

MEPs call for growth, not austerity, to tackle debt crisis

Political groups unite to criticise austerity drive.

MEPs have demanded a European 'Marshall Plan' to spur jobs and growth, accusing EU member states and the European Commission of intensifying the eurozone's debt crisis with their austerity drive.

The European Parliament's main political groups united yesterday (15 February) behind resolutions condemning the current policy course being taken by EU leaders. During a debate on the 1-2 March European Council and the Commission's annual growth survey, they said that the crisis in Greece and the eurozone's inability to solve it proved that the austerity drive was failing and needed to be changed radically.

"We need measures for growth and employment. What we need more is a Marshall Plan," said Joseph Daul, the leader of the centre-right European People's Party (EPP), referring to the US aid scheme that injected \$13 billion into Europe after the Second World War. The European Commission should come up with "bold proposals" to restore economic growth across the EU – including funds for infrastructure projects, completion of the single market, and implementation of the European patent.

"We don't want mere promises; we want to see action," said Alexander Graf Lambsdorff, a German Liberal MEP. Marije Cornelissen, a Dutch Green MEP, called for the Parliament to be given powers to amend the Commission's economic reform recommendations to ensure that member states live up to promises on tackling unemployment.

Troika troubles

The Parliament also directed its criticisms at the troika to Greece, made up of representatives from the Commission, the European Central Bank and the International Monetary Fund. MEPs are angry at the reform conditions that the troika has imposed on Greece, notably cuts to the minimum wage and civil-service job losses. Hannes Swoboda, leader of the centre-left Socialists and Democrats (S&D), said the troika's demands on Greece were a reflection of the EU's obsession with slashing budgets. "It is dangerous for democracy," he said.

The Parliament's economic and monetary affairs committee has already requested a hearing with the troika to explain their negotiations with Greek authorities, although no date has yet been set.

Three resolutions passed by the Parliament urged EU leaders to do more to improve employment opportunities and economic growth, and to tackle poverty.

Maroš Šefcovic, the European commissioner for inter-institutional relations and administration, defended the Commission's role in Greece. It had helped spur economic growth, he said, not only on austerity but by providing an extra €240 billion to help the Greek economy. He said the Commission was also urging MEPs and the Council of Ministers to fast-track 12 legislative proposals on improving the single market.