A7-065

# Motion

**Proposer:** JEF Switzerland

**Title:** **A7-065: Regarding the Creation of a Fiscal Union**

## Motion text

**Delete from line 64 to 67:**

3. Permanent borrowing capacity to issue sovereign debt, providing a mechanism to manage economic shocks;[Space]
~~4. Tightened fiscal rules at the national level to ensure long-term sustainability and prevent moral hazard within the shared fiscal framework;~~

## Reason

The current fiscal rules are already too tight, hampering investment and crisis response. Most federations do not limit the borrowing capacity of their member entities as much as the EU does. If the EU has fiscal capacity and increased budgetary capacity, as this resolution is calling for, then the need for fiscal rules at the national level decreases. If anything, we should be calling for the rules to be loosened, not tightened.