

## **IT IS WORTH BEING PART OF THE EUROZONE – OXFORD-STYLE DEBATE AT THE 5TH EUROPEAN FINANCIAL CONGRESS**

On June 22<sup>nd</sup> this year during the opening session of the V European Financial Congress in Sopot an Oxford debate was held on the thesis “It is worth to be in the eurozone”.

The traditional part of an Oxford debate is voting in which all participants, having heard the polemics of the Proposing and the Opposing parties are able to indicate the party which they believe was more convincing. In Sopot the voting was called not only at the end, but also before the debate. In the first voting 336 participants of the Congress opted in favour of the thesis “It is worth to be in the eurozone”, whereas 264 persons were against the thesis. In the final voting the proportions changed a little for the benefit of the opponents of the main thesis, but the belief that entering the eurozone is profitable prevailed anyway. 316 Congress participants voted for it and 284 were against it.

The main speakers for the Proposition were prof. Dariusz Rosati, European Parliament Deputy, prof. Dariusz Filar from the University of Gdańsk and dr. Jerzy Pruski, Board President of the Bank Guarantee Fund. The speakers of the Opposition were prof. Zdzisław Krasnodębski, European Parliament Deputy, Professor Andrzej Sławiński from Warsaw School of Economics and Stefan Kawalec, Board President of Capital Strategy.

### *Record of the debate:*

**Jan Krzysztof Bielecki:** First of all I call both parties to take their places. The party of the Proposition is always the one to start. Therefore let me ask Professor Dariusz Rosati, Professor Dariusz Filar and dr. Jerzy Pruski to take the right side. The Proposition team is made up of a European Deputy, a Professor with the knowledge of economic policy and the PhD with the knowledge of all aspects. The Opposition team has a very similar structure. It is my honour to invite Professor Zdzisław Krasnodębski, Professor Andrzej Sławiński and Mr Stefan Kawalec.

We debate over the thesis “It is worth to be in the eurozone”. Therefore we are not searching for a solution, because we already have one, which is the thesis itself. One team believes that it is worth entering the eurozone, the other one claims that it is not. The debate is made up of two rounds. In the first round everyone will share their arguments. In the rebuttal everyone will answer the other team’s arguments.

[First voting, result: 336 in favor, 264 against]

We begin with the vote in favour of the thesis. At the beginning of the first round Professor Rosati will take the floor as the Proposition speaker. The next speaker will be Professor Krasnodębski as the first speaker of the Opposition.

**Dariusz Rosati:** Three minutes to present the advantages, risks and drawbacks of entering the eurozone is like three minutes to talk about the Sienkiewicz Trilogy. Well, the debate is a debate with all its rules. Therefore I will try to present to you the economic argument based on a very tentative account of costs and profits which Poland may face on entering the eurozone. First of all let me talk about the transactional costs, which are connected with two matters: currency exchange costs and risk prevention costs. Based on data for the Polish economy for 2012 and based on more or less realistic assumptions I evaluate the first category of profits on the level of circa 4.5 billion zlotys and the second one connected with the financial risk – on the level of circa 5-5.5 billion zlotys. Please remember these numbers for reference. The third category of profits is a decrease of capital costs and interest rates and it is much more important. Considering the size of debt of the Polish private sector in 2012 and carefully assuming the interest rate decrease by circa 200 basis points, it means that the costs of credit services for the Polish economy will drop by more or less 15 billion zlotys in the annual scale. The fourth category of profits, which may be counted easily, is the operational cost of public debt. Assessing the loan needs of circa 150 billion zlotys annually and assuming the same drop of interest rates by circa 200 basis points we gain profits in the public debt service on the level of 3 billion zlotys. When we sum it all up we receive circa 28 billion zlotys static and directly accountable profits. We should add dynamic profits to this, resulting of course from the extension of horizons, from investment results, new employment vacancies, from the increase in revenues and taxes. Let me support my arguments with the assessments of the National Bank of Poland, which evaluates these dynamic profits approximately on the level of 0.7 percent of GDP, referring to the data of 2012 again, circa 10 billion zlotys. So much on the side of profits. Let me point out that there are many other economic benefits, but my time runs, so I cannot enumerate all of them.

Of course, entering the eurozone is connected with costs as well. The most serious, but a non recurrent position is the cost of introducing the Euro. It is more or less 0.5 percent of GDP. The second serious position resulting from the decrease

of interest rates is a drop in interest rate income for all those who have deposits. These are the basic costs. Of course there are a few adjustment costs as well, not so considerable. Altogether we receive profits minus costs circa 2 percent of GDP.

