

IS THE EMU STABILITY PACT A GOOD IDEA?

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Summary:

■ I/ What is the SGP, the stability and growth pact?

- a) What is it?
- b) What is it for?
- c) What does it contain?

■ II/ Is the stability and growth pact being respected?

- a) What was the first relaxation of the SGP?
- b) What changes have been made to the SGP?



WHAT IS THE SGP?



A) What is it?

- 27 countries
- Coordination of national budgetary

B) What is it for?

- Avoid the emergence of excessive budget
- June 1997: SGP adopted at the Amsterdam European Council

C) What does it contain?

- Multilateral surveillance
- The excessive deficit procedure

A) What was the first relaxation of the SGP?

- November 2003
- France and Germany public deficit was permanently above 3% of GDP mark

B) What changes have been made to the SGP?

- Reform in 2005
- The subprime crisis in 2008
- Reform in 2011
- The pandemic in March 2020



Is the SGP being repealed ?

CONCLUSION

- The PCG was severely criticized for his inconsistency and unfairness
- PCG was necessary but unreal

Sources:

- « Economic Policy Coordination in EMU: What Role for the SGP? » :

<https://www.ceps.eu/ceps-publications/economic-policy-coordination-emu-what-role-sgp/>

- Wikipedia:

https://en.wikipedia.org/wiki/Stability_and_Growth_Pact

- Vie publique:

<https://www.vie-publique.fr/fiches/21802-le-pacte-de-stabilite-et-de-croissance-est-il-respecte>