elements that of a fiscal union. Other specific elements that we have identified are European taxes, a common unemployment system and common fiscal rules. Although the future European fiscal union may not include all the elements that we have spotted, most of them will surely be included, as some of them already exist in the current framework.*
Keywords: *Fiscal Union, fiscal integration, EMU, key elements*

1. INTRODUCTION

The key objective of the fiscal integration process is being represented by the formation of a fiscal union, even if this objective is expressly stated or not. The formation of a fiscal union implies taking some specific steps related to the fiscal integration process, which include the harmonization of fiscal legislation, tax rates, and also deeper fiscal convergence. Once the fiscal integration process is completed, we ca conclude that the states that worked together now form a fiscal union.

Economists have long recognized the fact that eventually the monetary union will have to incorporate a fiscal union, De Grauwe (2013) stating in this regard that the euro represents a currency without a country. To maintain a sustainable single currency, a new state should be created, suggests the concerned author. An essential component of this "country" lies in the formation of a central authority, able to collect taxes and spend pooled resources throughout the entire fiscal union. Unfortunately, a fiscal union of this kind is a bit far, so it would be wise for now to think of other procedures that would make the eurozone a formation whose durability and sustainability are for long terms. De Grauwe also suggests that these kinds of procedures already exist, opinion to which we subscribe.

"Fires" lit by governments on the fiscal and economic fields cannot always and continuously be settled by the European Central Bank. This leads to the idea that some form of pooling government's debt is needed to eliminate this fragility. The pooling of governments debt would protect weaker states from the destructive panic and movements that appear regularly on monetary union's financial markets and that can strike whenever any state.

In our point of view, in continuing on the path of constructing a fiscal union for EMU, the most important thing is to establish once and for all which are the desired key features of the future union, on other words, which are the pieces of the puzzle and how are we going to ensemble them.

It was our goal to critical analyzes some of the most recent papers on topic, and to identify the most common elements for a fiscal union that the literature has exposed in current times.

We organize organized our paper as follows. Section 1 marks our introduction, followed by Section 2 which marks our analysis. In Section 3 we presented our final remarks, followed by References.

2. ANALYSIS

A bold new perspective on the formation of a fiscal union in the euro area is that of authors Skilias, Roukanas and Maris (2014). Among other topics, the authors discuss the situation of the EMU members that in current times face numerous fiscal and financial problems. According to them, the problem may be moderate, but not solved. For the survival and stabilization of the euro area, the three authors stress the importance of fiscal transfers, EMU lacking in current days such a mechanism. Not having it implemented, in the context of domestic economic and financial issues, countries are obliged to borrow resources from international markets, these resources being sometimes accessed in a foreing currency. If a depreciation of the national currency is a long run one, both private and public borrowing could jeopardize the financial stability of states, Roman and Șargu (2012) stating that new measures are needed at a European level to regulate and curb lending in foreign currencies within EMU and EU members.

Another proposed solution by literature for the current sovereign debt crisis is better coordination of fiscal and monetary policies within EU and especially EMU. An effective mix of both policies leads to a reduction in public debt and deficits without jeopardizing economic growth. However, Cevik, Dibooglu and Kutan (2014), while analyzing the interactions between monetary and fiscal policies, noted that since the year 2000, at least in the case of emerging markets in Europe, monetary policies have been passive, while the fiscal ones where active, the mix being not a successful one. So, in this regard we state that after forming a fiscal union, the fiscal and monetary policies will have to become more correlated, in order to ensure the soundness of public finances. Also, it is necessary to implement new special designed mechanisms for more effective coordination, and also another mechanism or independent institution which aims to actively supervise monetary and fiscal policies. (Sehovic, 2014) A monetary union with strong connections between banking systems without a fiscal union is like an incomplete puzzle. Governments actions, not correlated with the evolutions from the banking systems, can easily disrupt financial activity and lead to a new crisis.

There are several ways by which a monetary union could advance towards creating a fiscal union. However, while the degree to which monetary unions have common budgetary and fiscal instruments differs, all mature monetary unions have implemented a common function of macroeconomic stabilization in order to deal more effectively with shocks that cannot be managed at a country level. This natural evolution in EMU in a long term should be the culmination of a process of converges and common debates on making joint decisions regarding fiscal policies and the need for stability. So, the objective of the automatic stabilizers should not be the adjustment of the economic cycle. Instead, it should be focused on removing macroeconomic shocks.

