

# EU debt crisis odyssey

#visualizingthecrisis

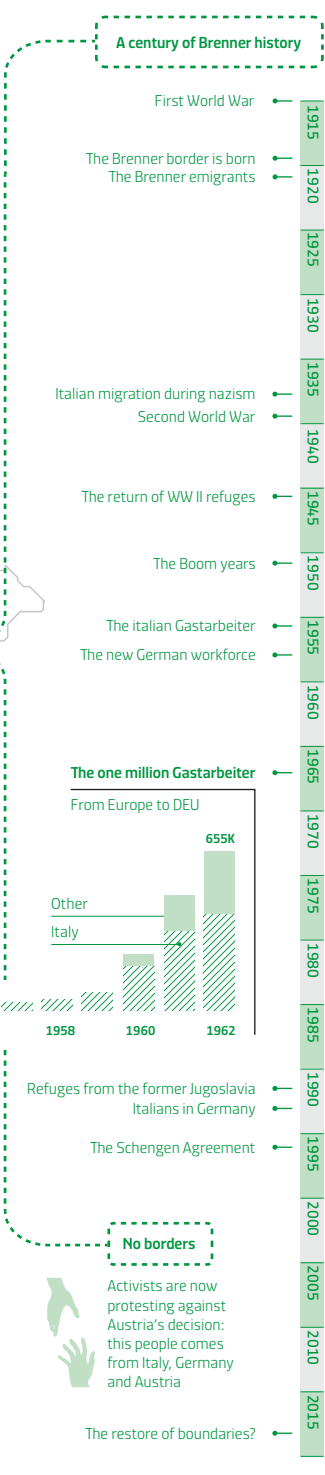
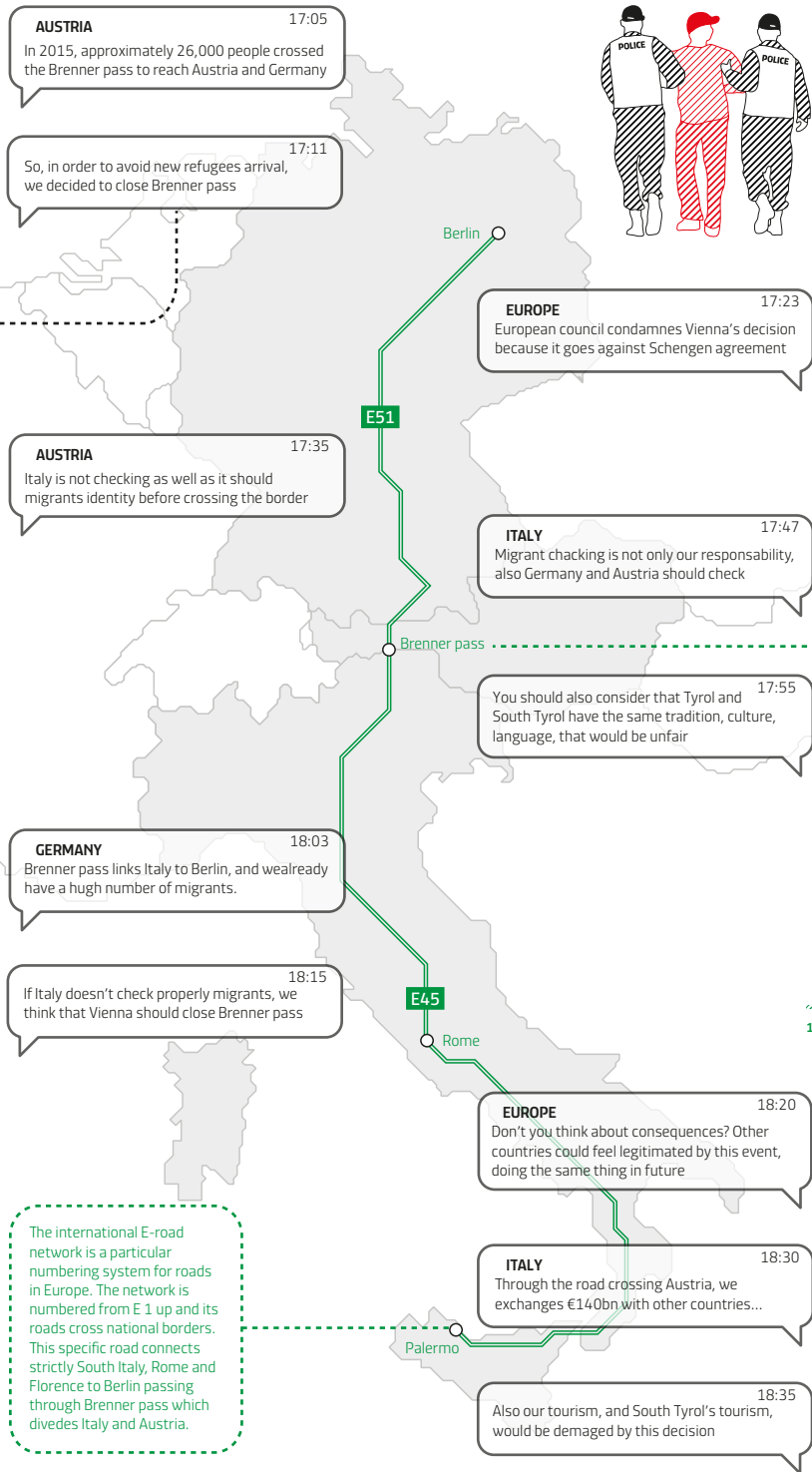