**Jan Krzysztof Bielecki:** Thank you so much. Professor Rosati in his first presentation described the net profits resulting from entering the eurozone and estimated them on the level of 2 percent of GDP. This is how we remember the first argument. Now I give floor to Professor Krasnodębski.

**Zdzisław Krasnodębski:** I will not refer to these numbers, because I am not an economist. I am a sociologist, but let me tell you that I used to believe that economics is an exact science and I had participated in a few conferences of bank associations before the euro currency existed. I heard more or less the same arguments as the ones presented by Professor Rosati today. All the economic advantages that the euro was supposed to bring were enumerated. And almost nothing of what they had said came true. I know that after our debate Minister Jacek Rostowski will take floor and he will talk how to repair the eurozone. Therefore we would have to enter a zone, which needs a recovery already. It is obvious that the effects of the introduction of the euro and the monetary union are completely different than expected. Of course there is a question: where does it come from? Until we reach a common view on this matter, though, as we know, there are many different opinions on this issue – the problem of Greece and no budgetary discipline or maybe it is the matter of the euro itself, which is heard from very prominent economists and I also think this way – we should not enter the eurozone. What promise did we hear connected with the euro introduction? Prince Michael von Liechtenstein, who had a speech before our debate, mentioned chancellor Helmut Kohl, who said that the monetary union is a way to unify Europe. Well, the promise connected with the introduction of the monetary union was also a political promise. It was a promise that the economies of the peripheral states and the central states would converge. Nothing like this happened, actually it was the opposite. Why? The reason is the euro and the fact that it is a currency which is not adjusted to the countries which are in the eurozone. Europe is too diversified, both socially and politically. The euro is a currency which is too weak for Germany – that is why we are facing the obvious political effects in the form of immense increase of economic and political power of this country. Today we can repeat after the leftist sociologist, Ulrich Beck that in this situation we can talk about “German Europe”. On the other hand the euro is too strong a currency for the countries of the south. The common currency led to divergence then. In fact, it splits Europe instead of unifying it. We must take this into account before we make a decision on entering the eurozone.

**Jan Krzysztof Bielecki:** Thank you. Let us then agree on the main counter argument made by Professor Krasnodębski, namely that introducing the euro has not led to the convergence of EU member states’ economies, but just the opposite. Now let me ask the other speaker of the Proposition, Professor Dariusz Filar.

**Dariusz Filar:** When an economist builds a scenario, in general he makes assumptions for the same. If my scenario is based on a thesis that it is recommended for Poland to belong to the eurozone, at the same time I formulate the following assumptions: I am not entering the eurozone today or tomorrow and I am not entering it unconditionally. As a matter of fact I would rather tell you about these assumptions, but my role here and now is to present arguments in favour of entering the eurozone. Maybe I will have time to discuss the assumptions later on. Now let me focus on arguments and put aside the assumptions for a while.

First of all, Europe has been developing a certain unification scenario for several decades and the common currency is definitely a part of this project. If we want Europe to be unified, we also want to have the same currency.

The second argument, which in my opinion is specifically Polish, is the fact already mentioned by Mateusz Szczurek in his opening speech that at present we meet all nominal criteria except the ERM II system. The notion that these criteria should be met was present in Poland – both in the National Bank of Poland and in the Ministry of Finance, so I treat the eurozone as the disciplining factor. It must be admitted that in Poland this disciplining mechanism worked better than in other countries.

The third argument is connected with the fact that Polish companies are braver and braver in entering Europe. We often notice that there are foreign investors in Poland, but Polish companies also go outside. For many companies, especially the smaller ones, such balance uniformity of a company or even its part, which operates abroad, would be a facilitation. The transaction costs mentioned here by Professor Rosati – I see them further, only on the fourth position, because the costs are falling. The mechanism develops so much that it may be cheaper, but of course there are profits here as well.

And the last argument, also raised by Mateusz Szczurek, namely access to the ECB resources, if necessary.

**Jan Krzysztof Bielecki:** Thank you. Unfortunately I must write down one argument, not several and that is why I propose to record Professor Filar's argument in favour of the debate thesis that the fact of the target obligation to belong to the eurozone had a disciplining function in the economic policies run by various governments over the years. Let us now give the floor to the second speaker of the Opposition – Professor Sławiński.

