

MEPs and Euro group ministers debate path to a Euro zone budget

Members of Parliament's Budgets and Economic and Monetary Affairs committees debated the need for a euro area budget with finance ministers Jeroen Dijsselbloem (Netherlands, also Euro Group President), Michel Sapin (France), Pier Carlo Padoan (Italy), Pierre Gramegna (Luxembourg), Peter Kažimír (Slovakia), Edward Scicluna (Malta) and Euclid Tsakalotos (Greece) on Monday evening.

The ministers took different views on the idea of having a fiscal capacity, or Euro zone budget. Some said it would be good for the Euro zone to have a real fiscal capacity, but that it should go hand-in-hand with further risk sharing and risk mitigation and that democratic control would be needed. Greek minister Tsakalotos said he would welcome a Eurozone budget as a fiscal policy instrument as “wage rates are now, internationally, the only real shock-absorbers”.

Others were more reluctant, saying that the rules of the European Stability Mechanism (ESM), the 6-pack and 2-pack should be adhered to before inventing new rules. Eurogroup President Jeroen Dijsselbloem insisted that economic convergence should come first, adding that “solidarity means rights AND obligations”. Some of his likeminded colleagues advocated a “step-by-step approach without treaty changes”.

Views also differed amongst MEPs. Questions were raised about how such a budget would be financed and whether the roots of the crisis should not be better addressed before launching new initiatives such as these. Some MEPs were critical of the Stability and Growth Pact, as the rules have been bent many times and countries bending them have not been sanctioned. Others pointed out that whilst some imbalances are sanctioned, others - like the German current account surplus - are not. And some left-wing MEPs wholeheartedly advocated a European redistributive system, including EU revenues.

What's next?

Parliament is working on a report putting forward proposals to build “a fiscal capacity for the euro zone”, drafted by [Reimer Böge](#) (EPP, DE) for the Budgets Committee and [Pervenche Berès](#) (S&D, FR) for Economic and Monetary Affairs Committee.

The report will be Parliament's contribution to the White Paper on the completion of the Economic and Monetary Union, which the EU Commission is expected to present in 2017. In the post-Brexit context, it is likely to call for ambitious proposals to make the euro area more

resilient to shocks, foster growth and restore trust.

The results of the debate will feed into the compromises currently being prepared with a view to approving the report in the committees 26 September and by Parliament as a whole at the October II plenary session.

The draft report and the amendments that were tabled can be found [here](#).

Live replay of the debate [here](#).

In the chair: Jean Arthuis (ALDE, FR) and Roberto Gualtieri (S&D, IT)

Further information

[Steps of the procedure](#)

[Committee on Budgets](#)

[Committee on Economic and Monetary Affairs](#)

Contacts

Ron KORVER

Press Officer

☎ (+32) 2 28 44659 (BXL)

☎ (+33) 3 881 74903 (STR)

📱 (+32) 498 98 35 88

🐦 [@EP_Economics](#)

✉ econ-press@europarl.europa.eu
