Question for written answer E-007538/2013
to the Commission
Rule 117
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Subject: How far is the Commission responsible for the failure of the economic strategy?

Five years into the crisis and the Commission's economic forecasts for the EU are negative for the sixth quarter running. Unemployment has increased more than expected, and the eurozone is now the only economic area in the world where unemployment is continuing to rise. At the same time social disparities and the employment gap between Member States have widened from 3.5 points in 2000 to 10 points in 2012. All this is evidence of the many flaws in the economic strategy which the Commission has been implementing since 2010. Commissioner Rehn has argued, on the basis of the Kenneth and Rogoff model, which used incorrect data, that the prospect of economic growth makes up for the risks inherent in running up excessive public debt. As a result a hasty and overly one-sided contractionary fiscal policy was implemented (i.e. more stringent than that envisaged in the Stability and Growth Pact reinforced by the Six-Pack) using econometric models which downplayed the consequences of contractionary fiscal policy on economic growth and employment. This has had massive repercussions, most of all for Greece, where the Commission had forecast a 3.5% reduction in GDP between 2010 and 2013, but which actually saw its economy shrink by 21 %. In assessing the impact of the crisis on a case-by-case basis, the Commission has been blind to the negative externalities of synchronised contractionary fiscal policies in the Member States, in the form of low rates of growth throughout the Union.

Can the Commission say why it is continuing to pursue the same economic strategy? How does it explain the fact that the countries which have undergone the biggest adjustments have experienced the biggest recessions and have seen their public debt increase as a proportion of GDP?

What is the estimated cost of its policies in terms of job losses, social inequalities, lost investment opportunities and erosion of human capital?

Does it not think that the reforms contained in its country-specific recommendations could have the same contractionary effects as fiscal consolidation? Does it not agree that the liquidity crisis could lead to a more serious crisis, i.e. one of solvency?

Given that its policies have had serious social and economic consequences, how responsible would the Commission say the College of Commissioners, and in particular the Commissioner for Economic and Monetary Affairs, are for the strategy's failure?