**Andrzej Sławiński:** There is nothing more important in economic policy than keeping the economy on the path of balanced growth. What we need in order to do this, and we will need for a long time yet, is a fluctuating exchange rate and autonomous financial policy. In the eurozone it is very easy to lose balance and the costs of return are – as we all see – very high; certainly higher than potential benefits of entering the eurozone, mentioned earlier by the Proposition speakers.

A fluctuating exchange rate is necessary not only during crisis. It constantly helps us in balancing the economy and the balance of payments. No country in our region has such a stable turnover balance as Poland.

Moreover the fluctuating nominal rate allows to stabilize the real effective currency rate, which is crucial from the point of view of competitiveness of the economy. Milton Friedman wrote about it in 1953 already. The Slovaks worry that after the stabilization of the nominal exchange rate (in effect of entering the eurozone) the real exchange rate fluctuation increased.

As far as operational costs are concerned, they dropped radically after moving the currency exchange trade into clearing platforms. Spreads for big companies are two pips now and for small companies – 20 pips, which makes 0.2%. It is hard to talk about any meaningful transaction costs resulting from maintaining own currency.

If the fluctuation of the zloty exchange rate is irrelevant and it is the case here, it means that we maintain the monetary policy autonomy with a very low cost. What is more, the stability of the zloty exchange rate guarantees that when we apply the fluctuating exchange rate, it is no problem for our European partners.

The examples of Latvia, Lithuania, Estonia, Ireland, Spain and Portugal show how big the costs of losing monetary policy autonomy may be. As far as the Baltic states are concerned, when we notice that they were applying fixed exchange rates to the euro for a long time, practically it meant that in fact all these countries functioned in such conditions as if they had already been in the eurozone. In effect they lost control over the size of interest rates with the consequences that we all know.

Of course one can say that once you enter the eurozone, you can apply macroprudential policy instead of monetary policy, but this is an illusion. These are two policies, which may support one another, but they are not fully substitutive. It reminds me of a similar illusion, which used to be a belief a decade ago or so, when they said that after entering the eurozone the fiscal policy may completely replace monetary policy as an instrument of an anti cyclical policy.

At the end let me add that all the Baltic states, even Slovakia, are small economies. The Polish economy is much bigger and that is why we need the fluctuating exchange rate and monetary policy autonomy more than they do. It is much too early to resign from it.

**Jan Krzysztof Bielecki:** Thank you, Professor. Let us assume that your argument is the autonomy of the monetary and exchange rate policy, which has let us mitigate and is still mitigating the crisis shocks and we have been developing like this for 23 years without interruption. Now the third voice in favour of the thesis, dr. Jerzy Pruski.

**Jerzy Pruski:** At the beginning let me refer to what Professor Sławiński has said – we have autonomy. It has its dark side and bright side as well. Putting

aside the exchange rate autonomy let me just say that the autonomy of monetary policy led to the fact that we have a big gap between the inflation target, which is to be reached by the central bank, and the real inflation rate. Talking about benefits connected with entering the eurozone, let me begin with the aspect that Professor Rosati mentioned at the end – there are economic benefits and there are a lot of them. They are very well accountable and examples have already been given. A statement appeared that these easily quantifiable benefits should be accompanied by many other profits. In this context let me draw your attention to the series of benefits, which have the nature of crisis actions and crisis prevention. There have never been in Europe such crisis prevention and crisis response solutions as nowadays. These solutions have been developed in accordance with the highest world standards. Most certainly, from the regulatory point of view the European Union, especially the eurozone, are the world leaders. Let me enumerate only several such risk preventing solutions. The European Systemic Risk Council, something that we are developing in Poland, but we have not finished yet, was built in Europe, in the eurozone, a long time ago. We have solutions, which refer to macro economic issues, such as stability package. We have new regulations in the scope of capital and fluidity, but most of all there are solutions which in my opinion, although they have not been tested directly, are beginning to work already and it is visible in the effectiveness of these solutions in the context of the Greek case. Namely, this is a uniform supervisory mechanism and, what is more important, a uniform mechanism of resolution, which was connected in Europe with a full harmonization of functioning of deposit guarantee schemes for the first time ever. Nobody in Europe and probably nobody in the world deals with systems which are so well established in regulatory and institutional terms and which will fight the crisis effects, if it happens. It is even more important, considering that such solutions address the problem, which is unsolvable in the whole world, namely, a cross-border crisis consisting in moving big bank troubles from one country to another. In Poland we feel safe as long as it has not affected us. Nowhere in the world, FSB included, a remedy exists, which would allow for solving the problem of so called cross-border burden sharing. It seems that it works in Europe. A uniform mechanism has been created to allow for resolution of banks and it solves the problems of international cooperation.

