

Rolf Strauch in talk with Jacques Delors Centre (Thu Nguyen, Johannes Lindner)

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Interviews

Rolf Strauch in talk with Jacques Delors Centre (Thu Nguyen, Johannes Lindner). Transcript of interview with ESM Chief Economist Rolf Strauch. Jacques Delors Centre in Berlin. Recorded 17 November 2022, published 24 November 2022. Interviewer: Thu Nguyen

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Transcript

Thu Nguyen: How bad is it, how bad are things? How do you see the economic situation in Europe at the moment? Would you like to start, Rolf?

Rolf Strauch: From my point of view, when you think about the economic situation and you think about the crisis, maybe a good starting point is to ask yourself: what will our children say about this crisis? What will our children remember from this crisis? When I think back to when I was a little boy and was affected by the first oil price shock, and by the second oil price shock as a teenager later, what I remember are the car-free Sundays. And I think it stayed in my memory because it was anomalous. Suddenly, something that was assumed to be normal, namely that you drive to the petrol station and the oil is there or the petrol is there, was suddenly no longer there. And that is, I think, what has happened to many now, with Ukraine, with the energy crisis that we are currently experiencing, that one suddenly encounters the “energy factor” again and the importance and the price effect of energy, and in a way that is anomalous for many; and that this also creates a great feeling of insecurity. And that, I believe, is also central to understanding this crisis.

Nguyen: And what does that mean economically?

Strauch: If you translate this into economics, into big concepts, so to speak, the result is basically what we are currently experiencing, what economists call a "terms-of-trade" shock. This means that international prices are shifting, and the euro area is negatively affected. We are more affected than other regions. We basically export income and wealth abroad, to those who export oil, gas, and other things. In other words, we are getting poorer. And that is how it is with these kinds of crises. The second point is connected to what is often referred to as a "cost-push" shock. That is, costs go up, which means production becomes more expensive and therefore it becomes more difficult to sustain the economy. That is why we have this situation: inflation goes up and growth goes down and that's what you just described. Inflation is incredibly high by historical standards for most of us, and at the same time growth prospects are weak. And that is a situation that must be dealt with. And that is not very easy from the political side, from the economic policy side. And we can talk about that in detail later. But a situation in which you basically lose prosperity and in which there is this dichotomy between inflation and growth, you must try to overcome it through the right economic policy measures on the monetary policy side and in fiscal policy. Perhaps I can add one more point, because I looked at the past and practically made the bridge to the oil price shock. At the same time, we must remember that in many ways we are better off than we were at the time of the oil price crisis. The

result of the oil price crisis was a prolonged situation of stagnation: relatively high prices, relatively high inflation, and relatively weak growth. And today, a few factors do not exist in the form that led to this long, [economically] weak phase back then. And in my view, the labour market is one factor. The labour market in Europe, in the euro area, is very strong, also now. That means it really gives us a good buffer. The second factor is that banks are also in a much stronger position than they were in the last crisis, for example, if you think back to the euro crisis. Banks can now play a much better role in supporting the economy through the crisis. And I also think that we have done a lot to make Europe more crisis-proof through the institutions. But we will also talk about that later.

Nguyen: We will come to the question of crisis resilience. Johannes, would you like to add something to the question of the economic situation?

Johannes Lindner: I think Rolf has described it very well. Perhaps there are two aspects that we must keep in mind and that the institutions are already looking at. One is the interplay between higher interest rates and the debt situation in the member states. That means when both debt and interest rates rise, the burden that debt puts on national budgets is naturally higher. And the second thing, Rolf had mentioned the situation of the banks, is the area that we call non-banks, that is, the non-banking sector, which is also less regulated. And there are certain signs, that have led [policymakers] to take a closer look.

Nguyen: Rolf, you just made the connection to the oil crisis. But I would like to know how this crisis compares with a crisis that is a little closer to us, namely the euro crisis ten years ago. Do you think that we are currently – perhaps almost unnoticed by the public – sliding towards a new financial crisis and, if so or if not, what are or would be the signs that this could happen?