An early stabilization function could be built basted on the European Strategic Investment Fund to start with, by identifying a group of funding sources and specific investments projects specific to the eurozone, to be operated according to business cycle developments. Among the principles or rules that could form the basis of such a stabilization mechanism we mention:

1) it should not lead to permanent transfers between states in a single direction. It must be designed as a method of equalizing incomes between member states;
2) it should not undermine incentives regarding the development of sound national fiscal policies. Therefore, in order to prevent moral hazard, it should be closely related to compliance with the EU governance framework and progress towards common standards;
3) it should be done in accordance with the existing EU fiscal and economic policy coordination procedures, transparency in relation to all member states being a key element;
4) it doesn't have to become a tool for crisis management, the European Stability Mechanism fulfilling this function. It's role should be geared towards crisis prevention interventions in order to reduce future interventions from ESM.

According to Angsar Belke (2013), asymmetric shock absorption at a central level would represent only a limited form of fiscal solidarity imposed on economic cycles, improving the resilience of an economy. Same author suggest that the use of a common currency also implies that in the future a common fiscal policy will be needed. However, if the fiscal policy itself is a source of shocks, it is assumed that it would be desirable an exercise of independent national fiscal policies, in order to allow a diversification of risks. The dispersion of shocks is reduced through the covariance between individual components. A prevention mechanism in the future fiscal union is all more necessary because, as Liviu Andrei (2012) suggested, European economies are not (yet) perfect converged, existing in different phases of the business cycle. Another part of the stabilization mechanism proposed as a part of a fiscal union would be the pooling of public debts from different states, as suggested by De Grauwe (2013). According to him, three fundamental principles should be followed in the design of a mechanism for pooling debt. First, the contribution of member states should be a partial one, a significant part still remaining the responsibility of the governments, as an incentive to reduce public debt and budget deficits, a proposal in this regard coming from Delpla and von Weizsacker (2010). Second, an internal transfer mechanism between members should provide an offset between the countries which do not present a high degree of solvency, and the countries that enjoy a high degree of solvency. (De Grauwe & Moesen, 2009) Third, a strict control mechanism on the progress of national governments in achieving a sustainable debt level would be required to implement. The Tommaso Padoa-

Schioppa Group (2012) proposed a gradual ceding of control over the national budgeting by countries that do not comply with the imposed fiscal rules.

An important ingredient for the mentioned mix above is the inclusion of a banking union. Such a union is necessary for two main reasons. First, because the European Central Bank is the lender of last resort for the eurozone banking system, regulation and supervision cannot be achieved and maintained at a national level. Risks arising as a manifestation of moral hazard must be controlled at the same level which they are created, ie the European one. This does not mean that ECB should be the only supervising authority. The creation of EBA (European Banking Authority) failed unfortunately due to insufficient resources to implement its role as supervisor. The second reason is the need to implement a common mechanism for resolving banking crises that may occur at a European level.

Previous explications make clear the fact that a functional fiscal union implies also the functioning of a banking union, and why not, the reverse we consider it to be viable. In times of crisis, there must exist one or more European institutions with sufficient resources that can be mobilized immediately to recapitalize the banks. Currently, the only existing path that can fulfill this role is the European Stability Mechanism (ESM), although there are some doubts whether this institution has sufficient resources to act in times of crisis. At an individual level, it is possible, but at systemic levels giving the fact that would involve a large part of the eurozone banking system, the situation becomes an uncertain one, as stated also by De Grauwe (2013).

Finally, on the long run, the current monetary union will have to incorporate a strong fiscal union. This is probably the most difficult part of the process of forming a viable and sustainable monetary union on long-term, although the willingness to cede significant powers to some European institutions on public spending and tax policies is a limited one at current date, fact that can be easily explained through the desire of states to maintain a high degree of national sovereignty. Without undertaking significant measures leading to the formation of a fiscal union, we can say that the future is a bleak one for EMU, the recent scandal that targeted the Greece situation being a perfect example in this regard. Also, to maintain a certain progress, we consider that there is a need for a firmer political commitment, current signals confirming the necessity to act in deepening fiscal integration.

