

## **Major interdisciplinary conference on the European Investment Bank at the University of Luxembourg: Conference Summary**

‘Analysing the European Investment Bank: interdisciplinary approaches to understanding the past, present and future of the world’s biggest lender’,

Conference, University of Luxembourg, Belval Campus, 10-11 July 2019.

### **Conference organisers:**

Dr. Helen Kavvadia, EIB fellow, Institute of Political Science, University of Luxembourg;  
Professor Lucia Coppolaro, University of Padova

The University of Luxembourg hosted the first ever academic conference on the European Investment Bank (EIB) since its establishment in 1958, and an intense academic debate on how the EIB has contributed to the economic development of the European Union (EU), the EIB’s evolution as an institution and its future prospects. The Treaty of Rome (1958) established the EIB to act as the financial institution of the EU. Today the EIB is the largest multilateral lending and borrowing institution in the world and provides EU member states and other countries with long-term financing.

The conference, which took place a few months after the EIB’s 60th year anniversary in 2018, brought together 25 prominent scholars from a range of top universities in nine EU member states and the United States. These scholars — with a well-known track record on research on the EIB or related topics — came from a number of academic disciplines, including economics, history, law and political science.

Conference discussions developed around five distinct areas of research: the historical development of the EIB’s operation; the institution’s impact in European regions; the EIB’s decision-making; assessments of the EIB’s efforts to counter the recent economic crisis; and the political economy of its action.

Issues explored at the conference included: the political, economic and institutional factors that influenced the trajectory of the EIB and its policies; the events that can be considered milestones and decisive turning points in this process; the personalities who played an important role in the development of the bank; and the manner in which the EIB contributed to the tasks outlined in the Treaty of Rome.

The first group of papers presented approached the EIB’s operation from an historical angle. One examined how France influenced the EIB from the first negotiations on its creation in the early 1950s to the present day; another explored how Italy has been the EIB’s major borrower ever since the institution’s creation and the EIB’s role in the country; while another analysed the EIB’s contribution to the economic development of Mediterranean Europe and in particular Italy and Greece.

The second group of papers examined the EIB’s impact on European regions: from a study of the political economy of lending allocation decisions and the role of the members of the EIB’s board of directors; to an analysis of the effects and impact of the EIB’s operations on regional economic growth and the reduction of disparities in the levels of development among the EU’s

regions; to an examination of the important role of the EIB in the EU's promotion of Public-Private Partnerships (PPPs).

The third set of papers examined the EIB's decision-making processes. One expanded upon the weaknesses in the EIB's appraisal process that render it vulnerable to interference resulting in the EIB taking credit decisions that can be inconsistent with its lending criteria and standards. A second paper examined the process of development of EU urban policy and the role played by the EIB, the activity of the institution in the sector and the procedures followed to approve a lending agreement. A third paper analysed the decision-making of infrastructure investments and the separation of two critical concepts: the fluctuation of asset price due to the interaction of supply and demand versus the growth of asset intrinsic value driven by the process of value creation via managerial strategy and policy formation.

The fourth group of papers assessed the EIB's efforts to counter the recent economic crisis. One distinguished between 'economic' risks arising from natural uncertainty relating to investments in certain types of projects or sectors and 'financial' risks that are related to financial products or intermediaries themselves, and create the danger of subsidising the profits of private investors, while socialising their risk of losses, as well as the trade-offs between increased leverage and policy steer. A second paper explored the main features of the Investment Plan for Europe, highlighting its achievements to date and the pending issues that still appear unresolved in the extension of the plan. A third paper examined legal challenges to EIB efforts to counter the crisis.

The fifth group of papers offered political economy analyses of the EIB's actions. Two papers critically compared the roles of the EIB and the European Bank for Reconstruction and Development (EBRD), one with regard to post-accession Eastern Europe and the other with regard to the European Bank Coordination Initiative. A third examined the increased politicisation of the EIB.

The conference was co-organised by the University of Luxembourg and the University of Padova, and was sponsored by The Robert Schuman Initiative for European Affairs — with EU Jean Monnet Centre of Excellence funding — the Institute of Political Science at the University of Luxembourg and the University of Padova.

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**For the programme and additional information see:**

[https://www.uni.lu/research/flshase/identites\\_politiques\\_societes\\_espaces\\_ipse/news\\_events/analysing\\_the\\_european\\_investment\\_bank\\_interdisciplinary\\_approaches\\_to\\_understanding\\_the\\_past\\_present\\_and\\_future\\_of\\_the\\_world\\_s\\_biggest\\_lender](https://www.uni.lu/research/flshase/identites_politiques_societes_espaces_ipse/news_events/analysing_the_european_investment_bank_interdisciplinary_approaches_to_understanding_the_past_present_and_future_of_the_world_s_biggest_lender)