Strauch: Here you must realise that the euro crisis and the current crisis are structurally different. The euro crisis started because there was a major global financial crisis that basically spilled over onto the euro area because our financial markets were not prepared, and which then coincided with structural weaknesses that existed in member states. These included, above all, the loss of competitiveness in some member states, which then made these member states dependent on external financing. The second was that there was also a construction boom in certain countries, which led to a "price bubble/housing bubble". And this bubble burst. And this together, and above all these structural weaknesses that existed at the time, led to over-indebtedness and then to a stop in the flow of capital to these countries and ultimately to the need for these countries to approach the ESM. The ESM then helped these countries regain market confidence. Now we are in a different situation. We also have this big shock now, this global energy shock, but countries have done a lot after the [euro] crisis to overcome these structural difficulties. If we look at it, the balances of payments over the past years, before the energy crisis, the balances of payments were good: more relative strength and little need to be financed from outside. That was good. The second point is the fiscal deficits had improved before the pandemic. The pandemic, of course, caused these budget deficits to widen, but again, from a relatively favourable situation. And we, for example, are of course looking very much at Greece. Greece, before the beginning of the financial crisis, the euro crisis, had a fiscal deficit of 15% [of GDP]. It was very different before the pandemic. Greece had a big surplus. Greece is now moving back towards a budget surplus, is greatly reducing deficits. That is, the situation is structurally better in that respect. Third factor is, in the euro crisis, the banking sector, the so-called "doom loop" between banks and states – when states lose their creditworthiness. Therefore, the banking system becomes weaker. Therefore, there is a fear that the state will have to step in – this correlation was significant for the euro crisis at the time. Today, banks are much safer. That means that some of these structural weaknesses are not there in this form. And in this respect, the inherited risks, so to speak, the risks that we carry with us, are also lower. But it is still true that one must be careful and, looking ahead, it is not clear that everything will work well and simply. And there are a few elements that play a role there. Johannes had already said that the non-banking sector, non-banking financial sector, is much less regulated. And it is indeed the case that risks have increased in this sector, and subsequently, in the recent past and in the future, significant risks can arise. This was once the case with derivatives for energy products, which suddenly had very, very high liquidity requirements, where states had to

step in to cushion them. The second was, for example, the financial crisis, if you like, which occurred in the UK, when certain positions in the pension system led to rapid market developments, which then meant a problem for the UK, for the UK market, for UK government bonds. This means that such factors can occur, and we must pay attention to this in the future. In addition, of course, we do not know exactly what the interest rate path will look like in the future. This means that interest rates may simply be high, higher than the market currently expects. We do not know exactly what the future growth path will look like. And in this respect, it is very important to think very consistently about questions of debt sustainability, to conduct a responsible economic policy. And this credible fiscal path, which Johannes also mentioned, in the sense of securing debt sustainability, is also an important condition for a safe and stable economy in the future.

Nguyen: And if we now get a bit out of this question of whether a financial crisis is looming and we look at the various crises, Johannes. Adam Tooze introduced or described the idea of a polycrisis. He says that a polycrisis is not only a situation in which one is confronted with several crises at the same time, but a situation in which, when many different crises come together, the whole is more dangerous than the sum of the individual parts of the crisis. And he had a matrix with quite a lot of interlocking crises, including the climate crisis, the Corona pandemic, the hunger crisis, the risk of nuclear escalation, the risk of a European financial crisis, which is, however, less now than it was ten years ago, as we have heard, the risk of stagflation. What would you say? Are we already in this area where all these different crises come together and cause a much bigger, dangerous crisis?

Lindner: Well, I find Adam Tooze exciting, because as a historian and economist he thinks in large dimensions and contexts. And in this respect, I believe that his analysis is helpful because it makes it clear that we have an increased frequency of crises. He also focuses on the interaction between the crises. And he also looks at the driving forces behind this increased frequency, which ultimately trigger the rapid change he describes. And I found it quite exciting that Rolf took us back to the 1970s. And there is one figure that I find remarkable: that 50 years ago the world population was half of what it is now. And that of course shows what kind of pressure this system will ultimately face, the world system, but also the political system. At the same time, of course, we have increased our pace [of change]: people, goods, information. We have a much more interlocked globalisation across the entire globe. We also have a shift in the balance. The great growth of China, but also of India, a reduction in the relevance of Europe. And all of this, of course, against the backdrop of ultimately limited space and finite resources. I think Tooze describes well this pressure that comes towards political solutions. And he also says that this means there are no simple solutions. The problem is becoming more complex. It is also becoming more difficult to understand the connections. And it is not so easy to do the right thing. This means that the pressure on political orders and political solutions is increasing.