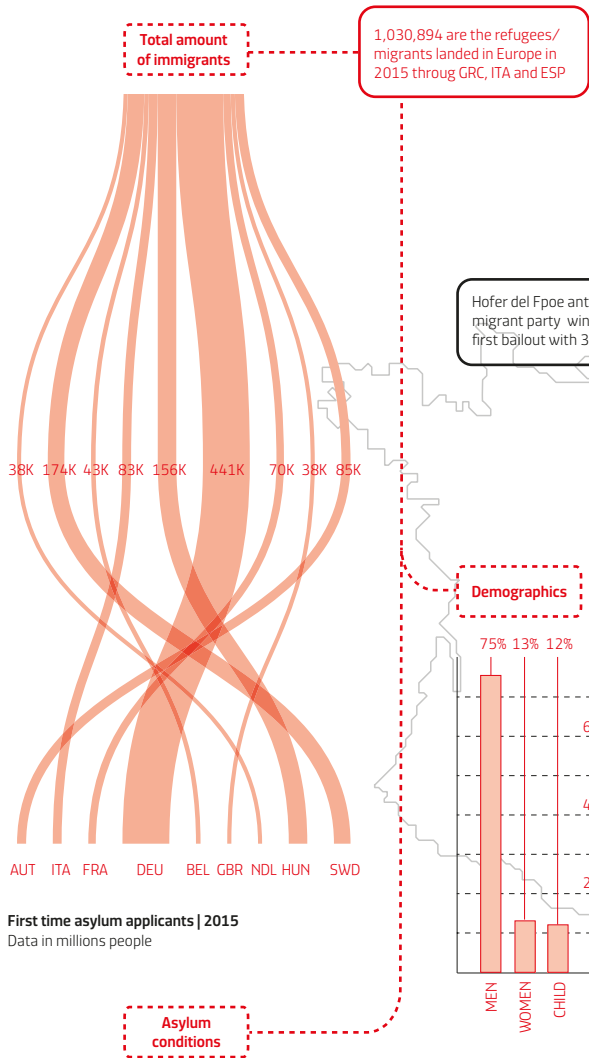
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Lab. di Design della Comunicazione AA 2015-2016

