Preparation for the European Council meeting (8-9 December 2011)

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Members held a debate in preparation of the meeting of the European Council on 8-9 December 2011 in Brussels. They called on the European Heads of State and Government to adopt stricter measures to tackle the crisis.

Council: stressing the need to continue with structural reforms and budgetary consolidation, the Council's representative stated that the Summit's decisions should be guided by three principles: (i) more unity, (ii) more Europe in the form of strengthened economic governance and iii) strengthened EU institutions, (i.e. essentially a bigger role for the Commission).

Commission: Vice-President Olli Rehn said the main priorities for 2012 are continued fiscal consolidation, a strengthened banking sector through recapitalisation and protecting the EU's financial stability. Commenting on changing the treaties, he explained that it wouldn't be a solution for the current crisis but could help the EU avoid future crises.

The positions of the various political groups may be summarised as follows:

- **EPP**: eurobonds, as well as the restoration of trust in the ECB and IMF are key. Measures should be taken at an EU level, but national deficits must also be brought down and budgetary balance established.
- **S&D**: the President of the group agreed that treaty revision would not restore confidence, because the eurozone cannot wait two years for changes to take effect. European leaders must decide if they want eurobonds or not and whether the ECB should be a lender of last resort or not.
- **ALDE**: criticising the inability of France and Germany to deal with the crisis, the Liberal group leader stressed the need to introduce Eurobonds and expressed his support for fiscal union.
- **ECR**: the group warned that if eurozone countries really want to keep the euro, it may mean that they have to give up fiscal sovereignty. The group does not oppose the euro, but it opposes the measures that are bad for it.
- **Greens/EFA**: noting that the austerity measures introduced in Italy and Greece so far have not worked, the group called for the ECB to play its role and to launch Eurobonds.
- **GUE/NGL**: the group considers that the rules underlying the financial system have changed and that more and more European countries are suffering as a result and not simply Greece, Spain and Italy.