



## **Re-Define Press Release on the German Bundestag Vote on EFSF Reform**

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Quotes attributable to **Sony Kapoor**, Managing Director, Re-Define, an Economic Policy Think Tank

“Even before the ink is dry, EU leaders will already have to start working on getting parliamentary approval for further changes to the EFSF with the use of leverage and the ability to aid banks directly being the most important.”

### ***A good sign***

"The overwhelming majority in the Bundestag is a good sign and will hopefully mark a step change in German commitment to bringing the spiralling crisis under control."

### ***Necessary but insufficient***

“Many of the sensible changes approved today had already been proposed last year were but unfortunately rejected. It’s good the Bundestag has approved these but it is too little too late.”

“The inability to aid troubled banks without first lending to the sovereign is seriously problematic as this may stop the EFSF from being able to support weak banks in weak member states, exactly the group that most need external support.”

“This was necessary, but is far from sufficient.” “For things to improve, a whole host of things need to go right but even a single mis-step could worsen the crisis.”

### ***On the role of German politicians***

“German leaders are directly responsible for how negatively the public feels about today’s vote on the EFSF. The cheap ‘lazy Greeks’ shots that seemed politically expedient last year have now come back to haunt them.”

### ***On the need for the ECB to be involved***

"Good news. Now what we need is for the ECB to ramp up its commitment to purchasing bonds of troubled sovereigns and with luck the panic can be stemmed."

"An important outcome, but the acid test lies with what the ECB decides to do."

For further comments or interviews on the state of the union speech please call +44-7986849865 or email [media@re-define.org](mailto:media@re-define.org)

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