



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Constitutional Affairs

2012/2151(INI)

12.10.2012

OPINION

of the Committee on Constitutional Affairs

for the Committee on Economic and Monetary Affairs

on Towards a genuine Economic and Monetary Union
(2012/2151(INI))

Rapporteur (*): Roberto Gualtieri (Initiative – Rule 42 of the Rules of Procedure)

(*) Associated committee – Rule 50 of the Rules of Procedure

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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 in its report:

Suggestion 1

Recital O

Draft report of the committee responsible

O. whereas 17 Member States have already adopted the Union's single currency and **most** others **will** join the euro **when they are ready**;

Suggestion

O. whereas 17 Member States have already adopted the Union's single currency and **all** others **except the United Kingdom are obliged to** join the euro **once they have met the convergence criteria and have fulfilled their domestic constitutional requirements**;

Suggestion 2

Recital X

Draft report of the committee responsible

X. whereas **from a democratic point of view it is incomprehensible that the President of the European Parliament, who represents more than 502 million European citizens, has not been** involved in the drafting of the report of 26 June 2012 of the President of the European Council, in collaboration with the Presidents of the European Commission, the Eurogroup and the European Central Bank, entitled 'Towards a Genuine Economic and Monetary Union';

Suggestion

X. whereas **the European Parliament was not directly** involved in the drafting of the report of 26 June 2012 of the President of the European Council, in collaboration with the Presidents of the European Commission, the Eurogroup and the European Central Bank, entitled 'Towards a Genuine Economic and Monetary Union';

Suggestion 3

Recital AC

Draft report of the committee responsible

AC. whereas *it cannot be excluded that new Treaty changes might be needed for increasing the governance of a fully operational EMU; whereas the Commission should list without delay the necessary institutional developments in the long term;*

Suggestion

AC. whereas *the existing European Treaties offer a broad margin for substantial progress towards an Economic and Monetary Union based on an enhanced, more integrated and more balanced financial, budgetary and economic policy framework, and on a stronger democratic legitimacy and accountability; whereas the completion of a genuine Economic and Monetary Union within the EU will require in the medium term a Treaty change to be completed;*

Suggestion 4

Recital ACa (new)

Draft report of the committee responsible

ACa. whereas the Treaties already provide appropriate procedures for multilateral governance which allow to move closer towards a genuine EMU without undermining the integrity of the EU legal and institutional order, by adopting provisions in the framework of fiscal and economic policies specifically applying to those Member States whose currency is the euro, and by establishing enhanced cooperation between Member States in the framework of the Union's non-exclusive competencies;

Suggestion

Suggestion 5

Recital AD

Draft report of the committee responsible

AD. whereas *future Treaty changes should not be an obstacle to the swift implementation of what can already be achieved under the existing Treaties; whereas much can be achieved within the current institutional framework;*

Suggestion

AD. whereas *making full use of the procedures and the flexibility of the existing Treaties to swiftly improve the governance of the EMU in the context of the framing of a true European political space is a condition for building the democratic consensus for a future comprehensive and successful Treaty change;*

Suggestion 6

Recital ADa (new)

Draft report of the committee responsible

ADa. whereas the European Parliament has the right to submit to the Council proposals for the amendment of the Treaties which subsequently need to be examined by a Convention, in order to complete the framing of a genuine EMU by enhancing the EU competencies, notably in the field of economic policy, and by strengthening the Union's own resources and budgetary capacity, the role and democratic accountability of the Commission and the prerogatives of the European Parliament;

Suggestion

Suggestion 7

Recital ADb (new)

Draft report of the committee responsible

ADb. whereas it is realistic and

Suggestion

appropriate to think that such a Convention should not take place before the next European elections; whereas preparations for such a Convention should start already before the next European elections;

Suggestion 8

Recital AE

Draft report of the committee responsible

*AE. whereas **the ambition should be that all Member States jointly take steps forward towards greater European integration; whereas decisions that only apply to the euro area might be needed where required or justified on the basis of the specificity of the euro area, not excluding** opt-ins for *other* Member States;*

Suggestion

*AE. whereas **both the measures proposed under the existing Treaties and the future Treaty changes should not exclude** opt-ins for Member States **and should guarantee the integrity of the EU;***

Suggestion 9

Recital AYa (new)

Draft report of the committee responsible

AYa. whereas the establishment of a Single supervisory mechanism will be more legitimate, more transparent and more effective if adopted in co-decision with the European Parliament;

