

Thematic Digest: Economic Governance in the EMU



The Economic Governance Support Unit (EGOV) provides expertise to support the European Parliament and its relevant committees and bodies, notably in their **scrutiny-related activities** on the economic governance and banking union frameworks. The EGOV Unit is part of the Directorate-General for Internal Policies of the Union (DG IPOL).

This document presents a selection of **thematic briefings** in the area of economic governance, including banking union, that have been published by EGOV in recent months. Most of these thematic briefings are updated on a regular bases according to relevant developments. The hyperlink on the PE number takes to the latest version.

All papers published by EGOV are available on the ECON homepage under the tags [Economic Governance](#) and [Banking Union](#).

Public finances

[PE 587.388](#)

Structural Budget Balances in EU Member States



This document provides a short overview of the concept and application of the structural balance rule(s) in the EU. Structural budget balances play an important role in the fiscal policy frameworks of the EU both as part of the application of the Stability and Growth Pact (SGP) and in the implementation of the balanced budget rule by the contracting parties of the intergovernmental Treaty on Stability, Coordination and Governance in the EMU (the fiscal section of the Treaty is called "Fiscal Compact"). This briefing is regularly updated.

[PE 497.746](#)

Implementation of the Stability and Growth Pact



This document provides an overview of key developments under the preventive and corrective arms of the Stability and Growth Pact (SGP) on the basis of (1) the latest Council decisions and recommendations in the framework of the SGP; (2) the latest European Commission (COM) economic forecast; and (3) the latest COM Opinions on compliance of the Draft Budgetary Plans (DBPs) of euro area Member States with the SGP. The document is regularly updated.



PE 602.071 The role of national fiscal bodies: State of play

This briefing provides an overview of the role played by national fiscal institutions in the preparations of forthcoming budgets in EU Member States. The objective of the briefing is twofold: 1) to give an overview of the extent to which the Stability or Convergence Programmes and the Draft Budgetary Plans contain information about the involvement of independent national fiscal bodies in the preparation of these programmes/plans; and 2) to give an overview of the current set-up and role of these independent fiscal bodies based on the most recent assessment by the European Commission.

PE 614.498 How should the Stability and Growth Pact be simplified?

This note provides a summary of three external papers requested by the ECON Committee in the context of the Parliament scrutiny activities of the Euro area. The main objective of these papers is to advance proposals on how the fiscal rules of the Stability and Growth Pact could be simplified, in order to enhance its credibility, transparency and enforceability, while allowing some room for flexibility. Several EU institutions have recognised the complexity of the SGP and the consequent need for simplification: some relevant positions are reported in this note as well.

Macro-economic Imbalances**PE 497.739 Implementation of Macroeconomic Imbalance Procedure**

This note presents the Member States' situation with respect to the Macroeconomic Imbalance Procedure, taking into account recent assessments and decisions by the European Commission and the Council. It also gives an overview of relevant comments on the MIP published by other institutions. A separate EGOV note describes the MIP procedure. This document is regularly updated.

PE 602.083 Member States with Excessive Macroeconomic Imbalances

This note provides some information on the three Member States that are experiencing excessive macroeconomic imbalances in the context of the Macroeconomic Imbalance Procedure. Separate notes describe the state of play of the MIP implementation and the MIP procedure.

PE 542.650 Implementation of Country Specific Recommendations under MIP

This note provides an updated overview of some elements related to the implementation of Country Specific Recommendations (CSRs) issued under the Macroeconomic Imbalance Procedure (see a separate EGOV note for details on the MIP procedure). Figures only refer to Member States experiencing macroeconomic imbalances, and are based on the implementation assessment performed by the Commission.

Policy recommendations under the European Semester Cycle**PE 624.404 Country-specific recommendations: An overview**

This note provides an overview of the country-specific recommendations issued under the European Semester to EU Member States. It looks at how these recommendations evolved over time, including from the legal base perspective. Finally, it presents how recommendations were implemented over the 2012-2017 European Semester cycles.

[PE 614.522](#) Country-Specific Recommendations for 2017 and 2018



This document presents a comparison and an overview of implementation of CSR for 2016 and 2017. These recommendations, issued within the framework of the European Semester since 2011, are aimed at boosting economic growth and job creation, while maintaining sound public finances and preventing excessive macroeconomic imbalances. As to the process, they are proposed by the Commission and approved by the Council.

