

Press release – More ambition needed for EU recovery instruments, says majority of MEPs



During the hearing in the Economic and Monetary Affairs Committee, numerous MEPs called for stronger measures to be put forward, arguing that the ones currently on the table consisted mostly of loans which would leave those countries most hit by the Coronavirus heavily indebted and increase economic divergence in the Eurozone.

Mr Centeno agreed that more ambition should be sought after but also cautioned that pragmatism would also need to be the order of the day. Notably, he recommended against exploring instruments which would require any review of the Treaties.

Tabled proposals – a good first step or a non-starter?

MEPs were quick to present diverging views with Markus Ferber (EPP, DE) asking why was it that some countries said that they would not avail themselves of the assistance instruments currently being proposed and yet called for additional instruments to be devised. Jonás Fernández (S&D, ES) however pointed out that the proposals currently on the table only provided for liquidity through loans and already indebted countries could not afford to borrow more. Various MEPs who took the floor shared Mr Fernandez's

sentiment.

Ideas for bolder instruments

Some MEPs put forward their group's ideas for bolder ways to mitigate the crisis. Stéphanie Yon-Courtin (Renew Europe, FR) put forward the idea of establishing Recovery Bonds and asked how they could be designed in such a way as to bring the more reticent member states on board. José Gusmão (GUE/NGL, PT) said that the ECB should be given more room for action by changing the rules which restrict its action. Antonio Rinaldi (ID, IT) argued that it was impossible for such a big crisis to be overcome with such a limited ECB, adding that all other central banks have many more options open to them.

The danger of widening imbalances

Some MEPs outlined the danger of the economic imbalances, which will be created as a result of the pandemic, and that the risk that recovery efforts, if not well coordinated at EU level, will actually increase these imbalances. Sven Giegold (Greens, DE) pointed out that those member states with more fiscal space would be able to support their businesses much more than those countries with less, and this all the more so if the EU support instruments were only a loan type. Roberts Zīle (ECR, LV) warned that if the EU recovery funds were to take time to be in place, the national support funds, mostly in place very quickly, would increase disparities in the single market.