



EUROPEAN PARLIAMENT

2014 – 2019

Committee on Constitutional Affairs

2014/2145(INI)

19.3.2015

OPINION

of the Committee on Constitutional Affairs

for the Committee on Economic and Monetary Affairs

on the review of the economic governance framework: stocktaking and
challenges
(2014/2145(INI))

Rapporteur: Sylvie Goulard

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SUGGESTIONS

The Committee on Constitutional Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Takes the view that it is absolutely vital for the democratic legitimacy of economic and monetary union (EMU) to be improved substantially within the EU's institutional framework and in line with the Community method; considers that the pieces of legislation based on intergovernmental treaties and implemented during the crisis have hampered the democratic legitimacy of EMU; calls, therefore, for the European Stability Mechanism (ESM) to be integrated as soon as possible into the EU acquis, taking into account that Parliament's internal rules offer a sufficient margin of manoeuvre to organise, where appropriate, specific forms of differentiation on the basis of political agreement within and among the political groups in order to provide appropriate scrutiny of EMU; also calls for the relevant provisions of the Treaty on Stability, Coordination and Governance (TSCG) to be integrated into the legal framework of the European Union within five years at the latest after its entry into force, and after a comprehensive assessment of its implementation;
2. Advocates, in this sense, the establishment of less complex, more efficient and transparent economic governance, aiming, in the long term, at a deeper integration of the EU, while offering medium-term solutions to enable the eurozone and the Union to face the current challenges;
3. Underlines that the Eurogroup and the EuroSummit are both informal formations of the Economic and Financial Affairs Council and of the European Council and that they took major decisions in the field of EMU during the financial and economic crisis, but that those decisions have therefore been affected by the lack of democratic legitimacy;
4. Calls for an interinstitutional agreement to be concluded between Parliament, the Commission and the Council providing for parliamentary scrutiny of the various stages of the European Semester, starting with the Annual Growth Survey;
5. Takes the view that the implementation of the economic dialogue needs to be scrupulously reviewed so as to ensure that there is proper parliamentary scrutiny at all stages of the procedures (Stability and Growth Pact (SGP) and macroeconomic imbalances procedure (MIP));
6. Welcomes the setting-up of the Interparliamentary Conference on Economic and Financial Governance of the European Union; underscores, nevertheless, its limits when it comes to encouraging accountability on the part of decision-makers; takes the view that, in the field of EMU, parliamentary control must be shared between the national and the European level and insists that responsibilities must be assumed at the level where decisions are taken or implemented, with national parliaments scrutinising national governments and the European Parliament scrutinising the European executives; believes that this is the only way to ensure the required increased accountability of decision-making; considers that this increased legitimacy can be ensured by foreseeing the adoption of national reform

programmes and possible convergence partnerships by national parliaments, as well as the adoption by codecision of broad European policy orientations in the form of convergence guidelines, a new EU legal act setting a very limited number of priorities which are valid for a set period, and which are notably used when adopting the Annual Growth Survey and the country-specific recommendations; stresses that such cooperation should not be seen as the creation of a new mixed parliamentary body, which would be both ineffective and illegitimate from a democratic and constitutional point of view;

7. Regrets that the capacity of national parliaments to control and influence their governments' actions in the EU is insufficient; is of the view that national parliaments should take a more active part in policymaking in terms of scrutinising and shaping their governments' positions before they are submitted to the Commission;
8. Underlines that the legal framework for assistance programmes needs to be reviewed in order to ensure that all decisions are taken under the responsibility of the Commission with the full involvement of Parliament, in order to ensure full democratic legitimacy and accountability; calls on the Commission to report regularly to Parliament on the relevant decisions taken when it is involved in verifying the implementation of Member States' programmes; stresses that Parliament should follow up on its resolution of 13 March 2014 on the enquiry on the role and operations of the Troika (ECB, Commission and IMF) with regard to the euro area programme countries¹ without delay, and prepare a new, separate resolution fully dedicated to this issue, drawing and building on the first enquiry;
9. Considers that in order to ensure the long-term sustainability of national public finances, it is of the utmost importance for the Commission to verify the quality of public finances, and in particular to clarify that national budgets are future-oriented, by identifying, together with Eurostat, and encouraging investment expenditures to a greater extent than consumption expenditures;
10. Is of the opinion that a 'genuine EMU' cannot be limited to a system of rules but requires a budgetary capacity as part of the EU budget, based on specific own resources, which should support sustainable growth and social cohesion, and address structural divergences and financial emergencies which are directly connected to the monetary union and where structural reforms are required;
11. Takes the view that the social dimension of EMU must be taken into account and recalls that Article 9 of the TFEU states that 'in defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion...'; also recalls that Article 3 of the TEU states that 'the Union shall [be based on] a highly competitive social market economy, aiming at full employment and social progress'; believes that, according to the principle of human dignity, as enshrined in the Treaty, human resources should not be wasted and should be seen as a crucial component of competitiveness; calls for equal treatment of social rights and the internal market's freedoms in the hierarchy of norms;

¹ Texts adopted, P7_TA(2014)0239.

12. Requests that the Presidents of the four institutions submit an ambitious ‘roadmap’ outlining the necessary legislative and institutional progress to create the best future possible for the eurozone, the EU and its citizens; stresses that Parliament shall fully play its part in the upcoming discussions and decisions through a resolution adopted by the plenary, which shall be the basis for the President’s contribution to the ‘roadmap’, as stated in footnote 1 of the Analytical Note prepared for the Informal European Council of 12 February 2015 (Preparing for Next Steps on Better Economic Governance in the Euro Area): ‘The President of the European Commission has indicated his intention to draw on input from the President of the European Parliament in his reflections during the preparation of the report’;
13. Believes that a genuine EMU requires the reinforcement of the rule of law, as stated in Article 2 of the TEU; considers that the rule of law is defined as an institutional system in which public authority is subject to the law and the equality of legal subjects is guaranteed by independent jurisdictions; considers that this question should be one of the priorities, inter alia, to be tackled in the framework of the report entitled ‘Possible evolutions and adjustments of the current institutional set up of the European Union’, and that this should include infringement proceedings and action for annulment against decisions of the Commission and the Council; believes that the involvement of the Court of Justice of the European Union (ECJ) may notably be a guarantee that the rules will be applied in a uniform manner irrespective of the size of the Member State and will protect citizens’ rights and the rights of their organisations in the countries under the programme; states that this role for the ECJ will not result in economic governance procedures being delayed, as these procedures do not have suspensive effects.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	17.3.2015
Result of final vote	+ : 12 - : 3 0 : 7
Members present for the final vote	Kostas Chrysogonos, Richard Corbett, Pascal Durand, Esteban González Pons, Danuta Maria Hübner, Jo Leinen, Morten Messerschmidt, Maite Pagazaurtundúa Ruiz, György Schöpflin, Pedro Silva Pereira, Barbara Spinelli, Rainer Wieland
Substitutes present for the final vote	Max Andersson, Gerolf Annemans, Pervenche Berès, Sylvie Goulard, Roberto Gualtieri, Sylvia-Yvonne Kaufmann, Marcus Pretzell
Substitutes under Rule 200(2) present for the final vote	Frank Engel, Markus Pieper, Adam Szejnfeld