



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Constitutional Affairs

2013/2277(INI)

11.2.2014

OPINION

of the Committee on Constitutional Affairs

for the Committee on Economic and Monetary Affairs

on the enquiry report on the role and operations of the Troika (ECB, Commission and IMF) with regard to the euro area programme countries (2013/2277(INI))

Rapporteur: Helmut Scholz

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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:

- A. whereas the recently developed financial assistance instruments for euro area countries are not based on EU primary law, and whereas Article 143 TFEU explicitly lays down the instruments for countries outside the euro area;
- B. whereas the European Court of Justice, referring to Article 13(3) of the ESM Treaty, has recently confirmed (in the Pringle Case) that the European Commission by its involvement in the ESM Treaty has to ‘promote the general interest of the Union’ and to ‘ensure that the memoranda of understanding concluded by the ESM are consistent with European Union law’;
- C. whereas Article 151 TFEU provides that action taken by the EU and its Member States must be consistent with the fundamental social rights laid down in the 1961 European Social Charter and the 1989 Community Charter of the Fundamental Rights of Workers in order to improve, inter alia, the social dialogue;
- D. whereas Article 152 TFEU states that: ‘the Union recognises and promotes the role of the social partners at its level, taking into account the diversity of national systems. It shall facilitate dialogue between the social partners, respecting their autonomy’;
- E. whereas the conditions for financial assistance are jointly agreed between relevant EU institutions, the ESM and the IMF, but the final decision is always taken by the ESM board, on the basis of an MoU negotiated between the Troika and the government of the Member State concerned;
- F. whereas the Troika was an ad-hoc solution adopted under considerable time pressure arising from the economic crisis when decisions had to be taken urgently to support countries experiencing extreme difficulties, to avoid a disorderly default and the contagion of the crisis to other Member States, to stop speculation on sovereign debt, and to prevent the melt-down of the euro area;
- G. whereas the MoU signed by euro area countries seeking financial assistance have negative impacts on citizens’ social rights; whereas, in this context, it is of the utmost importance to ensure that the development and implementation of the financial assistance programmes are subject to appropriate democratic accountability both at European and national level;
 - 1. Emphasises that the creation of the EFSF and the ESM outside the institutions of the Union represents a setback in the development of the Union, essentially at the expense of Parliament, the Court of Auditors and the Court of Justice;
 - 2. Calls for a Treaty change in order to create a single financial assistance instrument within

the Community framework for all EU Member States since any departure from the Community method and increased use of intergovernmental agreements would weaken the Union; believes that such a change should provide the Union and its institutions with the means to address swiftly and efficiently and with due democratic legitimacy any challenges that might endanger the economic, financial and social stability of the euro area and its Member States in the future; calls therefore for the creation of a European Monetary Fund (EMF);

3. Takes the view that the Troika has been established as a backup and emergency solution to save the euro area project and the economic and financial solidity of its member countries, but, from now on, a permanent approach and mechanism focused on the objectives of sustainable growth and financial stability should exist to prevent and deal with similar situations;
4. Regrets that the system of financial assistance has not yet been brought under proper parliamentary scrutiny and accountability in the framework of the EU Treaties;
5. Considers that the current analysis of the Troika's work on Programme Member States should be used as an important source of information to learn lessons from the past and adopt new approaches on the new mechanisms that should be created to prevent expensive corrective costs for European economies in the future;
6. Notes that, while the MoU negotiations and the Troika's mandate have been perceived as lacking in transparency, national voters in the programme countries had the opportunity to express their approval with the general lines of the adjustment programmes;
7. Insists that it is primarily the European Commission, as one of the European institutions involved in defining, deciding and monitoring the compliance of national governments' economic adjustment programmes with the MoU, that must be accountable to the European Parliament; calls for the next Convention to render the relevant decisions subject to regular reporting to the European Parliament; underlines the need to ensure the direct democratic accountability of the European institutions to the European Parliament and of Member State governments to their national parliaments;
8. Stresses that pursuing economic and financial stability in the Member States and the Union as a whole must not undermine social stability, the European social model and the social rights of EU citizens; stresses that involvement of the social partners in the economic dialogue at European level, as provided for in the Treaties, must be on the political agenda; calls for the necessary involvement of the social partners in the design and implementation of current and future adjustment programmes;
9. Calls for an urgent clarification of the respective responsibilities of the institutions participating in the Troika and their relations with the Eurogroup;
10. Believes that the euro area's relationship with the IMF should be redefined, with a view to gradually phasing out the direct involvement of the IMF in the resolution of euro area sovereign debt problems;
11. Stresses that the EU institutions are fully bound by Union law and that within the Troika they are obliged to act in accordance with fundamental rights, which, under Article 51 of

the Charter of Fundamental Rights of the European Union, apply at all times.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	11.2.2014
Result of final vote	+: 9 -: 4 0: 10
Members present for the final vote	Andrew Henry William Brons, Zdravka Bušić, Carlo Casini, Andrew Duff, Ashley Fox, Roberto Gualtieri, Zita Gurmai, Gerald Häfner, Daniel Hannan, Stanimir Ilchev, Constance Le Grip, Morten Messerschmidt, Sandra Petrović Jakovina, Paulo Rangel, Tadeusz Ross, Algirdas Saudargas, Indrek Tarand, Luis Yáñez-Barnuevo García
Substitute(s) present for the final vote	Elmar Brok, Zuzana Brzobohatá, Vital Moreira, Helmut Scholz, György Schöpflin, Rainer Wieland