A DIVERGING EUROPE ON THE EDGE

In the 2015 independent Annual Growth Survey (iAGS 2015), a group of European institutes has forecast that “without an economic recovery, the European project is in danger”.

The iAGS brings together three institutes – the OFCE (Paris), the IMK (Dusseldörf) and the ECLM (Copenhagen) – in an annual gathering that makes macroeconomic forecasts and policy recommendations in order to stimulate as much open debate as possible about the European Union’s economic strategy.

The report is part of the programme of the European Semester initiated by the Annual Growth Survey published by the European Commission.

*Annual growth report
http://www.iags-project.org/

With contributions from:

Cambridge econometrics
Growth in the euro zone is expected to increase from 0.8% in 2014 to 1.3% in 2015 and 1.6% in 2016. Europe is facing a long period of low growth, high unemployment, rising inequality and a real risk of deflation if the economy is not stimulated by a strong investment plan and bold monetary policy.

“Failure to make a quick recovery from the crisis is fuelling powerful centrifugal forces. There is a real risk of stagnation.”

iAGS 2015 presents a series of recommendations and reviews the need for a “green” (ecological) investment plan at the EU level. The economists propose a “carbon fiscal shock” to stimulate massive investment in energy efficiency so as to pull the European economy out of the crisis and put it on a low-carbon path.

They also propose that this carbon price shock be compensated by a common European fund in order to maintain business and household income, which would now be directed to low energy consumption and production.

“Without a recovery, the European project of a prosperous society of integration could fail.”
The full report can be consulted on the iAGS site: http://www.iags-project.org/

Scientific contacts (OFCE):

Xavier Timbeau, Director of the Analysis and Forecasting Department, Head of the iAGS project:
Phone: +33 (0)1 44 18 54 57, xavier.timbeau@ofce.sciences-po.fr

Jérôme Creel, Director of the Research Department:
Phone: +33(0)1 44 18 54 56, jerome.creel@ofce.sciences-po.fr

Christophe Blot, Deputy-Director of the Analysis and Forecasting Department:
Phone: +33(0)1 44 18 54 21, christophe.blot@ofce.sciences-po.fr

Press Contact:

Sylvie Le Golvan, Head of Communication:
Phone: +33(0)144 18 54 07,
Mobile: +33(0)622 48 28 52, sylvie.legolvan@ofce.sciences-po.fr