So, another issue that arises on the formation of a fiscal union are the politics. Current proposals to resolve the sovereign debt crisis support forming a fiscal union complementary to the Economic and Monetary Union, but to achieve this it is required a strong commitment from political parties, parties that unfortunately do not wish to cede their fiscal autonomy to a supranational body. Some authors propose a solution to the failure of resolving this problem that implies countries to give away at least one fiscal policy instrument to a supranational body, the idea being not to encounter vehement political opposition. (Costain & de Blas, 2012) However, a fiscal union doesn't represent an obstacle to the formation of a political union, but rather, as stated by Amalia Fugaru (2015), an intermediate step towards a political union. Other authors emphasize the role of politics to support a wider scale fiscal cooperation, aiming to obtain a better dispersion of shocks that affect tax revenues (Luque et. al., 2014). Same authors have shown how relative incomes and population levels, and also the interrelationship between states in tax revenues shocks, interact with political decisions in the formation of feasible reforms. Another issue for the contemporary political structures is represented by the institutional changes that are foreseen in the near future, in the context of taking steps forward in the European integration process. If in matter of fiscal policies, the Fiscal Compact is the latest treaty signed, the Lisbon Treaty is the newest treaty dealing with administrative modernization and structural issue. Although it is in force since 2009, it seems to have radical changed the institutional structure of the EU, its signature being related to the need for legislative adjustments within the European community (Onofrei & Boise, 2010).

An interesting opinion is provided to us by A.G. Solomon (2013), according to whom the European Fiscal Union is somewhere between myth and reality. The author has analyzed the fiscal and budgetary integration process and the development of taxation systems in member states of the European Union, the motivation being represented by the impact of the two elements that we previous mentioned on economic and social development. For the first time pointed, we appreciate the Solomon's vision that integrates in the analysis both budgetary and fiscal policies, and not just fiscal policy, often confused as being similar to budgetary policy in many papers. Beetsma and Jensen (2002) using a micro model of a monetary union, analyzed the interactions between monetary and fiscal policies. These two well know authors have pointed out the increasing pressure at European level in achieving a broader fiscal coordination, while stressing that in current fiscal policies, national interest prevails. Regulations such as the Stability and Growth Pact (SGP) solve only partial this problem, being necessary in this direction a stronger involvement of politicians, which should realize the advantages of a stronger coordination of fiscal policies, especially in terms of risk absorption. Of the states that oppose the intensification of fiscal integration, UK seems to be the main voice binding. This country has always expressed doubt about continuing progress on the monetary and fiscal integration paths. Despite UK's efforts to interrupt the process, the other UE members understood that the usage of a common currency must lead to a higher integration level of fiscal and budgetary policies. (Catrina, 2012) The achieved progress in establishing a common fiscal policy as a key part of a fiscal union is a relatively small one despite all the declarations of heads of states and commitments made by governments. For now, the EU budget is too small to allow a fiscal redistribution and economic and social cohesion.

Even if the political opposition manifested is a strong one, another solution could be represented by the introduction of fiscal governance standards or codes similar to corporate governance codes. If corporate governance is defined as the system by which business corporations are directed and controlled, through extrapolation we can say that fiscal governance is the way by which fiscal policies are directed and controlled. As the role of corporate governance codes is to implement a number of specific principles, we can assume that the future role of fiscal governance codes will be equivalent.

In current debates on reforming fiscal institutions, the fiscal union term plays a central role. However, it is not always clear what this term implies and why different people use it with different explanations. If in our point of view, a fiscal union should have three key components (tax harmonization, the harmonization of tax legislation and the coordination of fiscal policies), Fuest and Piechl (2012) have a slightly different vision from ours, they characterizing a fiscal union thorough five integrated components that are mainly a part of what we appreciate as underpinning the fiscal integration process and fiscal union. So, according to the two authors concerned, the components of a fiscal union are:

a) *Fiscal rules, coordination and supervision of fiscal policies*. The first and most discussed element of a fiscal union is the set of rules that target fiscal policies pursued by Member States, but that can also be implemented at the same time for other policies. Within the monetary union, these rules were mainly imposed through the SGP. Along with these rules contained in the treaty, a supervisory mechanism has been introduced (through the Fiscal Compact), by which states that violate the rules can be penalized with a fine of 0,1% of GDP;
b) *A crisis resolution mechanism*. Given the fact that the default risk of Member States of the monetary union cannot be excluded, the question that arises is how should crises be treated and fought. The simplest solution for indebted states is the direct negotiation with creditors on debt restructuring. In this respect, an important and beneficial role is assigned to the European Stability Mechanism whose role is to assist the states that have financial difficulties;
c) *Ensuring (granting/pooling) common public debt*. The third element of the discussed fiscal union implies the need for a new a special mechanism. In establishing such a mechanism, a number of specific items are required to be established in advance: the amount of debt covered by guarantee or that will be pooled, the considered time horizon and the means to access funding;
d) Fiscal equalization and other specific mechanisms for cross-country transfers. A fiscal union should also include measures to transfer funds between countries only in the event of a crisis or when a member is unable to meet its payment obligations. Forming a fiscal union should not continue without a mechanism of implicit transfers of different sizes between members of EMU. These transfers are particularly necessary in the context of a small size EU budget that cannot be considered a viable source for temporary financing;
e) A larger EU budget and the establishment of European taxes. A huge financial resource gain for the EU budget would require in our point of view a significant change in the European political responsibilities.

Of the five mentioned components, we consider two of them as being unfeasible on a short and medium timeline in the European integration plan: ensuring a common public debt and the establishment of European taxes. First, putting together all debts and creating a new kind of bond for example, is not going to become a fact too soon because countries with low public debt levels will not agree to pay additional interest rate because of the weaker rated high indebted countries. Also, setting up European taxes should regard first of all, how the tax rates will be: fixed or progressive, not to mention the political disputes that will arise and public opposition. On the other hand, the establishment of a larger EU budget is an achieving goal, by simply increasing the current contributions from approximately 1%, to 5% of GDP for example. (Catrina,

2012) But even this solution presents a fundamental problem: countries such as Germany, United Kingdom, Italy and France will "gain the quality of major donors", being disadvantaged in this regard. But, a larger budget would increase the transfer capacity to less economic developed members, increasing the economic cohesion level in the union, with positive effects for the entire group of members. We should not however ignore the fact that a larger budget will imply a clearer definition of administration levels, or in other words, a reform in fiscal decentralization, because it is important to know how it will work and what fiscal responsibilities will remain in the hands of national and local authorities (Catrina, 2012), and which will go to a supranational institution, a number of important questions regarding optimal and efficient provision of public goods being raised by Aronsson, Micheletto and Sjogren (2014).

A similar point of view as with the mentioned authors is that of Vetter (2013). According to him, a coordinated fiscal policy, such as those in federal states, has at least four specific features: a common set of fiscal rules, a fiscal intervention mechanism, a mechanism for fiscal equalization transfers and a common budget. Discussions on the formation of a fiscal union regarding the statement above also focus on the practical aspects aimed at implementing these four key features in the European and Monetary Union. A key issue was still ignored in most of current debates, namely the tax traditions in each member state. Fiscal rules and budgets are not simply imposed by governments. They are accepted by citizens and companies so far as they comply with certain specific conventions of each society, including the historical evolution of each state. (Fugaru, 2015) These conventions could explain the different level of acceptance of tax rates from a state to another.

A paper published by Eurofi Financial Forum in 2014 indicates a similar number of components that are needed in order to form a fiscal union: a common budget, an insurance mechanism against strong cyclical fluctuations, a common unemployment insurance system and the formation of a European debt agency. Common sources of funding should be distributed according to the document in a neutral way, in order to avoid "parasitic" behavior. At the same time, it highlights the need to equip European central institutions with a range of new powers aimed at decision-making on national budgets and their own tax capacities.

An interesting scenario on the future of the European Economic and Monetary Union and of the European Fiscal Union is proposed by the Friedrich Ebert Shiftung Foundation (2013). In this regard, the foundation suggests a completion of the fiscal union by the year 2020. The eurozone, based on a "consistent" economic and monetary union will coordinate its external position and it would be represented by a single institution. In such a scenario, the euro becomes a currency of reference in attracting financial resources from around the world. On to the road to a political union instead, a "two speed" EU will emerge. To overcome this impediment, non-euro zone members will be encouraged and assisted in satisfying preconditions for integration, referring here to the criteria established by the Maastricht Treaty. Stronger involvement of European states and citizens in the decision-making process will strengthen popular support for European integration, weakening the influence of anti-European parties. A revised version of the SGP will put pressure on the member states to steadily reduce their public debt and structural deficit levels, the ultimate goal being the promotion of intelligent public and private investments. This culture of balanced budgets will pave the path for a more credible fiscal consolidation than the current one. An important role in this framework will be owned by keeping long-term sustainability of social protection systems. In parallel, the Euro Plus Pact will bring with it a series of commitments to promote the convergence of corporate taxes and social contributions.