The free movement of persons is a fundamental right guaranteed by the EU to its citizens thanks to Schengen Agreement, signed in 1995, citizens can cross internal borders without being subjected to border checks.

## Is Europe disintegrating?

Austria announced that it would begin a new “border management” plan that risks turning South Tyrol, once seen as a symbol of Europe’s peaceful cohesion, into something far different: an emblem of Europe disintegration.



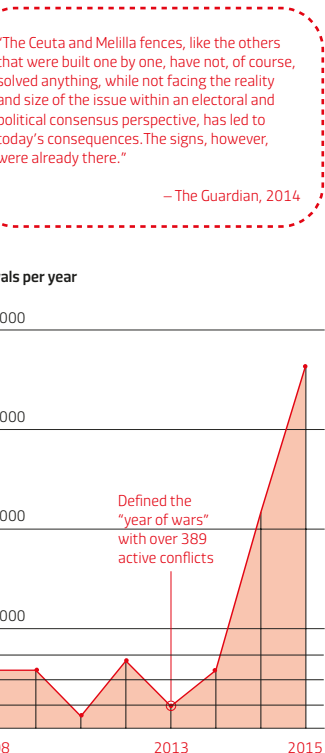
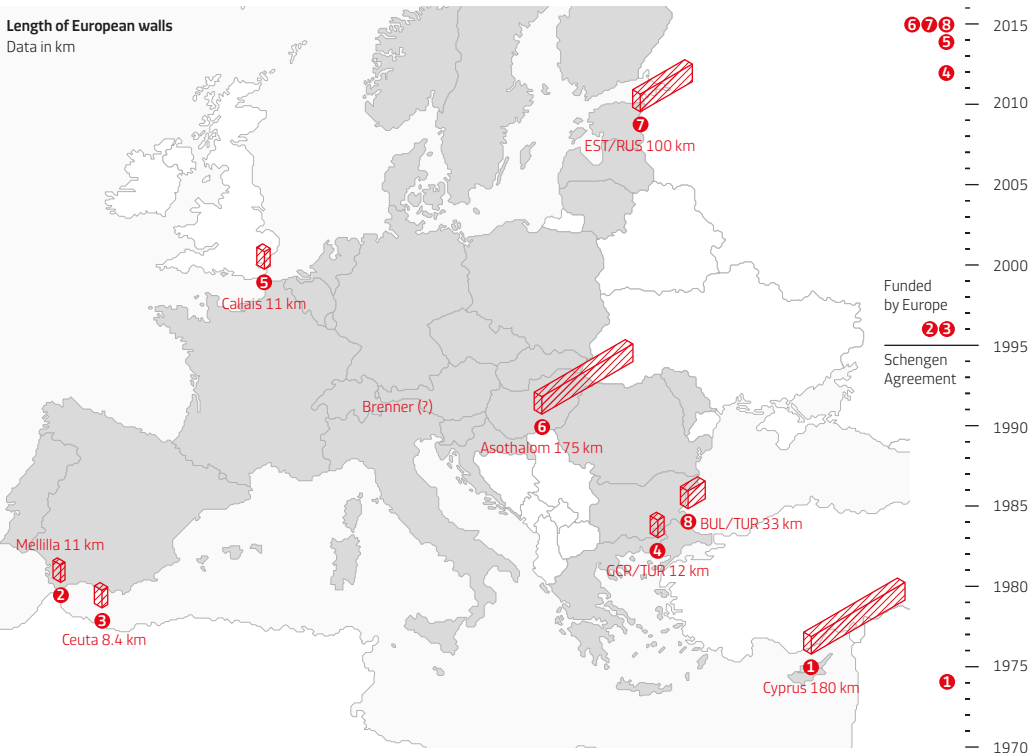
## EUR Europe's walls: what is the truth?

The Schengen Agreement, which was intended to create an area of free movement within the EU, has been essentially based just on a “policing” agreement, said in 1995 Langer, major of Ventimiglia. “The fall of internal borders was complemented by the strengthening of the external borders”. It is not a coincidence that works on the first European “wall”, the Ceuta and Melilla border fences, notably funded by the EU, began in the fall of 1995.

**TIPS** for economy's beginners

**FPOE:** Freiheitliche Partei Österreichs  
(Freedom Party of Austria in English)  
**EU:** European Union

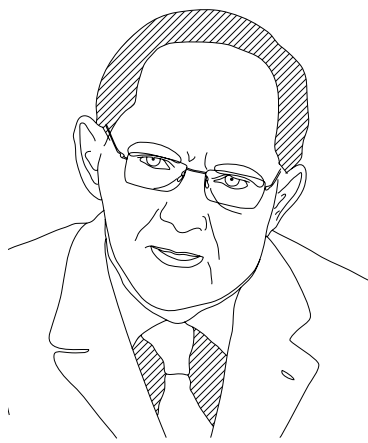
Sources: Europa Dreaming, theguardian, La Repubblica, Migration und Politik, migreurop, close the camp, UNHCR, Internazionale, channelnewsasia



EUR

# The European countries bond discussion

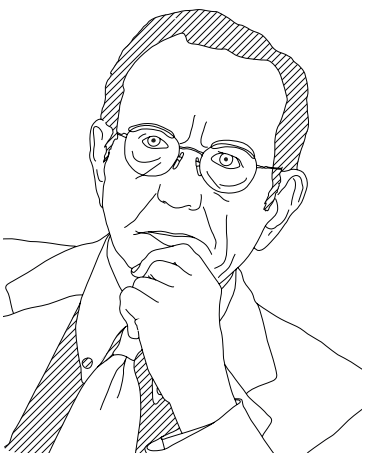
The EU faces a tough political battle over changes to the regulatory treatment of government bonds. The issue has become a focus of political debate in recent months because of Germany's insistence that the euro area should reduce the risks banks are facing, including government debt on their balance sheets, before creating a common deposit insurance system to round out the so-called banking union.



"We have to start to reduce the risks that occur from the connection between banks and public budgets, and that of course means that we have to address government bonds and balance sheets of banks" said German finance minister Wolfgang Schäuble.

