

Economic and Monetary Affairs MEPs debate Euro Summit deal with Greece

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The rescue package for Greece agreed at the 12-13 July Eurozone Summit on Greece was debated in the Economic and Monetary Affairs Committee on Thursday. Members gave their views on the deal struck by Greece and its creditors, the functioning of the Eurozone, the role played by the European Parliament and on Parliament's future involvement in monitoring the implementation of the agreement.

Committee chair Roberto Gualtieri (S&D, IT) welcomed the explicit commitment in the deal to address future restructuring of the Greek debt, adding that the focus should be on debt maturities, rather than a "haircut". He also said that the intergovernmental method of negotiating such deals had proven inefficient, because negative feedback from national politics made it harder to compromise, and that more use should thus be made of the Community one, including European Parliament involvement in monitoring the implementing arrangements.

Giorgos Kyrtos (EPP, EL) said that the Euro summit deal was far from being a solution to the crisis in Greece. The situation was now worse than before the recent elections, with declining GDP, a huge budget deficit and a government which, rather than accept "ownership" of the reform programme, was still taking an ideological stance likely to bring about political instability, he added.

Maria Joao Rodrigues (S&D, PT) called the deal "unfair and unsustainable". It had been derailed, she said, by the use of the intergovernmental method, rather than the Community one. Fiscal consolidation must not block recovery, and though reforms are needed, they should focus on priorities such as improving tax collection, rather than cutting pensions for the poorest, she said, adding that the proposed privatisation fund should function as an investment fund for Greek people.

Notis Marias (ECR, EL) stressed that the Greek debt is unsustainable, arguing that fiscal adjustments imposed by the creditors had helped to force more than 40% of the Greek population below the poverty line. The Troika had sought to "take away Greece's sovereignty" and its prescriptions had divided the Euro-zone between lenders and borrowers, the strong and the weak", he said.

Cora van Nieuwenhuizen (ALDE, NL) argued that no-one was happy with the Euro summit deal. After so many summits, agreements and talks, trust has vanished, and yet the negotiations must continue, albeit hopefully now in an improved climate. Labour market and other reforms are vital, but how can this government implement them when more accommodating ones that went before failed to do so? she asked.

Dimitrios Papadimoulis (GUE/NGL, GR) argued that the 5-month old Syriza government must not be blamed for the mistakes of the past 40 years in Greece. The key role in the negotiations had been played by Germany and its allies, he said, whilst those of the European Commission and European Parliament had been only secondary. "Grexit" (Greek exit from the Euro-zone) should be "deleted from our vocabulary". The only democratic way forward was for the Syriza government to make the changes and get rid of the oligarchy", he concluded.

Ernest Urtasun (Greens/EFA, ES) called the reforms asked of Athens a "Kamikaze economic programme, imposed as a "political punishment". The European Parliament should denounce the fact that one EU member state had "threatened" another with expulsion from the Euro-zone, he added.

Press release

Jonathan Arnott (EFDD, UK) said that the European Commission and Council had spent years saying that the crisis in Greece was its own fault, but now wanted countries outside the Euro area, such as the UK, to contribute to the new bailout. Greece "is going through unimaginable conditions" and now has little prospect of paying its debts. This deal may well have opened Pandora's box, he concluded.

Gerolf Annemans (EFN, BE) denounced the deal as a "scandal, denigrating and worthless". The one ray of hope is that "Grexit is still an option", he said stressing that letting Greece join the Euro-zone had been an "historic mistake", but everyone now was afraid that letting it go now might have snowball effects on Portugal, Spain and possibly even France".

Further information

- Video (soon available): extracts from the debate:
<http://audiovisual.europarl.europa.eu/Assetdetail.aspx?ref=1107240>
- Watch the video recording of the debate (soon available): <http://www.europarl.europa.eu/ep-live/en/committees/search>
- Committee on Economic and Monetary Affairs:
<http://www.europarl.europa.eu/committees/en/econ/home.html>

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