Also, a European debt agency will ensure a common issuance of governmental bonds, with reasonable borrowing costs. In the event that certain states will face unusual financial difficulties, the European Stability Mechanism will be equipped to provide effective financial assistance and rapid help for programs of rebalancing and recovery. Macroeconomic surveillance will be coupled with stronger resources for the catching-up process. Also the dialogue and negotiation will be encouraged at a European level. Under the mentioned conditions, forming a fiscal union will be a clear and smooth road.

According to the International Monetary Fund (2013), the fundamental components of a fiscal union are: a stronger supervision and the introduction of stronger incentives in order to maintain sound public finances; implementing a system of temporary transfers in order to improve fiscal risks sharing; strengthening supervision of the financial system; the emergence of a new form of borrowing (supported by resources collected centrally), to finance risk sharing, and also to provide safety and trust to asset portfolios holders. (IMF, 2013) The rationality of risk sharing is based on the establishment of national fiscal buffers in the form of fiscal reserves and a package of emergency measures, thus eliminating the risk of a spillover effect event. Such national mechanisms will provide countries and effective method to smooth the effects of crises and economic shocks more easily on a medium-term timeline, the possible externalities of an intern shock being absorbed. The importance of these mechanisms is especially important in a monetary union in which countries cannot use exchange rates or other monetary policy tools to meet individual economic shocks. All these specific measures to fiscal integration also contribute to strengthening European cooperation and the internal economic shock absorption procedure.

Greece's situation in 2015 proved us how quickly states can turn against one another, as political views may conflict providing scenarios of a eurozone breakup. A strong fiscal integration eliminates many of the externalities that can extend to other types of integration, such as cultural, political, institutional and financial, not supplying ammo to euro-skeptics. The scope and final form of the fiscal union remains after all a matter of social and political preferences, but it must necessarily be designed by using current suggestions provided by the literature and the economists who are researching in this field. Nevertheless, sooner or later this union will become reality.

3. CONCLUSIONS

The objective of this paper was to analyze some of the most recent papers regarding the subject of forming a fiscal union in the European and Monetary Union and identify the components that a fiscal union requires in order to be established and function, but also so provide our readers some personal reflections on the identified elements.

The fact that a fiscal union is indeed needed in the eurozone has long been recognized by economists, researchers and some politicians. But, taking this path to an end it takes more than initiative and ideas. Constructing a fiscal union in EMU, although we are talking about a monetary union, still faces a lot of obstacles, by which we mention the lack of unity, coordination and faith. Also, recent fiscal difficulties that hit the European continent have soured relations between some countries, as between Greece and Germany for example.

In order to deepen the fiscal integration process and take it to an end by forming a fiscal union, we need first to fully understand how does a fiscal union looks like, what is made from, what are its key elements, and how we put them together, similar to an puzzle.

Some authors suggest that a fiscal union should be designed through including fiscal rules, a supervision authority for fiscal policies, a crisis resolution mechanism, common issued European bonds for all countries, a fiscal equalization mechanism and a larger EU budget funded through European taxes. As we pointed, two of these elements are harder to implement: common bonds for EU states and European taxes. Implementing specific purpose mechanisms is already a practice at EMU level, and a larger EU budget is possible simply by increasing the contributions of each state. Other authors have suggest that a fiscal union in the monetary union should be based on a fiscal intervention mechanism, a common set of fiscal rules, a specially designed mechanism for fiscal equalization transfers and a common budget. Nevertheless, as suggested by the Eurofi Financial Forum, the European Fiscal Union should also have embedded an insurance mechanism against strong fiscal revenues and economic cyclical fluctuations, a common unemployment insurance system and a European debt agency. In our point of view, the least possible component to be found in a fiscal union in EMU or for the entire EU is the common unemployment insurance system, because it would most probably attract most of the critics. It is not the duty of developed countries to pay social insurances to third party citizens. We also believe that is the duty of each state to engage in maintaining sound economic policies and development in order to maintain a low unemployment rate.

Most of the authors pointed the need to implement a fiscal transfer mechanism, a larger common budget and a common mechanism to fight shocks and crises. In our point of view, these three components are the most urgent to be implemented now, in order to ensure a long-run stability in the monetary union. We don't know if all of the mentioned elements will be a part of the European Fiscal Union, but most of them will surely have a place.

