



## JACOB FRENKEL

Chairman of JPMorgan Chase International, Chairman of the Board of Trustees of the Group of Thirty (G-30), Former Governor of the Bank of Israel

**Arthur RUTISHAUSER, Editor-in-Chief, *SonntagsZeitung***

Mr Frenkel, are you also so positive about what is going on in Europe, and especially about the Euro?

**Jacob FRENKEL, Chairman of JPMorgan Chase International, Chairman of the Board of Trustees of the Group of Thirty (G-30), Former Governor of the Bank of Israel**

I will first refer to the preceding question in answering this question. You put the refugee crisis and the Euro challenge on the same level, but historically speaking, the creation and management of the Euro is a fantastic development, a huge change, and of course the effort to maintain and strengthen it is in place. Nothing is perfect and you could call it a work in progress, but there is progress. There is an underlying understanding of the root cause of the challenges, and that is why people are now talking about a banking union and things of that kind.

When it comes to the refugees, of course, as you correctly indicated, it takes the headlines and the attention of leadership, and maybe properly so for now, but there we are as far from a solution as one can be. We have to understand that the solution to the refugee issue is not a question of who will absorb so many refugees, but rather, we need to understand why we have these refugees and how we reduce the flow and the need to become refugees. The reservoir of millions and millions of people who are potential refugees is so big that there is no way that the discussion now taking place of who will absorb how many can solve it. Therefore, the fundamental question is not how to deal with the current refugee crisis, which is a short-term challenge, but how to ensure that there are no future refugees, and this requires much more dramatic political decisions and actions in the global scene.

Therefore, in this regard I am obviously sharing Jean-Claude Trichet's fundamental optimism about the Euro. How does one become optimistic or pessimistic? It is not a matter of character. I am an optimistic guy, but still, the question is what my expectations are, what could have happened and what has happened. We are much more advanced in terms of what could have happened to the Euro area, and in this regard I am more optimistic. We are less advanced in the refugee crisis, and therefore I am not optimistic. I am not seeing the source of it being addressed, and therefore I am even a little pessimistic.