

Economic governance

Parliament set to adopt 'six pack' rules

By Sarah Collins | Tuesday 27 September 2011

The European Parliament will approve, on 28 September, a series of six laws designed to speed up punishments for debt and deficit offenders and make it more difficult to run wayward economic policies. The vote, expected to pass with the support of the ALDE and EPP groups, comes after a year of wrangling between the Parliament, Council and Commission over how strong the rules should be.

The so-called 'six pack' on economic governance introduces swifter and more automatic sanctions for countries that breach the EU's 3% of GDP deficit limit and 60% debt cap. It also introduces a new imbalances procedure with sanctions for countries that fail to address ballooning house prices or trade deficits.

Socialist MEPs are likely to approve only part of the package, heaping criticism on fellow parliamentarians and governments for failing to allow opt-outs for countries enacting growth-boosting public investment. The Greens will also vote against some of the texts, while the GUE-NGL group is set to veto all six.

A coalition of trade unions, NGOs and other advocacy groups hit out at the proposals ahead of the vote, saying the package will "make citizens pay for the excesses of banks and other corporations". "The policies of austerity that these proposals will strengthen and enforce are a recipe for disaster," they say in a letter to MEPs, dated 27 September. "They will force crisis-ridden member states to stick to cuts in social expenditure and to attack labour and social rights for many years to come."

The European Commission says the rules are necessary to reassure financial markets that Europe will never again get itself mired in another debt crisis.