

## PRESS INFORMATION

### **Setting an historical compromise in motion: The way to overcoming the current crisis in the Eurozone is with a competing currency**

*Professor Markus C. Kerber is calling for the reorganisation of the Eurozone and the introduction of a Guldenmark for Euro countries with a current account surplus / Their fiscal solvency should no longer be gambled with.*

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A departure from the belief in the single currency. Those who seek to save the European project must allow Euro countries with current account surpluses to introduce a parallel currency, according to Professor Markus C. Kerber, founder of the interdisciplinary think-tank EuropolIS. Professor Kerber hopes to prevent the Eurozone from collapse with the introduction of the so-called "Guldenmark". The economist and constitutional lawyer will present his original proposal at today's symposium entitled "Reforming the European Monetary Order: TIME FOR PLAN B". To mark the second anniversary of the Eurozone bailout fund independent experts will also discuss possible ways of overcoming the biggest crisis to hit the European Union so far.

Whilst unconditional supporters and unconditional opponents of the Euro continue to espouse their views that there is no alternative but to save or abolish the Euro, Professor Kerber aims to steer the discussion in a completely new direction with his proposal for an "historical compromise". "The Euro as a single currency is a mistake that can and must be rectified," says the initiator of EuropolIS. "One must be prepared, however, to tread unusual paths. Massive rescue packages are not the

solution, as they merely mask the severity of the situation." For Kerber and representatives of EuropolIS the Guldenmark is the answer to the widespread economic inequality in the monetary zone. Its introduction would have many benefits. The decisive factor is, however, that the Guldenmark is soon to be revalued in relation to the Euro so that repayment of the accumulated Euro debt is made easier.

## **More stability: Strong countries need a common currency**

The idea of introducing the Guldenmark as the necessary "stability anchor" in the Eurozone also forms part of Professor Kerber's latest study, "More competition needed: A reformist concept for a new European monetary union". In it he examines the burning issues in the latest Euro discussions, as well as elaborating on his proposal to organise members of the Eurozone according to their economic homogeneity. Countries with a current account surplus, i.e. Germany, the Netherlands, Finland, Austria and Luxembourg would introduce a second currency which would function as legal tender alongside the Euro. Kerber concludes, "If serious thought is being given to the exit of a country like Greece as a result of the current Euro crisis, then it seems obvious that a group of countries which no longer wishes to gamble its fiscal solvency should be allowed to exit the Eurozone as a single currency monetary area."

The Berlin-based lawyer knows his idea faces criticism from some quarters. "In rejecting the concept of a parallel currency out of hand, however, you need to provide evidence of how the path to a transfer union, in terms of the increasing heterogeneity and the growing, unpredictable financial need of many European Economic Union member states can be blocked." says Kerber. As far as Kerber is concerned the new parallel currency is not an alien concept. Instead, it represents the logical conclusion to the failure of the Euro experiment. All in all the current

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difficulties are about more than a currency. The crisis threatens the entire European project.

Kerber, Markus C. (2012): More monetary competition – A reformist concept for a new European monetary union, Lucius & Lucius Verlagsgesellschaft, Stuttgart 2012, 120 pages, bound copy, 19.50 Euros, ISBN: 978 -3-8282-0566-6, ISSN: 2190-9709, [lucius@brocom.de](mailto:lucius@brocom.de)

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*Europolis* is a German initiative aiming at a new approach to European policy. *Europolis'* ambitions are: daring more competition, ensuring institutionally the stability of currency and prices, advancing the consolidation of public finances and giving priority to the principle of subsidiarity. The completion of the single European economic market is not possible without the competition of bold ideas. More information at: [www.europolis-online.org](http://www.europolis-online.org).

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