

PROGRESSIVE ECONOMY WORKSHOP

How to strengthen the investment rule of the Stability and Growth Pact?

Thursday 12 January 2017, 13.00-15.30, European Parliament room A1E201

"We need to change the growth and stability pact in order to leave more room for manoeuvre to allow the member states to invest", Gianni Pittella

The S&D Group has for a long time been fighting for more budget flexibility in the Stability and Growth Pact (SGP). In his 2016 State of the Union speech, President Juncker announced that he wanted more flexibility in the budget rules, and indeed more and more Member States are backing a change in the SGP.

Many possible adaptations of the SGP have been proposed, e.g. a golden rule for net public investment, a silver rule for certain social investments, or replacing the current complex system with a simpler rule relating to yearly changes in public expenditure. How to build on these proposals in order to ensure sustainable growth, healthy public finances, financial stability and broad political acceptability of the improved rules?

The workshop will discuss the following questions:

- *how can application of the SGP be made simpler and clearer?*
- *how can the investment rule of the SGP be strengthened?*
- *what should be the right level of flexibility?*
- *what can be done within and outside the Treaty?*

LIST OF PARTICIPANTS

MEMBERS OF THE EUROPEAN PARLIAMENT

Pervenche Berès, S&D Coordinator, Committee on Economic and Monetary Affairs

Maria João Rodrigues, Vice-President of the S&D Group, Economic and Social Model

EXTERNAL EXPERTS

Peter Bofinger, Professor of Economics, Money and International Economic Relations (C4 chair) at the University of Würzburg; Member of the Progressive Economy Scientific Board

Lucio Pench, Director - Fiscal Policy, DG ECFIN, European Commission

Jérôme Creel, Director, *Observatoire français des conjonctures économiques* (OFCE), Paris

Achim Truger, Professor of Economics, Berlin School of Economics and Law; senior research fellow at the Macroeconomic Policy Institute (IMK), Hans Böckler Foundation, Düsseldorf

Draft Agenda

13.00	Welcome and introduction by Maria João Rodrigues
13.20 - 14.20	Short presentations by external experts
	- Achim Truger
	- Peter Bofinger
	- Jérôme Creel
	- Lucio Pench
14.20 - 15.10	Discussion with S&D Members
15.10 - 15.30	Conclusions by Pervenche Berès