

## Possible solutions

### **Info text**

A series of measures have been adopted focusing on the European banking union:

- The European banking regulator has been strengthened under the umbrella term European Supervisory Authorities (ESAs).
- A standardised settlement mechanism for ailing banks in Europe is intended to ensure that there are no more chain reactions like what occurred following the bankruptcy of the Lehmann Brothers bank.
- In December 2010, the Basel Committee on Banking Supervision adopted new stricter regulatory capital and liquidity requirements for banks, which now have to hedge their loans with more of their own capital.
- A planned common Deposit Guarantee Scheme (DGS) at European level is intended to further strengthen national deposit guarantees.

**Exercise** (*Work in pairs, evaluation upon receiving the response in plenary session*)

(Project) Contact a member of parliament near your place of residence or a member of the European Parliament and ask which possible solutions he/she has supported and which ones he/she is definitely planning in order to prevent a repeat of the 2007/2008 financial crisis in the future.