

**Question for written answer E-001715/2022
to the Commission**

Rule 138

Dimitrios Papadimoulis (The Left)

Subject: Creation of permanent fiscal tools and mechanisms to address and prevent asymmetric shocks

A European Stability Mechanism (ESM) study strongly supports the creation of a central fiscal capacity for the euro area and proposes the establishment of a stability fund, amounting to EUR 250 billion, to provide low-interest loans to Member States facing emergency financing needs¹. In response to the Commission Communication relaunching the EU economic governance review and the related public debate, the European Central Bank (ECB) has already stressed that the completion of the banking union and capital markets union must be complemented by the creation of a permanent central fiscal capacity for the euro area². Furthermore, at the Conference on the Future of Europe, fiscal union was the idea that received the greatest support from the citizens, who call for increased solidarity between Member States, including extending and/or making the Recovery and Resilience Facility (RRF) permanent³.

In view of this:

Has the Commission considered creating permanent fiscal mechanisms to provide stability in Member States facing asymmetric external shocks, which have become significantly more likely as a result of the war in Ukraine, the pandemic, and the climate and energy crisis?

If so, is it considering issuing common debt or extending and/or making the RRF permanent?

Given the huge growth in Member States' public debt, what is its view on this debt being reciprocated and co-managed by the European Central Bank and the European Stability Mechanism?

¹ https://www.esm.europa.eu/system/files/document/2022-05/ESM_DP_20.docx.pdf

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https://www.ecb.europa.eu/pub/pdf/other/eurosystem_reply_commission_eu_economy_after_covid_implications_economic_governance211202~d2eeec68dc.en.pdf

³ https://prod-cofe-platform.s3.eu-central-1.amazonaws.com/zazikm9l59hzxdcu5x4prztdtpb5?response-content-disposition=inline%3B%20filename%3D%22Kantar%20Report%20March%202022%20Final.en22.pdf%22%3B%20filename%2A%3DUTF-8%27%27Kantar%2520Report%2520March%25202022%2520Final.en22.pdf&response-content-type=application%2Fpdf&X-Amz-Algorithm=AWS4-HMAC-SHA256&X-Amz-Credential=AKIA3LJJXGZPDFYVOW5V%2F20220509%2Feu-central-1%2Fs3%2Faws4_request&X-Amz-Date=20220509T122624Z&X-Amz-Expires=300&X-Amz-SignedHeaders=host&X-Amz-Signature=4795c2e72c0e63b620871ef4327667cf88197272370d53243c8310e7a829d54a