



sometimes to avoid market panic a central bank cannot disclose all that it knows). Finally, if an OMT programme finally takes place, the ECB cannot be part of the troika.

This makes a lot of sense. The ECB is the only institution in charge of monetary policy, and in this realm both European and national –even German –judges should restrain themselves from interfering because they lack the necessary expertise and experience in this domain, Cruz Villalón argues. But when it comes to economic policy the ECB has no competence whatsoever, thus it should not be at the negotiating table as part of the troika in front of the democratic representatives of the Eurozone member states in financial need.

However, banning the ECB from the troika can be problematic. First of all, fiscal, economic and monetary policies are not watertight compartments. This is the reason why in the US the secretary of the Treasury and the governor of the Federal Reserve meet on a regular basis. Excluding the ECB's expertise from the troika short-changes it. Especially after the creation of the Single Supervisor, the Eurosystem is the institution that is best informed about the state of the financial sector in a given country, and thus it can hardly be a good idea to exclude its input. Is it possible to assess the state of an economy, and what to do to fix it, without taking into account the credit system? Certainly not. Europe should avoid falling into the trap of becoming too legalistic and dogmatic about how to best deploy its macroeconomic policy.

The second concern is that throughout the Eurozone crisis the ECB has been the only institution which has taken a truly European perspective. As a matter of fact, the IMF is not a European institution and the Commission has all too often done the bidding of the most powerful member states such as France and Germany. Undoubtedly, the ECB lacks the democratic legitimacy necessary to decide on the economic policies of member states, and this needs to be remedied. But does the IMF, the Commission, the ESM, or even the Eurogroup have this legitimacy? Again, not really.

The reality is that because the Eurozone does not have a democratically legitimised European treasury – which should do the job of supervising the rescue programmes – the ECB has been forced to fill the gap. The solution, therefore, cannot be to take the ECB out of the picture without creating a legitimate institution to fulfil that necessary role.

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*Note: This article gives the views of the author, and not the position of EUROPP –European Politics and Policy, nor of the London School of Economics.*

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