Suggestion

Suggestion 10

Recital AYb (new)

Draft report of the committee responsible

AYb. whereas Article 48(7) TEU provides for a specific procedure for adopting an

Suggestion

act for which the TFEU requires a special legislative procedure in accordance with the ordinary legislative procedure; whereas article 333 TFEU also contains provisions that allow for making use of the ordinary legislative procedure in the context of enhanced cooperation;

Suggestion 11
Recital AYc (new)

Draft report of the committee responsible

Suggestion

AYc. whereas a democratic parliamentary oversight must be established on banking supervision activities;

Suggestion 12

Recital BV

Draft report of the committee responsible

Suggestion

BV. whereas supplementary mechanisms are needed to ensure that all Member States respect their engagements in their individual budgetary procedures, where it cannot be excluded that the role of the European Commissioner for Economic and Monetary Affairs needs to be reinforced;

BV. whereas supplementary mechanisms are needed to ensure that all Member States respect their engagements in their individual budgetary procedures, where it cannot be excluded that the role of the European Commissioner for Economic and Monetary Affairs needs to be reinforced; *whereas under the existing Treaties the flexibility clause (Article 352 TFEU) can be used to this purpose and to create an European Treasury Office; which is a key feature of a genuine Economic and Monetary Union;*

Suggestion 13

Recital BVa (new)

Draft report of the committee responsible

Suggestion

BVa. whereas Article 136 TFEU allows to adopt, in accordance with the relevant legislative procedure from those referred to in Articles 121 and 126 TFEU, specific measures to strengthen the coordination and surveillance of the budgetary discipline of the Member States whose currency is the euro; whereas such legislation may provide delegation of powers to the Commission to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of the legislative act; whereas the TFEU provides for the possibility to confer to the European Parliament or the Council the right to revoke the delegation to the Commission;

Suggestion 14

Recital BVb (new)

Draft report of the committee responsible

Suggestion

BVb. whereas according to the Treaties the promotion of high employment and the guarantee of adequate social protection has to be taken into account in defining and implementing the policies and activities of the EU; whereas building upon existing strategies, a new set of guidelines for Member states, including social and economic benchmarks with minimum standards to be applied to the main pillars of their economies, should be introduced;

Suggestion 15

Recital BVc (new)

Draft report of the committee responsible

Suggestion

BVc. whereas, in compliance with the general rule of the EU legal order, the Court of Justice of the European Union is empowered to ensure that in the interpretation and application of the Treaties the EU law is observed unless it is explicitly excluded;

Suggestion 16

Recital BW

Draft report of the committee responsible

Suggestion

BW. whereas ***the trilogue*** negotiations on the so-called ‘two-pack’ regulations ***should soon lead to concrete political results; the Council should abandon its reluctance on the dossier;***

BW. whereas ***it is essential in the first place to conclude the*** negotiations on the so-called ‘two-pack’ regulations ***which will further strengthen the existing powers of the Commission in budgetary matters;***

Suggestion 17

Recital BXa (new)

Draft report of the committee responsible

Suggestion

BXa. whereas under the existing Treaties the Member States whose currency is the euro can finance an increased EU budget in the framework of the own resources procedure by introducing specific taxes or fees in accordance with an enhanced cooperation procedure; whereas it should be done with a specific preference given to its liaison with the already existing EU budgetary framework and without undermining the EU budget traditional

*functions to finance common policies;
whereas such an increased budgetary
capacity should support growth and social
cohesion addressing imbalances,
structural divergences and financial
emergencies which are directly connected
to the Monetary Union;*

Suggestion 18

Recital BXb (new)

Draft report of the committee responsible

Suggestion

***BXb. whereas the ESM should be subject
to proper scrutiny by the European
Parliament;***

Suggestion 19

Recital CBa (new)

Draft report of the committee responsible

Suggestion

***CBa. Whereas the ESM could be
integrated into the EU legal framework
through the flexibility clause (Article 352
TFEU) in conjunction with the revised
Article 136 TFEU;***

Suggestion 20

Recital CBb (new)

Draft report of the committee responsible

Suggestion

***CBb. whereas under the existing Treaties
the definitions for the application of the
“no bailout clause” can be specified by
the Council on a proposal of the
Commission and after consulting the
European Parliament (Article 125(2)***

TFEU);

Suggestion 21

Recital CBc (new)

Draft report of the committee responsible

Suggestion

*CBc. whereas **high standards of democratic accountability at European level should apply to the Troika;***