Financial Assistance Programmes

[PE 497.721](#) Macro-Financial Assistance to EU Member States



This document provides regularly updated information on EU Member States receiving financial assistance from the ESM, the EFSF, the EFSM, and the EU balance of payments assistance facility, other Member States and/or the IMF. It also covers the post-programme reviews undertaken by the European Commission in liaison with the ECB (Post-Programme Surveillance, PPS), the IMF (Post-Programme Monitoring, PPM) and the ESM (Early Warning System, EWS). This briefing is regularly updated.

[PE 624.415](#) Greece’s financial assistance programme - June 2018



This briefing provides an overview of the economic situation in Greece and the main developments under the third financial assistance programme. This version updates the briefing published on 3 October 2017.

[PE 497.755](#) ESM – Main Features, Instruments and Accountability



This briefing gives an overview of the main features of the European Stability Mechanism (ESM) i.e. its governance, its capital structure and funding sources, and its main financial instruments. It finally presents the ESM oversight and accountability framework. The briefing is regularly updated.

Banking Union

[PE 614.496](#) Money laundering - Recent cases from a EU banking supervisory perspective



This briefing (1) provides some insight into recent cases of breaches or alleged breaches of anti-money laundering (AML) rules by SSM supervised banks and (2) identifies some common prudential features. The briefing also outlines (3) the respective roles of European and national authorities in applying AML legislation that have been further specified in the 5th AML Directive adopted by the EP Plenary on 19 April, and (4) ways that have been proposed to further improve the AML supervisory framework.

[PE 624.405](#) Are Sovereign Bond-Backed Securities a ‘self-standing’ proposal to address the sovereign bank nexus?



This briefing outlines the main purposes of an ‘enabling regulatory framework’ for the development of sovereign bond-backed securities (‘SBBS’) as proposed by the Commission on 24 May 2018. Presented by the Commission as a market-driven initiative, the removal of regulatory obstacles hindering its development would put SBBS to a market test. The briefing compares the original ESRB proposal and the new SBBS concept, which no longer suggests changes to the existing regulatory treatment for sovereign debts. Absent such ‘flanking’ measures to SBBS, the question of whether the new SBBS would be met by sufficient demand is raised.

PE 574.392 **Completing the Banking Union**

This briefing gives an overview of the state of play of the various work streams on completing the Banking Union, covering both risk sharing (European Deposit Insurance Scheme, EDIS) and risk reduction measures. This briefing is regularly updated.

PE 624.402 **Banking Union: Towards new arrangements to finance banks under resolution**

The recent case of Banco Popular has shown the importance of liquidity funding in the context of bank resolution. Ahead of the June Euro Summit, in a letter the President of the Euro group noted that in addition to the Single Resolution Fund (and its backstop) “work needs to continue on a possible framework for liquidity in resolution, including on the possible institutional framework”. This briefing (1) describes the existing arrangements in the Banking Union, (2) compares those arrangements with the US and the UK regimes and (3) echoes ongoing reflections on possible new arrangements along the lines of the US and UK regimes, with a view to completing the Banking Union.

Future of EMU**PE 587.389** **An Evolutionary Approach to a Genuine Economic and Monetary Union**

This document provides a short overview of the on-going debate aimed at enhancing resilience and improving the governance in the euro area. It proposes a simple reading grid for analysing the various proposals/options to enhance the economic governance in EMU. This document is an update of a previous version published on 25 January 2017.

PE 602.102 **An evolutionary path for a European Monetary Fund?**

The ECON Committee requested the opinion of three external experts on the possible set up of a ‘European Monetary Fund’. This note summarizes the experts’ contributions on this topic.

PE 602.079 **The Fiscal Governance Frameworks of the United States and the European Union: Comparing ‘Apples and Pears’**

This paper lays out the different institutional frameworks that govern fiscal policy in the United States and the European Union. It details the resulting differences in fiscal activity through a comparison of the revenues, expenditures, and fiscal balances that we observe at the central and state level in both jurisdictions. The paper tries to provide a factual ‘snap shot’ of these fiscal frameworks in order to distinguish the characteristics of these two institutionally very different economic governance systems.

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