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This "eurozone budget" will not help avert the next crisis

The euro

Today, the "eurogroup", the informal body of eurozone finance ministers, met to debate Franco-German proposals for a eurozone budget, as well as the proposed European Deposit Insurance Scheme (EDIS). The Netherlands and Italy have already spoken out against the Franco-German proposal. A eurozone budget for the economic stabilisation of the single-currency was part of the Franco-German Meseberg declaration on the reform of the Economic and Monetary Union.

The Greens/EFA group considers the proposals to be inadequate, according to President **Philippe Lamberts**:

"This proposal is no more than a basic compromise, that does not even come close to solving the basic design flaws of the single currency. Anyone who believes this path will avert future euro crises is deluding him- or herself. One small fire extinguisher, whose usage has to be decided unanimously by every family member won't stop an inherently unstable building from collapsing.

"A monetary union without a truly fiscal and social union is doomed to fail. And if common rules are equally needed, they need to be based on sound economic science, not on ideology. Unless the political decision makers in the eurozone wake up from their collective denial of reality, the euro will remain on the brink, and that is not a good position to be in."

Sven Giegold, economic and financial affairs spokesperson for the Greens/EFA group in the European Parliament, comments:

"The proposed budget is too small to keep what the name promises. We need a eurozone-plus budget, which should be introduced by an alliance of willing states. The common budget can be introduced through closer cooperation and the threat of eurozone failure can be averted. A model for such a budget is the financing of the ITER reactor. Participating Member States can contribute financially to the fund and thus benefit from joint investments.

"Germany and France must not now give up just because they are getting headwinds from some EU Member States such as Italy or the Netherlands for their proposal. Rather, together with the European Commission, they should pave the way for an effective budget. The sovereignty over the EU budget should lie with the EU

Commission and the EU Parliament, not with the member states alone.

"The member states must not allow the EU summit in December to go by inactively. This summit is the last chance before the European elections to take concrete steps to reform the eurozone. The reform of the economic and monetary union is essential to prepare the eurozone for the next crisis during good economic times".

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