

-European Movement news release -

European Movement calls for measures that will guarantee the future stability of the Eurozone

8 December 2011

For Immediate Release

On the day that EU leaders meet for a very important Summit, the European Movement calls upon them to agree on short-, medium- and long-term measures that will guarantee the future of the common currency, restore market confidence, strengthen European unity and protect the wellbeing of Europe's citizens.

The European Movement calls for a comprehensive integration of economic, budgetary and fiscal policies in the Eurozone which will underpin the monetary union and lead to the creation of a common European economy alongside the EU's single market. The integration of economic, budgetary and fiscal policies must be accompanied by a [system](#) of transfers to support Eurozone regions which might lose competitiveness due to internal or external circumstances at any given time.

The European Movement further recommends [upgrading](#) the European Central Bank's role to include monitoring of the build-up of financial bubbles and imbalances in the public and private sectors. Furthermore the European Central Bank should be equipped with a mandate and firepower to function as a lender of last resort when solvent member states or financial institutions find themselves in liquidity problems due to a systemic shock in the [markets](#).

Above all we suggest replacing the current intergovernmental system of Eurozone governance with a supranational model that will empower independent institutions such as the European Commission with the necessary tools to oversee the collective interests of the Eurozone. The European Commission should have the authority to monitor, together with the [Finance](#) Council of Ministers, the European Central Bank and Eurostat, Member States' policies, advise against adoption of economic policies at the national level that can compromise the wellbeing of the Eurozone as a whole and impose sanctions when the rules are broken.

The European Movement believes that the transfer of authority to supranational governance structures must be guaranteed through a process of democratic legitimization, with those who hold supranational

posts of authority elected directly by the citizens and scrutinised by the European Parliament.

In addition to these medium and long term policies, the European Movement calls for immediate (and globally co-ordinated) measures to regain market confidence and stabilise global bond markets and the banking sector before their collapse causes long term damage to the European and the global economy. Agreement on strengthened fiscal discipline in the medium term will afford the European Central Bank with room for manoeuvre in the short term. It will enable it to underwrite sovereign debt and impose a ceiling on the cost of borrowing of Eurozone states to ensure that speculation does not raise the cost of borrowing to unsustainable levels and to instil confidence in the banking sector.

The stakes are high and the time for decisive action is now. For the sake of the EU and its citizens.

Ends

For further details please contact Barbora Malikova in the European Movement press team at press@euromove.org.uk <mailto:press@euromove.org.uk> or 07920 840003.

Note to Editors:

The European Movement UK is a cross-party organisation campaigning to inform the debate on European integration and promote understanding of what the EU does and how the UK benefits from EU membership.

European Movement, Southbank House, Black Prince Road, London SE1 7SJ