



“Solidarity should not replace necessary decisions”, Schäuble tells MEPs

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EU solidarity should not replace decisions that must be taken in countries suffering economic difficulties, German Finance Minister Wolfgang Schäuble told Economic and Monetary Affairs Committee MEPs in Tuesday's special debate on the review of the economic governance framework. His Italian colleague Pier Carlo Padoan, vehemently rejected criticism of measures to bring down Italy's deficit and stressed the need to better coordinate reform policies.

Asked for his opinion on greater flexibility or risk sharing within the EU Stability and Growth Pact, Mr. Schäuble said that Germany wants to play by the book, that there is no appetite to change primary EU law and that EU solidarity should not replace necessary decision making in countries suffering from economic difficulties.

"Risk sharing and sovereignty sharing are linked"

"'Risk sharing' and 'sovereignty sharing' are linked", said Mr Schäuble, quoting Commissioner Dombrovskis at Monday's ECOFIN Council meeting. "Sharing risks would require changes to the treaty and primary law. (...) I witness a growing call from a number of member states to stick to the legal framework that is in place now. Changing the rulebook would require a huge struggle to get the people on board in Germany, but also in other member states", he continued, adding that he does not consider flexibility a bad thing as such, but "only if it undermines trust and if it implies that agreed rules are not complied with. Germany is bound to comply with primary law, as it is in our constitution".

No blame games

Mr Schäuble acknowledged the need for solidarity in the euro zone and warned against conducting a "blame game" against bad performers. But where countries have difficulties on the financial markets, "we have to tackle the causes of these problems. Solidarity cannot replace necessary decisions by member states".

Italian lessons from the past

Italy's past shows that "Firstly effective economic governance requires the right policy mix to enhance its impact. Although a lot has been done by better coordinating national budgetary plans, more needs to be done", said Finance Minister and outgoing ECOFIN chair Pier Carlo Padoan. He added that the spill-over effects of one member state's economic policy to another - positive and negative - needs closer scrutiny, that timing of reforms needs more attention, that national and European policies need better coordination and that national ownership of reform programmes needs to be strengthened "in order to inject the necessary trust in the economy".

Italian deficit now below 3%

Asked about flexibility, Mr Padoan said that "policy instruments need to be better integrated". Structural reforms can have differing impacts, depending on how the macro-economic environment evolves". He strongly opposed criticism of Italy's measures to bring its deficit down to an acceptable size: "We moved from the corrective to the preventive arm. Our deficit is now below 3%. And the debt is being addressed by sound fiscal policy and structural reforms".

Press release

"ECB demands on Greece legitimate"

Mr Schäuble rejected the view that the European Central Bank is overstepping its mandate by insisting on implementation of the reform programme in Greece: "The demands on Greece are in line with the ECB's mandate. They are fully legitimate. The people of Greece are suffering more than people elsewhere in Europe. Not because of demands from 'Brussels' or the ECB, but because of the failure of Greek political elites over decades". In defence of the EU support programme for Greece, he cited the higher than average growth figure and the reduction of the debt.

In the chair: Roberto Gualtieri (S&D, IT)

#economicgovernance

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