Suggestion 22

Recital CG

Draft report of the committee responsible

Suggestion

CG. whereas it is up to the Member States to deliver without delay on the agreed reforms in their national reform programmes;

CG. whereas it is up to the Member States to deliver without delay on the agreed reforms in their national reform programmes, ***and up to national parliaments to deliver timely and informed scrutiny of the actions of their governments in this regard;***

Suggestion 23

Recital CJ

Draft report of the committee responsible

Suggestion

CJ. whereas ***binding coordination*** at Union level ***might*** be considered for certain key economic policy issues particularly relevant for growth and employment;

CJ. whereas ***convergence criteria*** at Union level ***should*** be considered for certain key economic policy issues particularly relevant for ***productivity and competitiveness measures outlined in the "Europe 2020" strategy;***

Suggestion 24

Recital CJa (new)

Draft report of the committee responsible

Suggestion

CJa. whereas Article 136 TFEU allows the Council, on a recommendation from the Commission and with the vote of the only Member States whose currency is the euro, to adopt binding economic policy guidelines for the euro area countries in the framework of the European Semester; whereas an incentive mechanism would reinforce the binding nature of the economic policy coordination;

Suggestion 25

Recital CJb (new)

Draft report of the committee responsible

Suggestion

CJb. whereas under the existing Treaties the European Parliament, the Council and the Commission may conclude an interinstitutional agreement to provide for on the one hand the prior involvement of the European Parliament in the drafting of the Annual Growth Survey, the Commission's recommendation to the Council on the economic policy guidelines for the euro area countries and the Commission's recommendation to the Council on the employment guidelines; and on the other hand the Council's commitment, to discuss and take into account the Parliament recommendations on the economic policy and employment guidelines, and to introduce the control through the protocol No 1 on the role of national parliaments in the European Union;

Suggestion 26

Recital CL

Draft report of the committee responsible

CL. whereas the Union owes its legitimacy to its democratic values, the objectives it pursues and its competences, instruments and institutions,

Suggestion

deleted

Suggestion 27

Recital CM

Draft report of the committee responsible

CM. whereas due to the ongoing crisis the debate has grown not only on the governance of EMU but also on the democratic nature of the decision making within EMU;

Suggestion

CM. whereas the intense financial and economic crisis since 2008 has radically changed the debate on the future of the European Union and poses important questions about the political and constitutional development of Europe and our place in the world;

Suggestion 28

Recital CN

Draft report of the committee responsible

CN. whereas the European Council has acted responsibly for the past years in the management of the crisis, formulating numerous proposals to find a way out of the crisis for which in the Treaties not always a clear competence to the Union has been assigned;

Suggestion

CN. whereas the European Council has had to resort to crisis management over these years, and the time has now come for a more rigorous analysis of the weaknesses of EMU as crafted in the Treaty of Maastricht, and for a profound examination of the implications of fiscal union for economic governance of the Union, including the competences conferred and the powers of its institutions;

Suggestion 29

Recital CP

Draft report of the committee responsible

Suggestion

CP. whereas measures taken at Union level are often perceived as being ‘too little, too late’ due to the procedures arising from the democratic legislative process, the lack of a European institutional substructure or own Union resources to intervene directly to tackle a crisis situation;

deleted

Suggestion 30

Recital CQ

Draft report of the committee responsible

Suggestion

CQ. whereas the flaws in EMU have been detected and should be definitively resolved;

deleted

Suggestion 31

Recital CR

Draft report of the committee responsible

Suggestion

CR. whereas the interim and final reports that will be submitted by the President of the European Council in October and December 2012, respectively, should be drawn up in close collaboration with the European Parliament which insists on being fully involved as an equal partner in line with the Community method; whereas this can be organised through the involvement of the President of the European Parliament in the work of the four Presidents, as well as through the

CR. whereas the President of the European Parliament has been associated to the preparation of the report to be submitted to the December 2012 European Council by its President; whereas the European Parliament has appointed its representatives in the ad-hoc working group;

representatives to be appointed by the Conference of Presidents of the Parliament in the ad-hoc Council working group on the report of the four Presidents;

Suggestion 32

Recital CS

Draft report of the committee responsible

Suggestion

CS. whereas it is no longer acceptable that the President of the European Parliament cannot be present for the whole duration of the meetings of the European Council and the Euro area Summit; whereas a solution for this lack of democratic legitimacy should be found urgently through a political agreement between the two institutions;

deleted

Suggestion 33

Recital CSa (new)

