

**Question for written answer Z-000023/2022  
to the European Central Bank**

Rule 140

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Subject: Side effects of higher interest rates

A survey among citizens conducted ahead of the June monetary dialogue by the NGO Positive Money showed that it is not clear to citizens what the decision taken by the Governing Council in June implies. When asked if they were worried about the ECB increasing interest rates, one third replied they were not sure, highlighting a lack of clarity about how the ECB's decisions can affect citizens' lives. One third replied that they were worried, despite rising rates being able to address soaring inflation. Monetary policy decisions are the result of a cost-benefit analysis. There are always winners and losers. The ECB should be clearer about the other options on the table and what the calculated risk of the chosen policy was. More clarity is also needed on the impact of its decisions on citizens' lives.

1. Could the ECB please explain which costs it identified when discussing at the Governing Council whether to increase interest rates or not?
2. What are the expected side effects or collateral damage of the ECB's decision to increase interest rates in the current economic outlook?
3. What are the implications of the latest monetary policy decisions for employment?