Press release | 27.11.2018

MEPs reject tougher fiscal rules that would ensure more austerity

Fiscal Compact

The Committee on Economic and Monetary Affairs in the European Parliament has rejected a report from the European Commission that would help enshrine austerity policies into law. The Commission wanted, in line with the 2012 Fiscal Compact, an automatic correction mechanism to be integrated into national budgetary processes so that unexpected deviation would immediately lead to a reduction in public expenditure.

The Greens/EFA group opposed this proposal for a directive aimed at tightening budgetary rules and transforming the consolidation of public finances into a technocratic process that ousted national parliaments, despite the fact that the adoption of budgets is a major political act. The Greens/EFA group also criticised the fact that the European Parliament should be confined to an advisory role.

Statement by **Philippe Lamberts**, President of the Greens/EFA group in the European Parliament:

"After a decade of crisis and with just a few short years to avert climate catastrophe, we need to be encouraging public investment, supporting social infrastructure, and investing in the green transition, not creating ever more strict fiscal rules that will bring about more austerity. Despite the fact that we have been calling for a reform of the Eurozone for years, of which this text should have been the first step, in accepting it we would have sent a very bad signal in terms of European public opinion.

"We also contested the Commission's anti-democratic argument that the European Parliament should only provide an advisory opinion to the Council. We want Europe to work for its people and not constrain them. That's why we welcome that the report was not supported by a majority of MEPs and call on the ECOFIN Council not to resurrect this flawed approach."

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Responsible MEPs



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Member

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