Strauch: If I can maybe add something to this, I agree with that. One of the big lessons is: not every crisis is the same and not every crisis requires the same solution. When we think of the different possible causes of crises that may exist in the future, we also must think about the different instruments to answer them. And just to give an example now: in the euro crisis, we had these structural adjustment measures because the countries also had structural problems. And these were long-term programmes and had high financing costs. When the pandemic hit, we set up another facility, where there was no macro-conditionality, because the challenge in the pandemic was simply: you must improve the health situation and the immediate payment collapse for companies and the payment collapse for households. And that is why we set up a facility for the pandemic, where this macro-conditionality was not there, but the only condition was basically that the member states use the money for health expenditure. There can be very different causes of crises –some of these causes may only have a very short-term effect and then the economy can recover quickly – cyber risk, for example. Other [causes] can have much longer-term effects. Financial crises tend to have long-term effects. If there is a natural disaster, then capital is destroyed. That must be rebuilt, which can take a long time. This means that you

then need instruments that are calibrated differently to address the respective situations. I think that is also one of the challenges.

Nguyen: How well do you think the EU is positioned now to be able to set up such instruments or to be able to react when new crises arise?

Strauch: Well, if you ask me this question, what immediately comes to my mind is the first day at the EFSF, when I went there in 2010 and we set up a crisis mechanism. Another EU institution made its old offices available to us. You walked in there, there was an old blue carpet. Wood-coloured furniture, empty offices; in some offices, the mouldings or the furniture were taken apart. And then there was Klaus Regling's office, and he told me to pick an office. I picked the office opposite his. That was a start-up. That was when the financial crisis was in full swing and we started from zero, practically; from zero. Today, if you go to the ESM, there is a decent door sign, there is a decent reception, there is a whole institution, it is there and it is functional. In short, I think a lot has changed. And not just here, but if you look at the euro area in general. During the crisis, the ECB was not prepared. Basically, it did not have the instruments to react to the situation. The ECB has expanded its instruments. We have set up many European institutions, such as common supervision, such as common bank resolution, to better deal with systemic risks, cross-border risks. Of course, we have the ESM as a crisis mechanism, as a backstop, which exists. And in the last generation, we also have something like the NextGenerationEU, which is a crisis programme that is geared towards restructuring the economy and making it fit for the future. That means that if you look at this today, we are simply much, much better prepared. And I am pretty sure, when I am asked, "Do you think the euro will be there for a long time?" [My answer is] Yes! Because I believe that we in Europe simply have the ability and the possibility to adapt to the situation and find solutions. That is often not easy and often we wish it would go faster. But the experience of the last crisis shows me it is possible.

Nguyen: So, we are in a much better position than we were ten years ago, it sounds like. Johannes, we are now not

only ten years after the ESM came into existence and ten years since the euro crisis, but also now, ten years since the "Four Presidents' Report", when the Presidents of the European Council, the EU Commission, the Eurogroup and the ECB drew up a joint report on completing the Economic and Monetary Union. Rolf was now very positive in his assessment of the last ten years as far as the EU's crisis resistance is concerned. In your opinion, are there still points on this EMU agenda or basically on the agenda of the EU that have not yet been implemented or not yet been implemented sufficiently in the last ten years to make the EU really crisis-proof? Or are we very, very well positioned?

Lindner: Well, first, I would like to agree with Rolf that the report was written against the background that we were fundamentally afraid that the unity of the Eurozone was not warranted. And to put it bluntly, it was about the survival of the euro. And that has been achieved and that is also very important and that is no longer questioned. Nevertheless, my own experience of these ten years and the struggle for this agenda is probably not quite as positive as Rolf sees it. And if you take three of the four unions, I think it also shows the weakness in the political process to pursue this agenda. With banking union, we have certainly gone the furthest, the furthest in terms of implementation, with joint banking supervision and resolution, which Rolf has already mentioned. But the European deposit guarantee scheme is still missing. And ultimately, there is also less interlinking of banks, fewer cross-border mergers of banks than we had hoped for and wanted and still want. Because it is precisely this stronger networking, the stronger financial integration, that would be important to cushion crises. The banks are in a better position. I think so too. But at the end of the day, this banking union as a strongly integrated area, both institutionally and in terms of economic integration, is not as far advanced as we had hoped. And ultimately, the attempt to take the next step again this year and at least reach an