Draft report of the committee responsible

Suggestion

CSa. whereas it is urgent to address the current democratic deficit of the EMU and strictly link any further step toward a Banking Union, a Fiscal Union and an Economic Union with increased democratic legitimacy and accountability at EU level;

Suggestion 34

Recital CTa (new)

Draft report of the committee responsible

Suggestion

CTa. whereas cooperation between the European Parliament and national parliaments on the basis of Protocol No 1 should be reinforced in order to improve exchange of views and the quality of the parliamentary activity in the field of the EMU governance both at European and at national level; whereas such a cooperation should not be seen as the creation of a new mixed parliamentary body which would be both ineffective and illegitimate on a democratic and constitutional point of view;

Suggestion 35

Paragraph -1 (new)

Draft report of the committee responsible

Suggestion

-1. Considers necessary to place the governance of the Economic and Monetary Union within the institutional framework of the Union, which is a precondition for its effectiveness and for filling the current political gap between national politics and European policies;

Suggestion 36

Paragraph -1 a (new)

Draft report of the committee responsible

Suggestion

-1a. Considers a substantial improvement of the democratic legitimacy and accountability at EU level of the EMU

governance by an increased role of the European Parliament as an absolute necessity and a precondition for any further step toward a Banking Union, a Fiscal Union and an Economic Union;

Suggestion 37

Paragraph -1 b (new)

Draft report of the committee responsible

Suggestion

-1b. Calls on all institutions to swiftly proceed by maximising the possibilities given by the existing Treaties and their elements of flexibility and at the same time prepare for the necessary Treaty changes in order to guarantee legal certainty and democratic legitimacy; reiterates that the option of a new intergovernmental agreement should be excluded;

Suggestion 38

Paragraph -1 c (new)

Draft report of the committee responsible

Suggestion

- 1c. points out that the European Parliament will deal with the regulation conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions in conjunction with the proposals on the European Banking Authority and will treat them as a single package;

Suggestion 39

Paragraph -1 d (new)

Draft report of the committee responsible

Suggestion

-1d. Considers that under the existing Treaties the coordination and surveillance of the budgetary discipline of the Member States whose currency is the euro could be made binding and subject to the control of the Court of Justice of the European Union on the simple basis of Article 136 TFEU in conjunction with Article 121(6), but that, from a constitutional point of view, this step should be taken into consideration only if it would substantially strengthen the European Parliament's role as far as the detailed implementation of Articles 121(3) and 121(4) TFEU is concerned and in order to complete and implement the multilateral surveillance procedure with delegated acts on the basis of Article 290 TFEU; reminds that according to the Treaties the promotion of high employment and the guarantee of adequate social protection has to be taken into account in defining and implementing the policies and activities of the EU i.e by introducing, building upon existing strategies, a new set of guidelines for Member states, including social and economic benchmarks with minimum standards to be applied to the main pillars of their economies;

Suggestion 40

Paragraph -1 e (new)

Draft report of the committee responsible

Suggestion

-1e. Is of the opinion that a "genuine Economic and Monetary Union" cannot

be limited to a system of rules but requires an increased budgetary capacity based on specific own-resources (including a financial transactions tax) which should, in the framework of the EU budget, support growth and social cohesion addressing imbalances, structural divergences and financial emergencies which are directly connected to the Monetary Union, without undermining its traditional functions to finance common policies;

Suggestion 41

Paragraph -1f (new)

Draft report of the committee responsible

Suggestion

- 1f. Is of the opinion that under the existing Treaties Article 136 TFEU allows the Council, on a recommendation from the Commission and with the vote of the only Member States whose currency is the euro, to adopt binding economic policy guidelines for the euro area countries in the framework of the European Semester; underlines that an incentive mechanism would reinforce the binding nature of the economic policy coordination; calls for an Interinstitutional Agreement to involve the European Parliament in the drafting and approval of the Annual Growth Survey and the Economic Policy and Employment Guidelines;

Suggestion 42

Paragraph -1 g (new)

Draft report of the committee responsible

Suggestion

- 1g. while reaffirming its intention to intensify the cooperation with national

parliaments on the basis of Protocol No 1, underlines that such a cooperation should not be seen as the creation of a new mixed parliamentary body which would be both ineffective and illegitimate on a democratic and constitutional point of view; stresses the full legitimacy of the European Parliament as parliamentary body at the EU level for a reinforced and democratic EMU governance;

