



MEPs quiz Juncker and Trichet on Greece and tougher economic governance

The need for decisive European governance to counter the problems afflicting Greece, demonstrate the EU's ability to solve its internal difficulties and up tighten economic governance was stressed by Economic Affairs Committee MEPs on Monday. This meeting, although part of Parliament's regular economic and monetary policy dialogue with the ECB and the Eurogroup, was dominated by the Greek debt crisis.

Outlining his programme for the next 30 months, Eurogroup President Jean-Claude Juncker stressed the need for the Eurogroup to vet national budget plans, to pursue the exit strategy, and to expand economic governance. ECB President Jean-Claude Trichet outlined how he sees the economy evolving in the months ahead and stressed his faith in the stability and growth pact rules and the system of peer pressure among European governments.

Details, leadership and clarity on Greece

Jean-Paul Gauzès (EPP, FR) criticized the way in which the EU was dealing with the crisis affecting Greece. "Citizens do not know what to make of the unclear messages leaders are sending. It is difficult for me to explain that what we are doing is making great declarations which will hopefully bear fruit in 2 years' time. The EU may actually be in a worse situation today than it was during the global financial crisis", he said, arguing that more decisive and clear action is desperately needed.

Many other MEPs asked Messrs Juncker and Trichet for detailed ideas on the Greek crisis and improving economic governance. Udo Bullmann (S&D, DE), asked about using the Treaty provisions on granting exceptional assistance to Eurozone countries. Sven Giegold (Greens/EFA, DE), asked for details of how the "culprits" would be made to shoulder the Greek problem. Rodi Kratsa (EPP, EL), asked how the ECB's support programme to Greece would continue, whereas Niki Tzavela (EFD, EL) asked for confirmation that the ECB would support the Greek central bank in case of liquidity problems.

Mr Juncker refrained from detailing instruments to help Greece, saying that current commitments from the Member States were enough for the moment. Mr Trichet added that financial backing for Greece must take the form of a loan, not a subsidy, and should be provided only if worsening conditions cause a problem for the eurozone as whole. Replying to Ms Kratsa, he said that the ECB will continue monitoring developments in Greece, but that he had faith in the country's ability to recover. To Ms Tzavela he said that the ECB would certainly support Greece just like it did with Ireland.

European economic governance

Mr Juncker acknowledged that wider and tougher economic governance is needed. Mr Trichet, by contrast, advocated using the stability and growth pact (SGP) rules, rather than inventing new instruments. "How can you be so convinced that peer pressure and the current SGP rules will be enough?" asked Sylvie Goulard (ALDE, FR), reflecting a widespread preference for strengthening the SGP and imposing tougher rules.

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"Why is it understandable for EU Member States to accept binding conditions from the IMF but not from the EU?", asked Sophia in 't Veld (ALDE, NL). "Member States' fiscal policies must be monitored more rigorously", said Mr Bullmann. Nikolaos Chountis (GUE/NGL, EL), seriously doubted the SGP's usefulness as an economic co-ordination tool.

"How can we even start talking about a single, common economic policy if we have such great differences in competitiveness levels between Member States?", asked Pascal Canfin (Greens/EFA, FR). Mr Juncker agreed that it was important to tackle this, adding that it would be one of his priorities as Eurogroup President.

A second hearing, specifically on the Greek crisis, will take place on 14 April, with Eurostat officials and representatives of the investment banking sector expected to attend.

In the Chair : Sharon BOWLES (ALDE, UK)
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