agreement on a common roadmap, i.e., not yet the introduction of a deposit guarantee system, but a common roadmap, has ultimately failed due to the different positions. The second point is the area of fiscal union. And here, too, it must be said that this very issue, which was quite clearly put on the agenda at the time, namely "What do we do in addition to monetary policy and in addition to almost rules for national fiscal policy, what do we do in economic fluctuations with the support of individual member states?" And there has been a discussion for a long time, which has been pushed again and again from various sides, as they say, that we need an instrument to stabilise these economic fluctuations. And so far, there has been no progress in this form. This is also linked to the fact that investments have often been cut back to achieve quasi-fiscal goals. This also means that social expenditure has been prioritised over investment, which has not been positive for the growth potential of the individual Member States. In this respect, these are, I think, two examples where one can clearly see that this agenda as such has often failed due to political resistance and due to the fragmentation of different positions. Finally, one could mention the Economic Union. This question of reform incentives to create economic structures. There are positive signs. As Rolf said, we no longer have the inequalities that we had in the times of the euro crisis. But the question of the extent to which national reform incentives can be strengthened again is also an open point, at least as a Eurozone agenda.

Nguyen: Both of you have talked about the fact that ten years ago, the main issue was to save the euro area. Or that the question was whether the euro would survive, the euro area would survive. But now, ten years later, in the crises that we have seen in the last few years, we have also seen that the answers have become much more pan-European, actually decided and implemented by the 27 member states, and that less has been done within the framework of the euro zone. Would you say that the way governance works in the EU is important for the future?

Strauch: On this aspect, I would say that I agree with Johannes' list of tasks that still exist. I firmly believe that the institutional crisis infrastructure of Europe and of the euro area has improved significantly since the early days of the euro crisis. That does not mean that there is no longer a political agenda in that respect. And what you said about completing the banking union, the stability facility, and the capital markets union, I totally agree with that. On the question you raised: these are indeed politically and economically interesting and important points. Politically, you simply must see that the Brexit has shifted the balance in Europe. It is not clear – it is a hypothetical question – whether Next Generation EU could have been adopted if the UK had still been in the EU. Maybe yes, maybe no. De facto, Britain was no longer a member of the EU. It was possible to take this decision together. At the same time, one must realise that we have now had a series of common shocks that have affected the entire EU 27. This means that there was also a need to find common solutions. And in this respect, it was not a genuine euro area solution that was demanded. In this respect, issues that previously may have been dealt with at the euro area level have now been dealt with at the EU level and can also be dealt with at the EU level in the future. The third factor is that the euro area itself is of course a successful model and is expanding – Croatia is joining next year. Bulgaria is a candidate country. In this respect, the EU 27 and the euro area are merging; they are simply becoming more identical. This also contributes to treating the political agenda as a matter of common concern. In my view, however, there are still differences if you think about it economically or legally. In principle, the driving force for action at EU level is the common market and economic convergence. These are genuine EU principles. If we think about the euro area, in particular about what drove the response to the euro crisis, then it is clear: it was safeguarding the euro and avoiding cross-border effects through the financial market – so-called "spillovers". This is a genuine aspect of safeguarding the euro area and the functioning of the single monetary policy, which again places special demands on the euro area. At least from an economic point of view, this is a more genuinely euro area-driven task. In the future, we will see to what extent these two agendas – the EU's and that of the euro area – overlap or not. And that will then lead to appropriate solutions.

Lindner: From my side, I think that there is indeed this dynamic that you described. Incidentally, I also believe that the British would probably not have agreed if they were still in the EU. Such a large accumulation of debt, precisely this fiscal dimension of the euro crisis, was also the reason at the time why a separate institutional approach was chosen,

with the establishment of the ESM. But you are right, this is speculation. We don't know exactly how the pandemic discussion and how the crisis would have unfolded. I think that on the one hand the nature of the crisis will be a factor in deciding whether you choose a euro zone solution or an EU solution. I just think that there is a big momentum towards EU solutions. And that is simply because the group of non-euro countries is really getting smaller. This means that we will reach a point where we will say that this is a pan-European task and that we can no longer differentiate between the ever-smaller group of euro "outs", as they say, and euro "ins". And I also believe that it raises the question of what the political dynamic towards the solutions will be. For example, it is easier to discuss such an issue as stabilisation of cyclical fluctuations as a political phenomenon, as a political task, than to talk about it as support for a member state. To say it abstractly: "here we are in a crisis, we give money to the member states". Instead, this is a genuine task where Europe must act as Europe. Supporting the national economies is the by-product of shifting fiscal tasks to the European level. I would like to refer to a very interesting speech that Fabio Panetta from the Executive Board of the ECB just gave, where he said that climate and energy security are genuine public goods that should ideally be identified at the European level, which means that European solutions should be found here. If this is combined at the European level with – above all – strong investments in renewable energies, then it could also ensure that we have less reduction of investments in an economic downturn and a quasi-stabilising flow of payments.