**Jan Krzysztof Bielecki:** Thank you very much. So we can record an argument in favour of entering the eurozone, based on which thanks to being in the eurozone it is possible to use crisis response tools and crisis prevention tools. Now I give the floor to the third speaker of the Opposition, Stefan Kawalec.

**Stefan Kawalec:** In the introduction of my speech let me emphasise that I believe that the European Union and the common European market are huge achievements of post-war Europe. Poland's safety and successful economic development depends on the maintenance of these achievements. However,

establishing the eurozone appeared to be a serious mistake and it bears a serious threat both for the European Union as well as for the uniform European market.

The basic argument against entering the eurozone is that the resignation of an own currency deprives a country of its adjustment mechanism, which is a change of the currency exchange rate. It is a very effective mechanism and in a critical situation, when this mechanism does not exist, it may have dramatic economic and political consequences for the country. Let us compare two countries with a similar population: Spain, which belongs to the eurozone and Poland, which has its own currency. When the eurozone crisis broke out it was estimated that Spain should decrease salaries by circa 30 percent in order to restore the international competitiveness of its economy. If Spain had had its own currency, the competitiveness improvement in this scale might have been achieved very fast by weakening the currency. Something like this really happened in Poland between 2008 and 2009 when the Polish zloty weakened by 30 percent, which was one of the main factors that made us the only country in Europe with economic growth in 2009. We have been benefiting from the competitiveness improvement so far. Spain has not had such an opportunity and was resigned to the policy of so called internal devaluation, in effect of which nowadays Spain GDP is 5 percent lower than before the crisis, whereas Polish GDP increased in the same time by over twenty percent. Unemployment grew in Spain by more than a dozen pp and even the IMF, which appraised Spain for its determined actions admits that salaries do not decrease there, and economy adjustments were mainly achieved by GDP decrease and employment decrease. Spain is now facing many years of high unemployment and it is reasonable to ask how the political system will bear it and whether democracy and territorial unity of Spain will be maintained.

**Jan Krzysztof Bielecki:** We can record the third argument for the Opposition team that the internal devaluation, which is an inevitable adjustment mechanism for a country in the eurozone, is very painful for citizens.

We already heard the speeches made by the team of proponents and the team of opponents of the thesis that it is worth being in the eurozone. In accordance with the debate scenario we should now go to the second round, the rebuttal. Let us give the floor to Professor Rosati.

[Before the beginning of the second round the audience aired their opinions and questions.]

**Dariusz Rosati:** Of course nobody says that we have to enter the eurozone tomorrow or the day after tomorrow. As Professor Filar has noted it should be done after preparations. I heard an argument from the Opposition that we should keep the autonomy of monetary and exchange rate policy. Actually I would like to make a correction here – Poland does not apply an exchange rate policy at all. We have a floating exchange rate. We could not apply an exchange rate policy anyway, if we wanted to maintain autonomy in monetary policy. Second, autonomy in monetary

policy is of course limited. Poland may not freely establish interest rates. We cannot go below 1.5 percent at this moment, nor can we establish interest rates too high, because the exchange rate these days is determined mainly by capital flow, not by what is happening in the current account, most of all in foreign trade. Those, who believe that devaluation is a method for the maintenance of competitiveness should be reminded that the countries of the south of Europe carried out devaluations regularly every 3–4 years, but it did not make them competitive economies. Devaluation is a method for us to be cheaper, but not more competitive. Therefore those countries of the south of Europe joined the eurozone and they counted that they would be able to build their competitiveness in the environment of a stable exchange rate and stable interest rates. The euro is not the reason why this has not happened in many cases. The reason is a bad macroeconomic policy of these countries. Both Greece as well as Portugal to some extent or Italy, entered into excessive debt by using a low interest rate environment. The euro cannot be blamed here, because it was not compulsory to take debts. The counties of the north of Europe resisted this temptation and used the common currency in order to build competitive economies. Finally, I would like to reassure those who are afraid of the negative influence of euro introduction on the relation between the salary and price levels. The purchasing power of salaries, no matter if it is four thousand zlotys, or one thousand euro after conversion, it will not change, because the prices are also counted with the same conversion rate. We will not have any price shock, because as we know from other countries' experience, prices do not increase after entering the eurozone.