Suggestion 43

Paragraph -1 h (new)

Draft report of the committee responsible

Suggestion

-1h. underlines that both the measures proposed under the existing Treaties and the future Treaty changes should not exclude opt-ins and should guarantee the integrity of the EU;

Suggestion 44

Paragraph 1

Draft report of the committee responsible

Suggestion

1. Requests the Commission to submit to Parliament as soon as possible after consultation of all interested parties, *with the European Parliament being a co-legislator, proposals for acts on following the detailed recommendations set out in the Annex hereto;*

1. Requests the Commission to submit to Parliament as soon as possible, after consultation of all interested parties *and with comprehensive impact assessments, all legislative proposals necessary to accomplish the building of a genuine economic and monetary union and to take good note of Parliament's detailed recommendations as set out in the Annex hereto;*

Suggestion 45

Paragraph 2

Draft report of the committee responsible

2. Confirms that the recommendations respect the principle of subsidiarity and the fundamental rights of citizens of the European Union;

Suggestion

deleted

Suggestion 46

Paragraph 3

Draft report of the committee responsible

3. Calls on the Commission, in addition to the measures which can and must be taken swiftly under the existing Treaties, to list the institutional developments which may prove necessary in order to establish a stronger EMU architecture, based on the need for a banking union, a fiscal union and an economic union;

Suggestion

3. Confirms that it shall make full use of its prerogative to submit to the Council proposals for the amendment of the Treaties which subsequently need to be examined by a Convention, in order to complete the framing of a genuine EMU by enhancing the EU competencies, notably in the field of economic policy, and by strengthening the Union's own resources and budgetary capacity, the role and democratic accountability of the Commission and the prerogatives of the European Parliament;

Suggestion 47

Paragraph 3 a (new)

Draft report of the committee responsible

3a. Calls on national parliaments to engage in the process of preparing their governments' fiscal and reform plans before their submission to the EU; intends to propose at the Convention to add this explicit responsibility to the functions

Suggestion

enjoyed by national parliaments under the provisions of Article 12 TEU;

Suggestion 48

Paragraph 4 a (new)

Draft report of the committee responsible

Suggestion

4a. Insists on the urgent completion of the single market action plan, not least in the field of services;

Suggestion 49

Annex – Recommendation 1.1 – Paragraph 8

Draft report of the committee responsible

Suggestion

The body or bodies with ultimate authority under the European supervisor should be headed by officers appointed after confirmation by the European Parliament.

The representatives of the ECB in the supervisory board shall be elected by the Executive Board of the ECB after confirmation by the European Parliament.

The Chair and Vice-Chair of the supervisory board shall be elected by and from the members of the Governing Council of the ECB after confirmation by the European Parliament.

Suggestion 50

Annex – Recommendation 4.4 – indent 1 a (new)

Draft report of the committee responsible

Suggestion

The Euro is the currency of the European Union; the European Parliament is the parliament of the European Union; therefore the European Parliament is the parliament of the EMU;

Suggestion 51

Annex – Recommendation 4.4 – indent 3

Draft report of the committee responsible

Suggestion

- The President of the European Parliament should be invited to participate in the European Council meetings and the euro area summits;

deleted

Suggestion 52

Annex – Recommendation 4.4 – indent 5

Draft report of the committee responsible

Suggestion

The European Parliament should hold a hearing and consent to the appointment of the ESM *Chairperson*. The *Chairperson* should be subject to regular reporting to the European Parliament;

The European Parliament should hold a hearing and *give its* consent to the appointment of the ESM *Managing Director*. The *Managing Director* should be subject to regular reporting to the European Parliament;

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	9.10.2012
Result of final vote	+: 18 -: 3 0: 1
Members present for the final vote	Alfredo Antoniozzi, Andrew Henry William Brons, Carlo Casini, Andrew Duff, Roberto Gualtieri, Enrique Guerrero Salom, Zita Gurmai, Gerald Häfner, Stanimir Ilchev, Constance Le Grip, David Martin, Morten Messerschmidt, Paulo Rangel, Algirdas Saudargas, Indrek Tarand, Rafał Trzaskowski, Manfred Weber, Luis Yáñez-Barnuevo García
Substitute(s) present for the final vote	Zuzana Brzobohatá, Andrea Češková, Marietta Giannakou, Anneli Jäätteenmäki, Vital Moreira, Helmut Scholz, György Schöpflin