

Press release – MEPs call for concrete details and novel tools to address the economic crisis



Opening the discussion held within the Economic and Monetary Affairs Committee, Committee Chair Irene Tinagli (S&D, IT) underlined that although the measures agreed by the European Council were to be welcomed, more was needed, including fresh funds. “At stake is more than solidarity”, Ms Tinagli said, explaining that “the divergences that risk being created could lead to unprecedented pressure for the European Union”.

The divergences on the horizon were highlighted by both Mr Dombrovskis and Mr Gentiloni, who agreed that this was the primary reason that more measures were needed to help the hardest hit regions and countries.

The devil is in the detail

Various MEPs asked for more details on the planned interplay between the EU’s long-term budget and the envisaged recovery fund. Many also wanted to find out more about how the recovery fund would function, especially regarding what proportion would consist of grants. Questions were also asked regarding the mechanism for allocating the fund’s money between the countries.

Finding the middle ground

Some MEPs raised concerns that, however they were named, the measures being considered would invariably take the EU down the road of mutualising debt in one form or another. On the other hand, other MEPs argued that the ideas on the table did not seem credible or useful. Not credible because leveraging guarantees with funds from private investors would be very difficult in times of crisis and not useful because some countries could not afford to be saddled with further debt.

No stone unturned

A few MEPs underlined the need, now more than ever, to ensure that the EU does all that it can to ensure that tax fraud and tax havens are tackled more effectively. This would ensure that more money would be available to deal with the fallout from COVID-19.

You can catch up with the debate [here](#).