**Jan Krzysztof Bielecki:** Thank you so much. Can we summarize the Professor's speech so that the autonomous exchange rate and monetary policy suggested by Professor Sławiński is in fact a good camouflage for bad economic policy?

**Dariusz Rosati:** I would put it in other words, namely that such an open country as Poland, with its own currency has two choices: to resign from the exchange rate policy, which we have already done in Poland, or to resign from monetary policy at all. You cannot have both things at the same time.

**Jan Krzysztof Bielecki:** I understand, so now I give the floor to Professor Krasnodębski.

**Zdzisław Krasnodębski:** I have the impression that we are discussing something unrelated to political and social reality. It is difficult to foresee the future. Let us rely on facts then, which have shown so far that the monetary union gave more power to the strong and weakened the poor ones. One can expect – the example of Spain is very good here – that certain processes which occurred in the countries of southern Europe, will concern Poland if we enter the monetary union. One can also expect then that the phenomena of peripheralization will enhance. Second, we experience centralization. Today, as we know, five presidents of EU member states announced a program which proposes to deepen the centralization



process. Now there are efforts to rescue the monetary union by further political, fiscal centralization, etc. However, this policy evokes protests. Social and political reality looks different. We see in the European Parliament that the protesting parties are growing, we are threatened by Grexit, whereas we are talking about a completely abstract situation. It is not sure at all that the eurozone will develop in the planned direction, because social protests will have to be addressed. Let us recall that both Greeks as well as the Spanish, but also the Latvians protested very strongly against entering the eurozone. Ignoring such voices of protest is unfortunately connected with such processes as de-democratization, moving power in the direction of technocratic elites in Brussels etc. I am not an advocate of such a Europe, a Europe of economic inequality, a centralized Europe, a non-democratic Europe.

**Jan Krzysztof Bielecki:** Professor, in such a case we will record that belonging to the eurozone evokes huge social protests and rejection of economic policy run in the framework of the eurozone. Now Professor Filar will take floor.

**Dariusz Filar:** Continuing what I have already said, namely that the vision of the eurozone and certain parameters which it consists of, enabled subsequent Polish governments, regardless of their composition, to stick to certain rules and I think that this should not be rejected. In other words, the eurozone, along with all factors which are necessary for its good functioning, may be treated as a kind of motivation to continue policy which is beneficial for the country and which does not allow anyone to bear in mind that public debt may be raised, that huge deficits may be created, that financial policy allows for a vast room to move. We treat the eurozone as a kind of a challenge with a certain direction.

There is another issue as well, namely the aspect of optimum currency area. Many scientific papers are devoted to the analysis of the issue whether Europe is or may be the optimum currency area. This aspect deserves consideration and analysis how much Poland is able to fit in the rules of optimum currency area, if such an area will really appear in Europe.

**Jan Krzysztof Bielecki:** Thank you so much. The argument is that the perspective of belonging to the eurozone is a perfect motivation for subsequent governments to run good economic policy.

**Andrzej Sławiński:** Let me start with a short riposte to Professor Rosati's speech. Let me remind you that a variable rate of the Polish zloty basically had an counter-cyclical nature and when I talked about the necessity to apply the floating exchange rate I was not talking about steering the rate, since the National Bank of Poland did not do this except in ad hoc cases.

Whereas my second argument in this debate is that the eurozone was created prematurely. It is now like the conquered bridge in Arnhem recalled in the movie "A Bridge Too Far". The costs of defense of the eurozone, as well as the bridge defense, appeared too high.

I understand the premature creation of the eurozone as establishing it before the formation of a political union. Without such a union all new institutional solutions are – as we see – late and limited.

For example, out of the planned European Banking Union we only have a common supervision now. The system of deposit guarantee does not exist yet and the fund to finance resolution of banks will have (and no sooner than in 10 years time) only 55 billion euro, which is a very small amount when we bear in mind that rescuing only the Anglo-Irish Bank cost the Irish government 30 billion euro.

Waiting for the commencement of quantitative easing (QE) so necessary in the eurozone took five years and the costs were immense. Contrary to Great Britain and the United States, the eurozone entered a second recession and several member states experienced so severe fiscal crises that their governments lost their borrowing capacity in capital markets.

The five-year period of waiting for QE was unnecessary and it was not a coincidence. The arguments prepared in the Karlsruhe tribunal in cooperation with Bundesbank against MTO (QE predecessor) were theoretical and not supported with empirical research. Only this year the eurozone commenced QE, but the question is what will happen when QE ends? Will the European Central Bank be able to resist the role of the tender of last resort to governments, which is now taken by all other important central banks? Without a specific form of a political union it will still bear unnecessary controversies. Finally it is something as common as intervention of a central bank in financial markets.

