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Eurozone budget: small steps will not address flaws of the Euro

Quote from Sven Giegold MEP

In the early hours of this morning, the Eurogroup of Eurozone Finance Ministers, agreed on general principles for reforms of the common currency, including on a Eurozone budget as well as a reform of the European Stability Mechanism Treaty. The general principles agreed upon lack in detail and clarity and it remains unclear how the Eurozone budget will be financed and how large it will be. The Finance Ministers were able to agree on the inclusion of the Eurozone budget in the discussions on the EU's Multiannual Financial Framework, which will give the European Parliament a say on spending.

Sven Giegold MEP, spokesperson on economic affairs for the **Greens/EFA group** in the European Parliament, comments:

"After seven years of negotiations, this was supposed to be the big leap forward towards a Eurozone budget, but it turned out to be a small step. Finance Ministers have failed to set out, beyond general principles, how this budget will work, how much it will be, and how it will be accountable. When it comes to such core elements, kicking the can down the road won't address the fundamental flaws of the Eurozone.

"The common currency needs a common budget and until Finance Ministers can agree on the details, the Eurozone will continue to be at risk of another crisis. While there was progress on the ESM and discussions will continue on the EDIS, joint deposit guarantee scheme, countries like Germany need stop dragging their feet. It will be the unemployed, low-income earners and pensioners who will be most hurt by the next crisis and Finance Ministers should show courage and agree on bold reforms to strengthen the Eurozone."

More:

The principles fail to mention the need to provide for counter-cyclical stabilization which is urgently needed. Discussions on the joint EDIS deposit guarantee scheme, or the reinsurance of national deposit guarantee schemes, were unsuccessful and are to be continued in the second half of 2019.

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