

Thematic Digest on Economic Governance in the EU



This document presents a selection of **thematic briefings** in the area of EU economic governance recently published by the Economic Governance Support Unit of the European Parliament. They are notably related to the implementation of the European Semester for economic policy coordination. These thematic documents are drafted and kept updated on a regular basis, following relevant developments.

In addition, the Unit supervises papers commissioned to external experts on topical issues related to the functioning of the Euro Area. For an overview of these papers, requested and provided during the 8th legislative term, please see this [document](#) on “Euro Area Scrutiny: External expertise on economic governance issues during the 8th Parliamentary term”. The forthcoming papers related to Euro Area scrutiny drafted by external experts on: “How has the macro-economic imbalances procedure worked in practice to improve the resilience of the euro area?” will be published in February 2020.

The EU legal framework for economic governance will be undergoing a **regular review** that includes an assessment of its functioning. It is expected that, based on a review to be published by the European Commission by end of 2019, a public debate will take place on the whole framework during spring 2019. The thematic papers listed in this digest may provide some useful information in this respect. Notably the reflection paper listed under the Section “Policy work on EMU governance” may provide some “food for thought”.

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. EGOV is part of the Directorate-General for Internal Policies of the Union (DG IPOL). A separate thematic digest on expertise provided by the Unit to support scrutiny of the banking union will be made available.

The hyperlink on the PE number of the papers listed in this document takes to the latest version.

All papers published by EGOV are available on the [ECON homepage](#).



Public finances

[PE 497.746](#) **Implementation of the Stability and Growth Pact – November 2019**



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

[PE 587.388](#) **Structural Budget Balances in EU Member States - September 2019**



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 and in the implementation of the balanced budget rule by the contracting parties of the intergovernmental Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (the fiscal section of the Treaty is called "Fiscal Compact"). This document provides a short overview of the concept and application of the structural balance rule(s) in the EU. It will be regularly updated, in particular, the Annex that shows progress made (based on the latest Commission forecast) by Member States in reaching their structural budget commitments under the preventive arm of the Stability and Growth Pact.

[PE 542.674](#) **The advisory European Fiscal Board – November 2019**



This note provides an overview of the main features and recent developments regarding the advisory European Fiscal Board. This body was established by the European Commission in October 2015, in the context of the implementation of an "integrated framework for sound fiscal policies", proposed in the Five Presidents' Report of June 2015. The Annex presents excerpts from the latest Annual Reports published by the board.

[PE 624.435](#) **Key features of 2020 Draft Budgetary Plans – November 2019**



This document compares the key features of the 2020 Draft Budgetary Plans, as submitted by the Euro Area Member States by mid of October 2019, with the autumn 2019 forecasts by the European Commission and the key features included in the 2019 Stability Programmes (SP), as submitted by the Euro Area Member States by end of April 2019, with the 2019 spring forecasts by the European Commission.

[PE 624.406](#) **Public finances in Euro Area Member States: selected indicators - November 2019**



This document presents selected indicators on public finance for the Euro Area Member States and the Euro Area as a whole. For each indicator, it gives a short explanation and the employed sources. A final section provides a summary on how the sustainability of public finances is assessed by the European and other international institutions.

[PE 528.745](#) **An overview of the Stability and Growth Pact - September 2019**



The Stability and Growth Pact is the legal framework (based on primary and secondary EU law) that seeks to ensure sustainable public finances in the interest of the stability of the Economic and Monetary Union. It consists of two main building blocks: the preventive arm and the corrective arm. Stylised overviews, including on flexibility provisions (endorsed by the Council) within the existing rules of the Stability and Growth Pact, are provided in the annexes.

Macro-economic Imbalances

[PE 497.739](#) **Implementation of the Macroeconomic Imbalance Procedure: State of play - September 2019**



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 Macroeconomic Imbalance Procedure published by EU institutions. A separate [EGOV note](#) describes the elements and steps of the Macroeconomic Imbalance Procedure.

[PE 528.753](#) **External Imbalances in the Euro Area - November 2019**



This note provides a short overview of the latest data related to external imbalances in euro area Member States, with specific reference to some indicators included in the scoreboard of the Macroeconomic Imbalances Procedure.

[PE 602.083](#) **Member States with Excessive Macroeconomic Imbalances – November 2019**



This note provides an overview of the surveillance of the three Member States that have been assessed as experiencing excessive macroeconomic imbalances in the context of the 2019 European Semester cycle and in accordance with the Macroeconomic Imbalance Procedure. Separate notes describe the state of play of the Macroeconomic Imbalance Procedure implementation and the elements and steps of the Macroeconomic Imbalance Procedure.

