Amendment 2
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on behalf of the ENF Group

Report **A8-0038/2017**
Reimer Böge, Pervenche Berès
Budgetary capacity for the Eurozone
2015/2344(INI)

Motion for a resolution (Rule 170(4) of the Rules of Procedure) replacing non-legislative motion for a resolution A8-0038/2017

European Parliament resolution on budgetary capacity for the Eurozone

The European Parliament,

– having regard to the Treaty on European Union (TEU), in particular Articles 3 and 50 thereof,

– having regard to Rule 52 of its Rules of Procedure,

A. whereas scientific and empirical evidence shows that having a single currency is not a necessary condition to promote trade;

B. whereas the European Monetary Union (EMU) established under the Maastricht Treaty has blocked the development and growth of Member States and this is the reason why they are now experiencing economic recession, low inflation rates and structurally high unemployment rates;

C. whereas the declared aim of the Maastricht Treaty and the EMU project was to promote convergence between the euro-area countries, but the evidence has shown a strong increase in macroeconomic divergences since the introduction of the single currency, making it impossible for such countries to cope with asymmetric shocks;

D. whereas the structural reforms imposed since 2009 at national level and the policies adopted at EU level, such as the Six-Pack and Two-Pack regulations, the European Semester and the European Stability Mechanism (ESM), have worsened the already depressed economic and social situation;

E. whereas the EU institutions and the Union as a whole have not taken into account the devastating effects of their political and economic choices on citizens and SMEs in Europe;

1. Considers that structural shortcomings have existed in the EMU since its inception, as the euro area is not an optimal currency area and has generated unsustainable macroeconomic imbalances over the years;

2. Considers that the EMU’s vulnerability was exposed in the context of the global financial and economic crisis, when unsustainable imbalances, caused by the rigidity of the single currency and by massive public interventions to rescue the private financial sector, worsened the situation and led to a sovereign debt crisis where government borrowing costs dramatically increased in some Member States;

3. Points out that the crisis has proved that a 'one-size-fits-all' common monetary and fiscal policy cannot address external shocks; underlines that a fixed exchange-rate system shifts the burden of adjustment to the labour market of Member States, which are forced to implement internal devaluation to restore competitiveness;

4. Regrets that since the beginning of the crisis the European Central Bank (ECB) has pursued an unconventional monetary policy that has not had any effect in stabilising the economic cycle or in raising the inflation rate to a sustainable level;

5. Underlines the need to ensure the freedom of Member States to leave the euro; asks the Member States to agree on a plan for a coordinated break-up of the EMU;

6. Believes that the euro has failed to deliver on its promise of stability, convergence and growth; considers a budgetary capacity for the euro area to be a further attempt to save a failed economic and monetary project, increasing the risk of transforming the EMU into a system based on permanent fiscal transfers from the core countries to the peripheral ones;

7. Considers that the EMU is also suffering from a dramatic democratic deficit; stresses that the institutions of the euro area, such as the ECB and the Eurogroup, have demonstrated, particularly in times of crisis, a tendency to act without democratic accountability;

8. Rejects the Banking Union project, which proved to be ineffective for the purpose of increasing the resilience and stability of the European financial system;

9. Stresses the need to challenge the existing economic governance of the euro area in order to ensure that Member States can implement the economic, monetary and fiscal policies necessary to promote sustainable growth and employment;

10. Stresses the need to allow an opt-out clause for all countries not wishing to be part of the EMU;

11. Points out that the EMU has stressed divisions and conflicts within European countries; stresses the need for a comprehensive roadmap agreed between European heads of state and government to break up the euro area, thereby restoring floating exchange rates; points out that this is a precondition for creating a new spirit of cooperation and mutual respect between sovereign European countries;

12. Instructs its President to forward this resolution to the President of the European Council, the Commission, the Council, the Eurogroup, the European Central Bank, the Managing Director of the European Stability Mechanism and the governments and parliaments of the Member States.

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