Strauch: Perhaps there is indeed a point here where our opinions differ a little, concerning the consideration of which instrument to choose. I mentioned earlier that different crises require different responses and different instruments. One question is whether an instrument – e.g. Next Generation EU – which is basically used to restructure the economy to make it more sustainable – is also the ideal instrument when it comes to stabilisation? Stabilisation should be possible and effective in the short term. Next Generation EU is a programme that will operate over several years and will include several investment projects. Of course, it also has a certain stabilising effect over time. For example, if, like now, the economies are hit by a second shock and the programme is up and running, then you can then use this money. But nobody knew beforehand that this energy price crisis would happen now. In that sense, it is also a coincidence, if you like. We are lucky that we now have the Next Generation EU programme, because it is helpful. But when we reflect on how we should construct a stabilisation instrument, I would say that it would be good to

have one that can also have a short-term effect and is more tailored to the current economic situation. The second point is that you have now also defined an EU task, because you say that economic stabilisation and dealing with climate change work together. From my point of view, this is also the case when we think about the functioning of the euro area. The synchronisation of economic movements is a genuine task of the monetary union because there is only one monetary policy for the euro area. It simply affects less the EU countries that are not involved in this single monetary policy. Therefore, I would argue in this respect that this stabilisation function is still a point that applies more to the euro area and cannot be answered convincingly with a long-term programme like Next Generation EU, which involves a transformation of the economy. I think we have a slightly different opinion on that.

Nguyen: We have now talked a lot about crisis instruments and the ESM was mentioned several times. And Rolf, you are the chief economist and a board member there. But I have to say that if you look at the ESM from the outside, it doesn't look so rosy. I would like to ask a provocative question here. There is currently a reform of the ESM underway, but it is stuck at the national level. During the pandemic, ESM loans were available, but no member state applied for them, although they came with hardly any conditions at all. And your search for a new Managing Director has been going on for a while and has not been very successful so far. So, provocatively, ten years after its foundation, is the ESM still relevant? Does it have a future?

Strauch: From my point of view, the ESM certainly has a future and the idea that illustrates this most simply is basically the image of the fire brigade. With the ESM, basically a permanent fire brigade was established for financial stability, for the cohesion of the euro area. The fact that when there is no fire, the fire brigade is not activated, does not mean

that you are not well advised to have one, and that you can basically be happy about having one. That brings me to the point when you said that our pandemic instrument eventually was not used. That's true. But we have talked to many investors worldwide, because we also must sell our bonds and we have a lot of contacts with financial market participants. A lot of these people have told us that the fact that the ESM contributed to this first rescue package that was put together in the pandemic was instilling confidence, it was very important and had a real effect on financial markets. Even today, international investors are looking at the euro area with more confidence, and the ESM is part of that confidence-building structure. That is what we are told again and again. In this respect, I also think that although we do not currently use any of our credit facilities, in the sense of disbursing money to a country, then that is perfectly okay. That does not mean that we have no function. When we think about the euro area, the ESM is also fundamentally a backstop for the European Central Bank, for the independence of the European Central Bank. This is expressed in the fact that the European Central Bank relies on the ESM in its toolkit to deal with the fragmentation of the euro area and with the different effects of monetary policy. That is why there is a link between the so-called OMT [Outright Monetary Transactions] as an instrument of buying government bonds, and the requirement that, when a member state is in distress, there must also be a programme with the ESM. That is why there is this linkage. In this respect, I think it is still important, and remains important, to have the ESM. In that sense we do have a permanent function. We have also worked hard to build our capacity to prepare for the treaty changes that you mentioned. Member states have agreed on these treaty changes. The central point is the common backstop, i.e., the ultimate safeguard for bank resolution. This is a necessary step for the banking union, and it would be the next step for completion of the banking union. I think it would be very good if it could be implemented. The ratification is very far advanced. There are two countries where, for different reasons, this is not yet the case, Germany, and Italy. In both countries there is a clear commitment to implement it. And I hope it can happen soon. You mentioned the appointment of a Managing Director: it is true that Klaus Regling left office in October. The search for a new Managing Director is ongoing. The President of the Eurogroup, who is also the Chairman of our Board of Governors, has said that this decision will be taken in December. I hope that this will indeed be the case. And I think one needs to take into account here that the requirements to be appointed for this job are extremely high. You need the support of 80% of the votes of the member states – and that is a very big hurdle. Therefore, the decision is not very easy. But as I said, I think we will be one

step further in December.