Policy recommendations under the European Semester Cycle

[PE 624.429](#) **Recommendations on the economic policy of the euro area under the 2019 European Semester - November 2019**



This note looks at the recommendations on the economic policies of the euro area adopted by the Council in 2019, upon proposal of the Commission. Its scope is to assess their follow up, making use of proxies such as on how Eurogroup has integrated euro area recommendations concerns in their “thematic discussions” and its work programmes, as well as Commission’s assessment. In addition, the note provides an institutional perspective of the euro area recommendations, in particular the process setting the 2019 euro area recommendations and includes broad comparisons to earlier recommendations, to illustrate how policy concerns have evolved over time.

[PE 614.516](#) **Country-Specific Recommendations in banking – November 2019**



Financial sector reforms have been flagged by the Commission in its Communication on the 2019 European Semester as the policy area where Member States have made the most progress during last year. This briefing focuses on the banking recommendations addressed by the Council to individual Member States within the framework of the European Semester over the past years (2011-2019).

PE 624.404 Country-specific recommendations: An overview - September 2019

This note provides an overview of the country-specific recommendations issued annually to EU Member States under the European Semester for economic policy coordination. It presents how these recommendations evolved over time (2012-2019), including from the legal base perspective. Finally, it shows how recommendations were implemented over the 2012-2018 European Semester cycles. The note is updated on a regular basis.

Financial Assistance Programmes**PE 528.757 Key Macroeconomic Indicators for Cyprus, Greece, Ireland and Portugal – November 2019**

This document provides a selection of key indicators in Member States that are or have been subject to a Macroeconomic Adjustment Programme. Greece is still under a programme, while Ireland, Portugal and Cyprus have exited their programmes and are now under so-called post-programme surveillance. For more information on the programmes, please see a separate document on Financial Assistance to EU Member States.

PE 497.721 Macro-Financial Assistance to EU Member States: State of Play – November 2019

This document provides regularly updated information on EU Member States which receive or received financial assistance from the ESM, EFSF, EFSM, the EU balance of payments assistance facility, other Member States and/or the IMF. Against the background that since August 2018 all financial assistance programmes to EU Member States have been concluded, the document focuses now on the implementation of the enhanced surveillance framework for Greece and post-programme reviews (including IMF Article IV assessments) for Ireland, Portugal, Romania and Spain undertaken by the European Commission in liaison with the ECB (Post-Programme Surveillance), the IMF (Post-Programme Monitoring) and the ESM (Early Warning System).

Policy work on EMU governance**PE 624.440 The European Semester for economic policy coordination: A reflection paper – October 2019**

This paper provides an overview of the current EU economic governance framework, in particular of the so-called EU 'rule-based' surveillance framework of national budgetary, economic and social policies. It raises some broad questions on the lessons learned and proposes some reflections for the future.

PE 497.755 The European Stability Mechanism: Main Features, Instruments and Accountability – October 2019

This document presents the main features of the ESM, including governance, capital structure and funding sources, main lending instruments, as well as its oversight and accountability framework. It also reviews recent proposals and contributions on the possible evolution of the ESM. This note is regularly updated.

PE 634.357 The 2019 proposed amendments to the Treaty establishing the European Stability Mechanism – October 2019



This document presents the proposed amendments to the Treaty establishing the European Stability Mechanism, following the decisions taken by the Eurogroup and the June 2019 Euro Summit. It complements an EGOV briefing on the ESM features, instruments and accountability. The note outlines the relevant changes and provides a comparison between the current ESM Treaty and the proposed amended one.

PE 634.359 What do we know about the BICC today? - November 2019



The budgetary instrument for convergence and competitiveness is part of the Eurogroup December 2018 “comprehensive plan to strengthen the Euro”. This note presents its main features as available in the public domain and discusses the steps leading to the Eurogroup October 2019 agreement, addressing namely its connection with the European Semester and the more general framework of economic policy coordination. This note will be updated on the basis of further available information.

Other relevant documents

PE 602.116 The role (and accountability) of the President of the Eurogroup



This note provides an overview of the role of the President of the Eurogroup, the procedures for his/her appointment, as well as proposals on a “full time position” as part of the wider debate on deepening the Economic and Monetary Union. The note also briefly addresses the mandate and working methods of the Eurogroup. In addition, this note refers to the debate around the transparency of Eurogroup proceedings. It is updated regularly.

PE 542.675 Key Macroeconomic Indicators in the Euro Area and the United States – November 2019



Latest forecast by European Commission, IMF and OECD on some key macroeconomic indicators for the Euro Area and the United States.

Disclaimer and copyright. The opinions expressed in this document are the sole responsibility of the authors and do not necessarily represent the official position of the European Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2019.

Contact: egov@ep.europa.eu

This document is available on the internet at: www.europarl.europa.eu/supporting-analyses