

German politicians are lobbying for the economic coordination of the eurozone

German politicians were promoting a new concept of deeper co-operation between EU member states during the economic forum in Davos on 27–29 January. According to media reports, Chancellor Angela Merkel will present a 'Competitiveness Pact' at the next summit of the European Union. This pact is being prepared by the German Chancellery and is expected to include initial guidelines for a comprehensive reform of the eurozone.

The economic forum in Davos was attended by the key German politicians in charge of economic issues, including Chancellor Angela Merkel, Minister of Finance Wolfgang Schäuble and Minister of Economy Rainer Brüderle. Chancellor Merkel said the crisis in the eurozone was over and for the first time officially supported the reinforcement of a political coordination of the eurozone in order to improve its competitiveness. The German concept is based on raising the retirement age so as to adjust it to the demographic challenges the member states are facing. Additionally, Germany wants to standardise the corporate tax base and introduce a budget brake modelled on the one applicable in Germany – the federal government is required under the constitution to reduce Germany's structural deficit to 0.35% of GDP in 2016. German Members of the European Parliament, including Martin Schulz, the leader of the Social Democrat faction, and Elmar Brok representing the conservative faction, reacted with enthusiasm to these plans.

Statements by key German politicians are proof of an increasing support among the German political class for the introduction of a deeper economic coordination in the eurozone. Germany and France are likely to make efforts to convince the other member states of the eurozone and of the European Union to support their concept for stabilising the eurozone at the next sessions of the Euro Group. <pop>