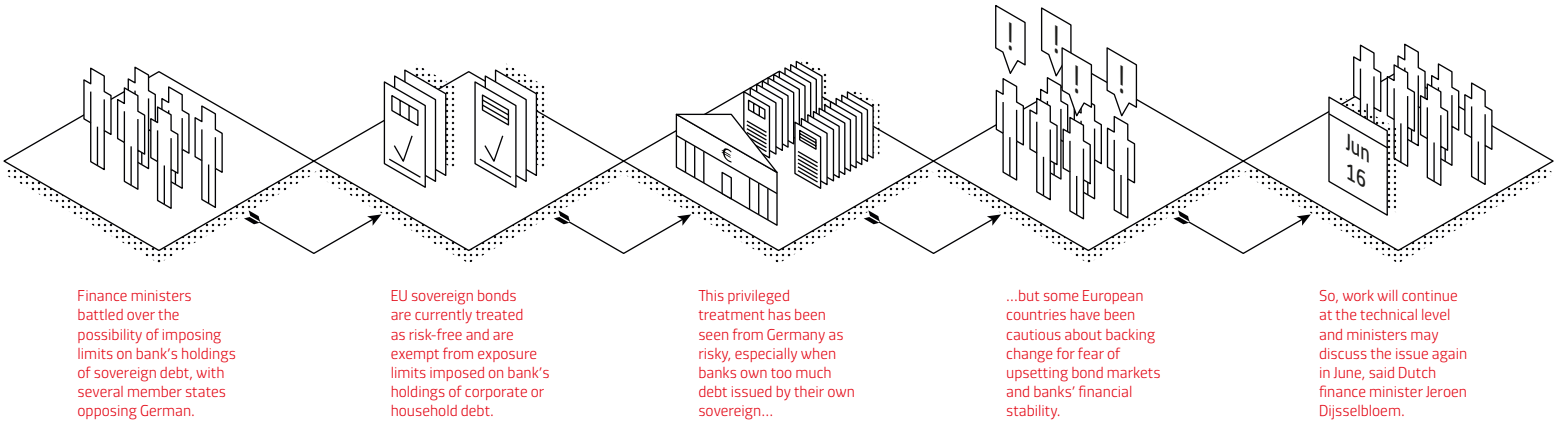
VS.

"The most preferable option is the status quo", Italian finance minister Pier Carlo Padoa-Schioppa said, because this wouldn't force banks to reshuffle their debt holdings, "creating the problem of where this debt will end up. This would provoke a readjustment shock in the market."



## The question was born here

The EU faces a tough political battle over changes to the regulatory treatment of government bonds. The issue has become a focus of political debate in recent months because of Germany's insistence that the euro area should reduce the risks banks are facing, including government debt on their balance sheets, before creating a common deposit insurance system to round out the so-called banking union. Here's focal points of the question.