Acknowledgements

Funding for this work was provided by the European Social Fund through the Sectoral Operational Programme Human Resources Development 2007-2013, project number POSDRU/187/1.5/S/155656 "Support for PhD Students in economics science domain".

References

[1] Andrei, C. L., (2012). The economic integration: concept and end of process, *Theoretical and Applied Economics*, vol. XIX, No. 10, 55-70

[2] Aronsson, T., Micheletto, L., Sjogren, T., (2014). A note on public goods in a decentralized fiscal union: Implications of a participation constraint, *Journal of Urban Economics*, Vol. 84, 1-8

[3] Beetsma, M.W.J., Jensen, H., (2002). Monetary and Fiscal Union Policy Interactions in a Micro-founded Mondel of a Monetary Union, *European Central Bank, Working Paper Series*, Working Paper Nr. 166, 1-42

[4] Belke, A., (2013). Towards a Genuine Economic and Monetary Union – Comments on a Roadmap, *Politics and Governance*, Vol.1, Issue 1, 48-65

[5] Catrina, I.L., (2012). Governing European Union to financial stability, *Scientific Bulletin, Economic Sciences*, Vol. 11, Issue 1, 35-42

[6] Cevik, E.I., Dibooglu, S., Kutan, M.A., (2014). Monetary and fiscal policy interactions: Evidence from emerging European economies, *Journal of Comparative Economics*, Vol. 42, 1079-1091

[7] Costain, J., de Blas, B., (2012). The role of fiscal delegation in a monetary union: a survey of the political economy issues, *Economic Analysis Working Paper Series*, 1-58

[8] De Grauwe, P., Moesen, W., (2009). Gains for All: A proposal for a common Eurobond, *Center for European Policy Studies*, 1-4

[9] De Grauwe, P., (2013). Design Failures in the Eurozone: Can they be fixed?, *LEQS Paper*, No. 57, 1-36

[10] Delpla, J., von Weizsacker, J., (2010). The Blue Bond Proposal, *Bruegel Policy Brief*, Issue 2, 1-8

[11] Ebert Stiftung Foundation, Scenario, Team Eurozone 2020, (2013). Future Scenarios for the Eurozone, *International Policy Analysis*, 1-39

[12] Fuest, C., Peichl, A., (2012). European Fiscal Union: What it is? Does it work? And Are There Really ‘No alternatives’, *IZA Policy Paper*, No. 39, 1-10

[13] Fugaru, A., (2015). The fiscal tradition in Europa – a hidrance to achieving the Fiscal Union?, *Procedia Economics and Finance*, Vol. 22, 412-421

[14] International Monetary Fund, (2013). Toward a Fiscal Union in the Euro Area, *IMF Staff Discussion Note*, 1-28

[15] Luque, J., Morelli, M., Tavares, J., (2014). A volatility-based theory of fiscal union desirability, *Journal of Public Economics*, Vol. 112, 1-11

[16] Onofrei, M., Bosie, I., (2010). The Lisbon Treaty – Link between participative democracy and administrative modernization, *Annals of the University of Oradea, Economic Science Series*, Vol. 19, Issue 2, 147-151

[17] Roman, A., Șargu, A.C., (2012). *Lending in foreign currency and current challenges at the European level*, Annals of the University of Oradea, Economic Science Series, Vol. 21, Issue 2, 588-594

[18] Sehovic, D., (2014) Coordination of Monetary and Fiscal Policy in the European Monetary Union, *Management*, Issue 73, 69-83

[19] Sklias, P., Roukanas, S., Maris, G., (2014). Keynes and the Eurozone’s Crisis: Toward a Fiscal Union, *Procedia Economics and Finance*, Vol. 9, 66-73

[20] Solomon, A.G., (2013). Fiscal Union between mith and reality – Tax developments and trends in the European Union and Euro Area, *International Auditing & Risk Management*, Vol. 29, 14-23

[21] The Eurofi Financial Forum, (2014). *Towards a Fiscal Union*, Milano, 1-3

[22] Tommaso Padoa-Schioppa Group, (2012). Completing the Euro: a road map towards fiscal union in Europe, *Notre Europe*, 1-54

[23] Vetter, S., (2013). Do all roads lead to fiscal union, *Deutsche Bank Research*, 1-16