



GUE/NGL members of the European Parliament's Economic and Monetary Affairs (ECON) Committee



Jürgen KLUTE (DE)
GUE/NGL Coordinator



Nikolaos CHOUNTIS (EL)



Marisa MATIAS (PT)



Thomas HÄNDEL (DE)

For more details on the information in this leaflet, please contact Tobias Gross: tobias.gross@europarl.europa.eu

The GUE/NGL is a confederal group in the European Parliament made up of 35 MEPs from 13 EU countries working for peace, solidarity, social justice, equality, democracy and human rights in Europe and beyond.



Fighting for a European Central Bank at the service of society



- **Gender equality:** There is currently – and shamefully – not one woman on the six-member ECB board. The GUE/NGL demands that the ECB improve on its appalling record on gender equality.
- **Changed mandate:** The GUE/NGL calls for the ECB mandate to be revised and expanded so that it can help the economy and boost jobs. Do we want an ECB at the service of the economy and society or at the service of financial speculation?

European United Left / Nordic Green Left
European Parliament
rue Wiertz 43, B-1047 Brussels
T +32-(0)228-42683
F +32-(0)228-41774

Produced by GUE/NGL Communications Unit:
GUENGL-Communications@europarl.europa.eu
Photos: Charles Hutchins, Stan Jourdan, European Parliament
Design: Dominique Boon
Printers: Dossche Printing
© GUE/NGL – Brussels 2014
Printed on recycled paper



GUE/NGL EUROPEAN UNITED LEFT / NORDIC GREEN LEFT
www.guengl.eu EUROPEAN PARLIAMENTARY GROUP



GUE/NGL EUROPEAN UNITED LEFT / NORDIC GREEN LEFT
www.guengl.eu EUROPEAN PARLIAMENTARY GROUP

ECB must act for citizens not the financial sector

In spite of its role in the Eurozone crisis, the European Central Bank (ECB) continues to operate free from effective scrutiny. It remains fixated on a price stability mandate, despite the fact that inflation control has been proven unsuccessful. Balanced sustainable growth and job creation should represent the core objectives of the work of the ECB and they should represent the cornerstones of monetary policy. The cheap loans it dishes out to banks must be passed on to the real economy.



Austerity driver

Through its role as part of the Commission-IMF-ECB troika, the ECB has continually pushed austerity as a solution for Eurozone countries, despite the fact it is widely recognised that austerity policies have contributed to the recession. These measures have resulted in growing unemployment, deep wage cuts, higher pension ages and lower public spending in areas such as education and health and will not be able to generate balanced prosperity.

Governments are unable to deal with debt, which is a direct consequence of the massive failures of the financial markets, as cuts take their toll on economic growth and in turn on tax revenue and social expenditure. The ECB's unwillingness to assist with debt restructuring in deficit economies, therefore ensuring huge profits at the expense of these countries' public accounts, is shameful. The fundamental role of the ECB should be to assist member states in difficulty, but the ECB denies assistance to national governments while at the same time provides support to banks which have caused the economic crisis people are confronted with.

When the ECB was established, it was meant to be a free, apolitical body to manage the operation of the euro. But it has become a political actor in its own right, one that lacks any democratic framework.

GUE/NGL demands

- The availability of the ECB to provide extraordinary support to the financial system must properly be subject to **conditionality**, in particular the commitment by institutions benefiting from such support to significantly increase levels of credit to small and medium-sized enterprises and to households. Non-viable "zombie-banks" must be closed down once and for all.
- The ECB should **reduce its deposit facility rate to negative values** in order to encourage banking lending to the real economy.
- The **ECB's Governing Council must raise its inflation target in order** to accommodate wage increases in the surplus economies of the Eurozone in such a way that, on the one hand, aggregate demand in the Eurozone is boosted and, on the other hand, country imbalances within the Eurozone are reduced.
- **Assessing impact of austerity programmes:** The ECB must engage in critical self-evaluation regarding all aspects of its activity, including the impact of the adjustment programmes it helped design on budgetary, labour market, public service, taxation, and privatisation policies and the ex-post adequacy of the macroeconomic assumptions and scenarios on the basis of which these programmes were built.
- **More democratic control:** The lack of accountability and democratic control of the ECB must be highlighted and economic and monetary policy decisions must receive the scrutiny they warrant at the European level, particularly in terms of banking supervision. Without democratic oversight from elected representatives in the Parliament, how can the ECB be considered legitimate? The ECB has unparalleled statutory powers which go well beyond its remit.