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Plenary debate on the European Central Bank- Annual report 2015

Plenary session statement
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Dear colleagues,

This report is very rich in content.

Its main message, from my point of view, is that we probably are at a turning point.

Timid recovery fails to gather momentum- and it is true that the political events of the past months have not helped to foster confidence and stability. Monetary policy has done a lot to preserve and enhance this fragile growth. But it seems that, although it has been and still is helpful, unconventional monetary policy is reaching its limits.

The ECB has been in charge of coping with most part of the post crisis adjustment. As president Draghi stressed earlier this year, half of the growth we have witnessed is due to the exceptional monetary policy that has been put into place. But this alone cannot solve the imbalance problem, and huge debt overhang.

The quantitative easing seems to blur the line between monetary and fiscal policy. It might not be stimulating other adjustments, fiscal and structural, needed to resolve these impediments to putting the economy on a more robust growth path. We also know that, even though its benefits have so far outweighed the costs, there are negative side effects to it, which are very well outlined in this report. I hope that “Whatever it takes” being done by the ECB does not make the leaders think “why should we bother?”

We must continue to emphasise that, indeed, the last bell is ringing for fiscal policy, for public investment and for private investment to take it over. Proposals in the context of the Capital Markets Union look also promising as growth-stimulating policy tools.

Results of some studies suggest that monetary policy might no longer be able to be the same in the future, with real interest rates lower than in the decades preceding the crisis. But monetary policy, whatever it will be, will remain fundamentally important in the future for the euro area and the ECB will be in the frontline. There are still many black swans out there waiting to test our cohesion and resilience.

Therefore, let me finish by saying that we must avoid anything that could cause a loss of confidence in the monetary policy of the ECB.