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Five Bullets:
Regarding the Letter of the Eight Finance Ministers

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- European ministers of finance discussed the future of the EMU on several occasions over the last couple of months. Under the impulse of the German and French leaders, the heads of governments resolved to decide on the future of the EMU in the coming months, likely finalizing any agreements at the Euro-summits in March and June.

- According to press reports, the Dutch government mobilized other like-minded governments and last week, finance ministers from Denmark, Estonia, Finland, Ireland, Latvia, Lithuania, the Netherlands and Sweden took a surprising pre-emptive strike against Franco-German initiatives, pulling the brake on a more integrated Euro-area.

- As their document states: "Unity is a key asset for the remaining EU27 and must be safeguarded. The future of the EMU (fiscal, structural, financial, institutional issues etc.) is relevant to all". In fact, the document urges the 27 to refrain from any step other than those relevant only for the 19 Euro-area countries: banking union and capital market union.

- The document moves against forms of risk sharing. It defines other steps towards a tighter integration as "nice-to-haves" that should not encumber the road to consensual goals. This would nip in the bud the proposals of common fiscal resources, as requested by the EU Commission and regularly cited in the Franco-German dialogues.

- The “Initiative of the Eight” seems to have less to do with shared values, than with the interest to prevent fiscal harmonization in the Euro-area as requested by Paris and Berlin through a new tax system on firms and multinationals. Taxation of “over-the-tops” could feed the fiscal common backstop that could stabilize the Euro-area. The Netherland, Ireland, Estonia, Latvia and Lithuania, are among the greatest beneficiaries of tax loopholes and tax dumping in Europe. Therefore, their opposition to fiscal progress in the Euro-area is as understandable as it is unfair.