Lindner: Rolf, now I would like to address you again very briefly about stigma. You said that it is good that the fire brigade exists. But if certain member states are afraid that the fire brigade will come or if there are certain parts of the population that say: oh dear, the fire brigade is coming. Is that not a problem for you?

Strauch: I think that's a general problem of crisis mechanisms such as the ESM. The IMF has a similar problem. You certainly must distinguish here between "political stigma" on the one hand and "market stigma" on the other. As I said before: financial market participants really take note of this trust factor and place this trust in us. But of course, we also must deal with the political reality. If we look at the case of Greece: Klaus Regling's last trip abroad [as Managing Director of the ESM] was to Greece. He was awarded a medal there, a medal that is awarded to the friends of Greece. He was given the order for the services he has done for the country, or for the way he has been interacting with the country. I think it also shows how processes of change in thinking can take place over time. This would not have happened if it had not been recognised in Greece that – despite all the difficulties associated with this adjustment programme – there was of course a necessity to carry it out. Ultimately, it also led to the ESM's contribution being seen as a contribution to the development of Greece. And so, I also think that the image of the ESM will change over time. If the ESM provides solutions to the problems that arise at any given point in time, which is exactly what we are trying to do, then I think our image can also change.

Nguyen: Now we have looked back a lot. I used the expression "ten years ago" several times. If we now look briefly into the future, how do you see the coming months? Will the EU manage to cushion the economic crisis? And on what does that depend? What is important now?

Lindner: From my point of view, the energy issue is a very central question, as well as the coordination of the various fiscal policies to support both households and businesses. A

central question is: can we find a European solution and a European answer? I think that the concept of a “Zeitenwende” (turning point), which has so far been very much associated with the German government’s security policy, should also take the form of a European turning point, with a stronger focus on the question: how can we achieve common solutions for energy security? So far, we have looked at energy issues in a very national context. It’s important to give this policy area a European profile, especially since the financial aid that is now flowing leads to a risk of diverting money from the very important objective of making a transition to green and non-fossil energy sources. This can only be achieved together and in a coordinated way. That is what I would like to see, because it would also give us a perspective for the time of – perhaps not yet next winter – but the winter after next.

Strauch: I fully agree with that. To make it clear again from my perspective: when we talk internationally with our counterparts and talk to financial market participants, the question often comes up: how are you going to do this in Europe? You have spent a lot of money now to support people. How is that going to continue? I also think we need this coordination. We need a clear vision on how monetary and fiscal policies can be pursued together, both at the euro area level and at the EU level, and how they can lead us in the common direction. For that, there needs to be a lot of coordination. That will certainly be a key challenge.

Nguyen: Great, thank you both very much. Before we come to the conclusion of this episode, I still have the category "three questions with one word" for you, as always. You will now each be asked a question, which you should answer in one word, as far as possible. Rolf, the first question goes to you: On a scale of 1 to 10...1 is "about to die" and 10 is "very good"... in how bad shape is the European economy?

Strauch: From my point of view, if we look at the euro area now, I will place the euro area at 6 on the scale you mentioned. However, one should also bear in mind that the extreme

point was the situation in 2015 [possible Grexit], where the euro area was on the verge of breaking apart. Relative to that measure, we are in a much better position today.

Nguyen: Johannes, the next question goes to you: what is the most urgent reform needed to make the EU fully crisis-resilient?

Lindner: I think we need a clear plan on climate and energy security.

Nguyen: And then the fourth question goes to both of you: who is the most important actor to get Europe out of this crisis?

Strauch: As always in Europe, there is not one single actor. It's the will of the member states that we should realise a common vision and keep the focus on solving problems. That, I believe, is a core message.

Lindner: From my point of view, I would say it is the EU Commission. I believe that the Commission has a very important role to play. And in this respect, I would simply throw my weight behind Ursula von der Leyen.

Nguyen: Thank you both, Johannes, and Rolf, for being with me today. It was a lot of fun.

Lindner/Strauch: Thank you.

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