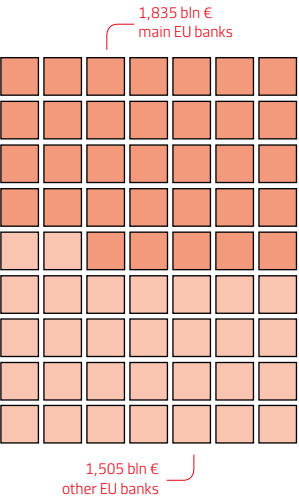


## Sovereign debt stockpile in European countries

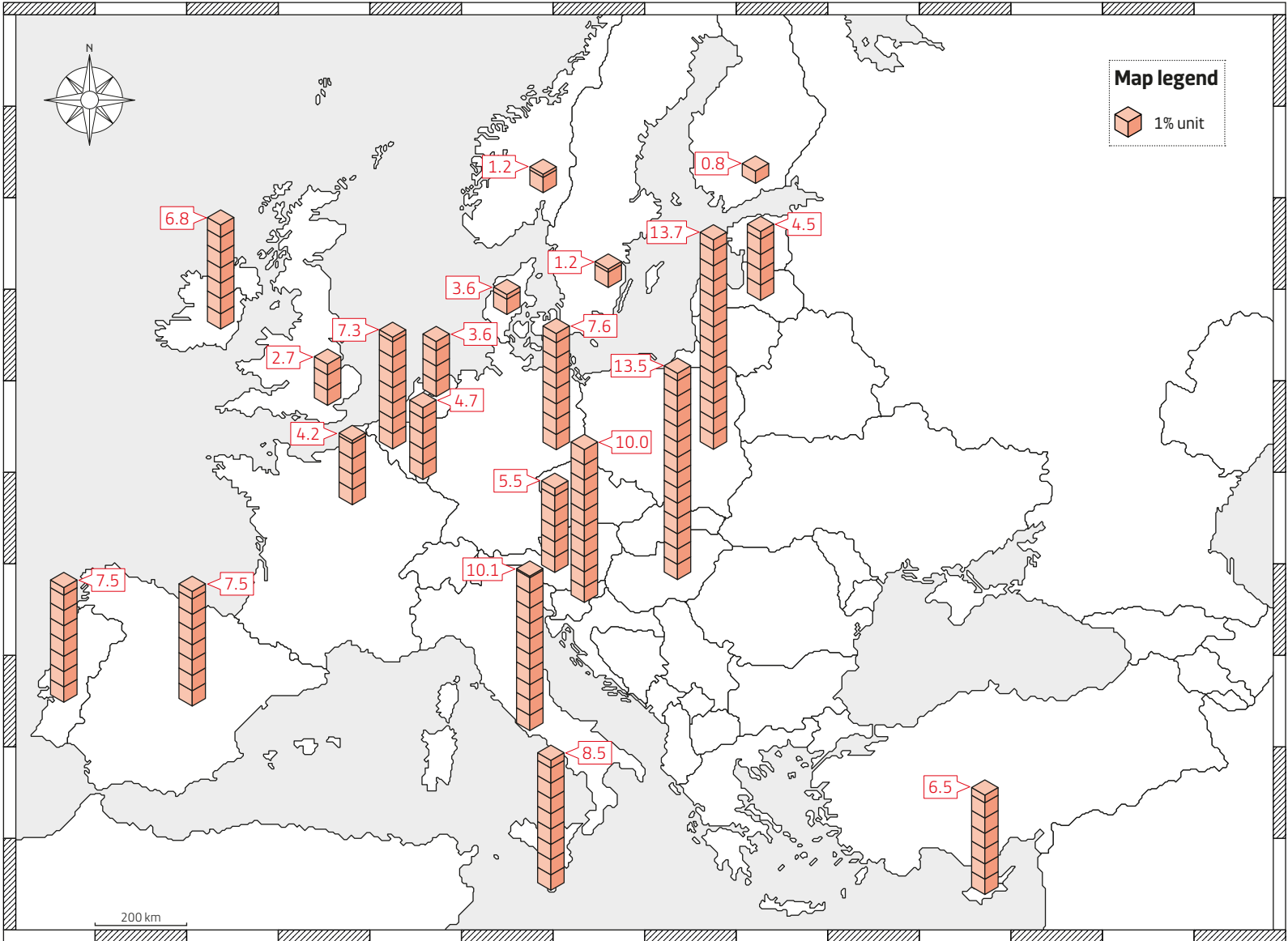
Reducing the risk posed by state debt on banks' balance sheets isn't "especially relevant," acting Spanish Economy Minister Luis de Guindos. "It's very important that European banks aren't in a disadvantageous position in relation to banks in the rest of the world". The two main options on the table for dealing with sovereign bonds would be to impose limits on the concentration of debt that banks can hold, or to limit the current practice of treating many sovereign bonds as risk-free for regulatory reporting.

European Banks sovereign exposures in 2015 specific composition of total value (bln €)

Total value: 3,341 bln €

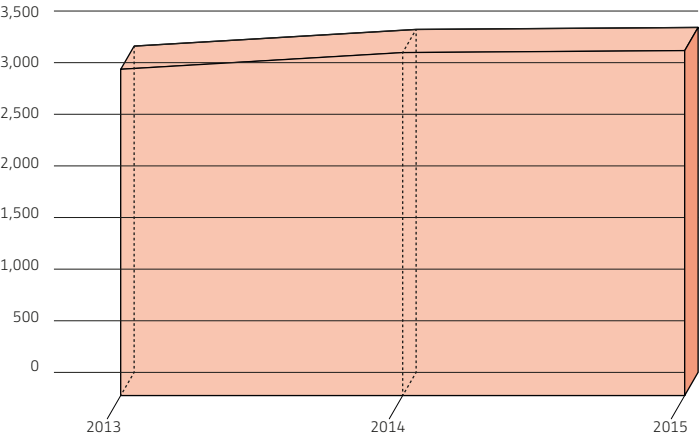


Banks' average exposure to Home Sovereign as at 30/06/2015 (% of total assets)



Sources: Bloomberg.com, Reuters.com, Europa.eu

European Banks sovereign exposures 2013 | 2015 (bln €)



Main European Banks sovereign exposures in 2015 (bln €)

