



European Central Bank: "Independence without democratic scrutiny is dangerous"

[12-12-2013 - 11:34]

The European Central Bank (ECB) has played a key role in fighting the crisis in Europe in recent years, making it important to scrutinise what it is doing. It has been part of the troika of international lenders that manage the bailouts for crisis-stricken EU countries and is preparing to take on the supervision over Europe's largest banks. On 12 December the European Parliament votes on a report reviewing the ECB's work in 2012, which is why we asked three MEPs from different groups about it.

ECB's role in the troika questioned

Marisa Matias, a Portuguese member of the GUE/NGL group, is convinced that the ECB has exceeded its tasks while participating in the troika: "The ECB directly interferes in fiscal and economic policies in bailout countries and is a key actor in fiscal consolidation policies... This intervention has a huge impact on the options available for the affected member states to stimulate employment and growth."

According to Gianni Pittella, who is responsible for drafting the EP's recommendations on the ECB's 2012 annual report, a new system for managing bailouts is needed in which the ECB plays an advisory and not a political role. The Italian member of the S&D group explained: "The troika is unaccountable and is doing a bad job by carrying out harsh austerity measures that hit the weakest and exacerbate debt problems." Mr Pittella added that the report approved by the EP's economic committee calls for the troika to be replaced by "a system where the Commission is put at the heart of the mechanism and is accountable to Parliament".

Ildikó Gáll-Pelcz, a Hungarian member of the EPP group, pointed out that the successful economic recovery of bailout countries is important, because it also greatly affects the euro and this explains why the ECB has to be involved. "Besides financial assistance, austerity and well-managed budget discipline are also needed to get countries out of the crisis," she said.

Accountability and independence

All three insist there is no contradiction between preserving the ECB's independence and the need to hold it to account. Mr Pittella said: "The ECB is independent, no one wants to undermine this. But independence without democratic scrutiny is dangerous. We do not want the ECB to become a sort of benevolent tyrant."

Both Mr Pittella and Ms Gáll-Pelcz call for more disclosure of the discussions in the ECB's governing council. Ms Matias said: "The main problem is that the ECB is not subject to democratic control as it should be."

Ms Gáll-Pelcz also highlighted the different roles the ECB plays in safeguarding monetary stability, in taking part in the troika, and soon in the EU banking union. "Each role of the ECB must be separated carefully and clearly," she pointed out.

Ms Matias and Ms Gáll-Pelcz follow the ECB's 2012 annual report on behalf of their political group.