**Jan Krzysztof Bielecki:** Thank you so much. So the argument here is that institutional solutions in the eurozone cannot catch up with the integration level, which results from introducing the common currency. Now I give floor to dr. Jerzy Pruski.

**Jerzy Pruski:** Let me try to prove the thesis that the exchange rate stability really matters and it is very important and one should not talk about the exchange rate strategy emphasizing only one dimension of such an exchange rates solution, namely that if the rate is flexible it may serve as a buffer. This thesis is quite obvious. It used to be at the basis of introducing solutions in Poland in 2000, which we now call the floating exchange rate. We know the advantages of such a buffer very well. At the same time I also want to say that it was a period in which everybody strongly believed in the economic argumentation that entering the eurozone made sense due to economic reasons. This argumentation has not depreciated a lot. The argument that I wanted to refer to is connected with the value of exchange rate stability. Several years ago, when the Polish zloty really appreciated by five percent and the trend lasted for several years the worst thing that I experienced was a meeting with exporters and explaining to them the floating exchange rate advantages. A demagogic approach to the exchange rate mechanism is not good, it carries many traps and one of the examples is the strong

appreciation, real appreciation of the currency. It is exactly as Professor Rosati said, namely the exchange rate changes in result of capital flow. What is now the reaction of the countries which have – I do not know, whether it is independent – monetary policy and I do not know if they run an independent exchange rate policy? I am now thinking about the perfect Swiss economy, which – in order to defend itself against capital flows in the framework of independent monetary policy and – one might like to say – floating exchange rate, had to fix it once and recently the Swiss National Bank has introduced negative interest rates as the first bank in the world. It is obvious what happens in case of a sudden depreciation. Please bear in mind another scenario – maybe this is a slightly geopolitical argument – what would happen if the Ukrainian conflict shifted in the direction of the Polish borders? How would financial markets react, what would be the exchange rate stability of financial instruments in the eurozone and elsewhere?

**Jan Krzysztof Bielecki:** Thank you so much. Dr. Pruski's argument is that higher exchange rate stability, which we would achieve when we enter the eurozone, is a great value, underestimated in this debate. Now I ask for the last argument of the Opposition and I give floor to Stefan Kawalec.

**Stefan Kawalec:** Let me add another argument to the previous one. I have a very important prerequisite against entering the eurozone, namely it is impossible to exit the eurozone when it appears necessary. The paradox here is that the countries which are in a safe situation would also be able to safely withdraw from the eurozone. If Germany wanted to go out of the eurozone, they can do it without causing a panic in their economy. Whereas such countries like Greece, Spain and others, which dramatically need their own currency, are not able to do it safely. If Spain announced that it introduced its own currency, everyone would expect the currency to depreciate to euro immediately. Depositors would run on banks to withdraw their euro without waiting for their deposits to be converted into the new national currency. It would cause a banking panic and a threat of economic paralysis. It is a trap, which is the reason not only of today's Greek tragedy, but also the problems of such countries as Spain, Finland, Slovenia. The three last mentioned countries, in opposition to Greece or even Germany or France, before the outbreak of the world financial crisis obeyed the fiscal Maastricht rules, but today they are in a dramatic situation. If they had their own currencies, they would have been depreciated a long time ago, which would have resulted in their economic competitiveness and economic growth. Today Spain, Slovenia and Finland have their GDP several percent lower than in 2007 and there are no visible prospects to resolve the situation in the future.

**Jan Krzysztof Bielecki:** Thank you so much. We are close to the end of our debate. To sum it up, the voices in favour of the main thesis had a strong argument that aiming at entering the eurozone is a good motivation for Poland and that it is not worth being afraid of and that the costs and benefits are accountable and

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we can observe a net profit in effect. We had a perfect technical debate on the meaning of our monetary policy autonomy or exchange rate policy and the level of its autonomy. Last, but not least, we had voices against entering the eurozone, which said that the eurozone has not led to convergence, that eurozone is not really thought through and institutional solutions connected with it cannot catch up with the level of currency integration and it bears specific risks, that it is a trap which should better be avoided.

[Final voting, result: 316 in favor, 284 against]

Ladies and gentlemen, thank you very kindly, especially the debate participants – opponents and proponents of the thesis and all the audience. Thank you very much for interesting viewpoints in the debate.