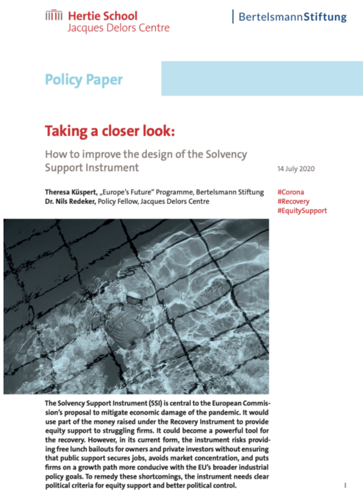
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Policy Paper

Taking a closer look:
How to improve the design of the Solvency Support Instrument

14 July 2020

Theresa Küspert, „Europe's Future" Programme, Bertelsmann Stiftung
Dr. Nils Redeker, Policy Fellow, Jacques Delors Centre

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The Solvency Support Instrument (SSI) is central to the European Commission's proposal to mitigate economic damage of the pandemic. It would use part of the money raised under the Recovery Instrument to provide equity support to struggling firms. It could become a powerful tool for the recovery. However, in its current form, the instrument risks providing free lunch bailouts for owners and private investors without ensuring that public support secures jobs, avoids market concentration, and puts firms on a growth path more conducive with the EU's broader industrial policy goals. To remedy these shortcomings, the instrument needs clear political criteria for equity support and better political control.

Bertelsmann Stiftung, Jacques Delors Centre (ed.)
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CONTACT

Dr. Katharina Gnath