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Press release | 16.06.2015

Economic governance

Committee supports failed economic framework and backward proposals

The European Parliament's Economic and Monetary Affairs committee today voted on a report reviewing the EU's economic governance framework. Commenting after the vote, Greens/EFA MEP and spokesperson on economic and financial affairs **Ernest Urtasun** said:

"It was very clear from the beginning that the centre-right group wanted to use this report to consolidate significant stepbacks in relation to previous reports supported by the Parliament. The goal was to use this report to amend previous progressive positions adopted by the Parliament. Ultimately the centre-left rapporteur gave in to most of the centre-right demands with as result that the report's key message is that the current policy mix of one-sided austerity measures in combination with socially harmful structural reforms is the right one. This contrasts with the Green assessment which points out that the current framework is both procyclical and too discretionary. The problem cannot therefore be reduced to a mere lack of implementation even if it is a lack of implementation of the flexibilities that the framework provides. The Greens call on the Commission to urgently shift the Stability and Growth Pact's focus to look at the bigger picture rather than deficit reduction. Setting debt levels (both private and public) onto a 'sustainable' track through massive budgetary cuts in basic welfare systems across the EU has dramatic social consequences and is damaging the EU's recovery. The current policy response is also increasing debt levels.

The ongoing impact of the crisis and the one-sided austerity-driven response has underlined the need to take a broader view. The EU should also: focus on reducing excessive imbalances in both surplus and deficit countries, define a much more ambitious and far-reaching EU tax policy, take account of the social aspects of the EMU and of resource-efficient and environmentally-friendly future-oriented investments. The EU needs a counter-cyclical approach otherwise the discretionary flexibilities become the rule instead of the exception as they end up being systematically and inefficiently used after the social and economic hardship has already had an impact.

When it comes to the future of the EMU the report very timidly and vaguely recalls some of the positions already endorsed by the Parliament during the previous term. The price of all these elements combined is a report which endorses a self-defeating policy cocktail and lacks ambition on the required quantum leap necessary for ensuring the long term sustainability of the EMU."

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Responsible MEPs



Ernest Urtasun

Vice-President

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