



Structural reforms, inflation, and monetary policy

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Increasing resilience to shocks

REER and relative demand

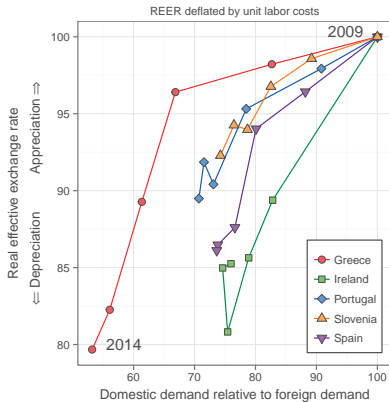


Chart 1

Unemployment rate

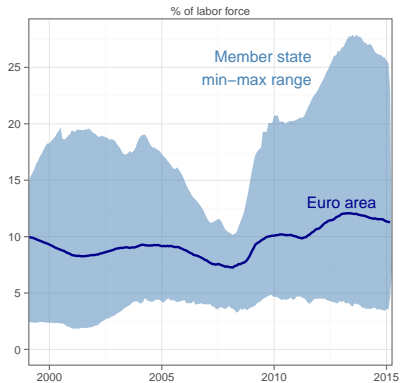


Chart 2

Sources: ECB and European Commission (left); Eurostat (right).

Raising potential growth

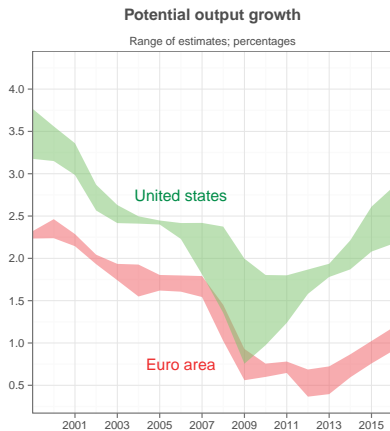


Chart 3

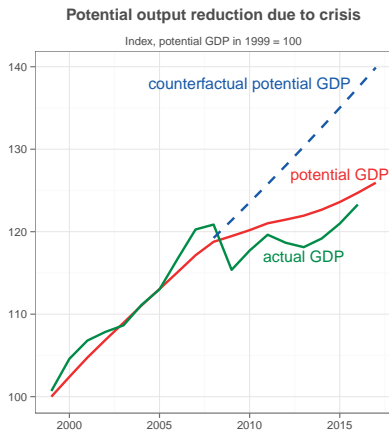


Chart 4

Sources: IMF, OECD, and EC (left); EC Spring 2015 forecast, Output Gap Working Group (right).

The untapped potential of the euro area

Unemployed/underemployed/discouraged workers

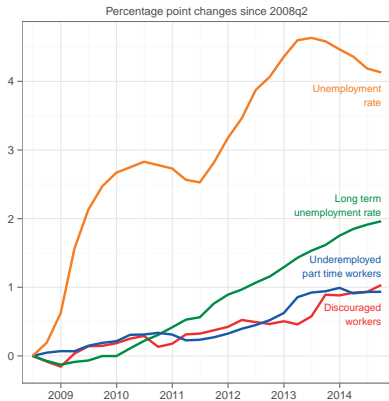


Chart 5

Total factor productivity

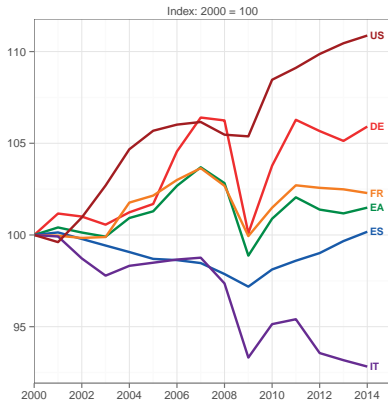


Chart 6

Sources: Labour Force Survey, ECB staff calculations (left); European Commission (right).

The untapped potential of the euro area

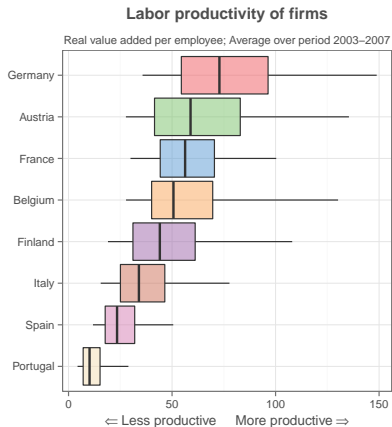


Chart 7

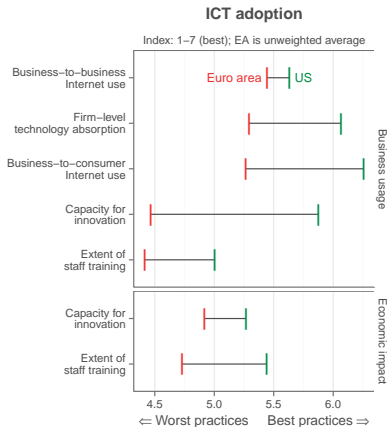


Chart 8

Sources: CompNet (left); World Economic Forum Networked Readiness Index 2015 (right).

Credibility and type of reforms

Longer-term GDP growth expectations

5-years ahead expectations, aggregated probability distribution

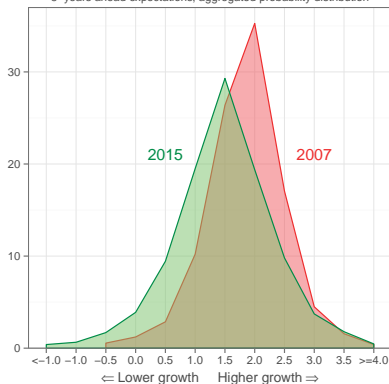


Chart 9

Ease of Doing Business (2015)

Distance to frontier; 100 = global best practices

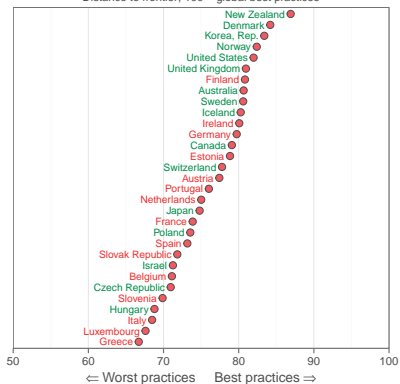


Chart 10

Sources: ECB Survey of Professional Forecasters (left); World Bank (right).

Modelling the short-term effects

EAGLE simulation

Percent (GDP) and percentage-point (CPI) deviations

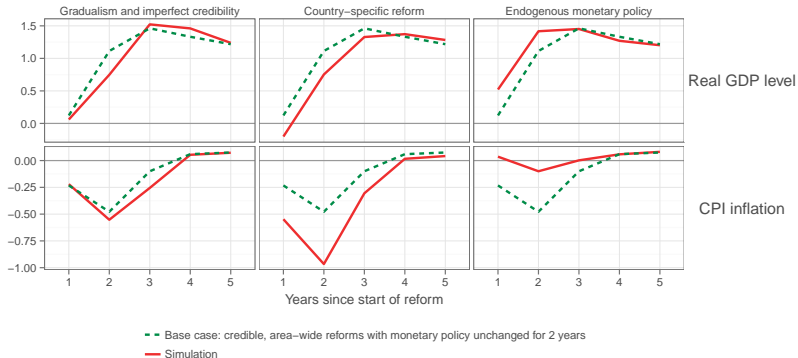


Chart 11

Chart 12

Chart 13