OPINION

of the Committee on Constitutional Affairs

for the Committee on Economic and Monetary Affairs

on the review of the macroeconomic legislative framework for a better impact on Europe’s real economy and improved transparency of decision-making and democratic accountability (2020/2075(INI))

Rapporteur for opinion: Leila Chaibi
PA_NonLeg
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. Stresses that any institutional design has to be fit for purpose; highlights that the goal of macroeconomic policies is to ensure an economy that works for all, to produce policies based on solidarity and with a feminist perspective, to leave no one behind and to ensure resilient societies that are centred around the well-being of their citizens; notes the importance of democratic, transparent and accountable institutions to ensuring that economic policies correspond to this purpose and therefore ensure the common good;

2. Stresses the need to strengthen the democratic legitimacy, accountability and scrutiny of the economic governance framework; believes that to improve ownership, responsibilities must be assigned at the level where decisions are taken or implemented, with national parliaments scrutinising national governments and the European Parliament scrutinising the European executives; underlines the importance of the correct and consistent implementation of the framework in all Member States;

3. Underlines that the COVID-19 crisis shows once again the importance of the Union’s economic governance framework, which has been strengthened but needs to be developed further, including through increased transparency; takes the view that the implementation of the economic dialogue needs to be reviewed so as to ensure that proper parliamentary scrutiny takes place; calls on the Commission and the Council to respond to that need, in particular through the closer involvement of the European Parliament, as well as through encouraging the involvement of national parliaments, in order to improve the ownership and democratic scrutiny of national governments, and through the appropriate consultation and involvement of social partners, civil society and relevant stakeholders;

4. Calls for the further development of the interparliamentary conference provided for in Article 13 of the Fiscal Compact, to allow for substantial and timely discussions where needed;

5. Encourages the effective involvement of national parliaments at national level by ensuring that they have the right to obtain information from their respective national governments acting in the Council;

6. Calls for the flexibilities in the Treaties to be used in order to increase the use of the community method, to move from unanimity to qualified majority voting in the Council and to involve Parliament through codecision where possible; calls, in particular, for the adoption of a comprehensive ‘passeerelle clause’ package for a switch to qualified majority voting procedures in the Council on taxation issues and own resources for the EU budget;

7. Recalls the importance of parliamentary scrutiny in the economic governance of the Union; calls on the Commission to ensure adequate parliamentary scrutiny in its review of the Union’s economic governance framework; recalls its position on the conclusion
of an interinstitutional agreement in order to formalise parliamentary oversight of the European Semester;

8. Calls for the strengthening of Parliament’s democratic role in the economic governance framework, including on Sustainable European Governance, in order to allow for a proper scrutiny of the decisions taken in the framework of Economic and Monetary Union (EMU) and the euro;

9. Recalls that, according to Articles 121 and 126 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament can neither scrutinise nor amend the recommendations adopted by the Council within the framework of the European Semester; considers a treaty revision urgent in order to increase democratic legitimacy through Parliament’s approval of the recommendations;

10. Underlines the importance of coordinating economic, social and environmental policies in the Union to create more jobs and growth; calls for the social dimension of EMU to be taken into account and recalls in this context 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’; stresses the importance of the implementation of the European Pillar of Social Rights (EPSR) and environmental objectives in accordance with the EU’s climate, environmental and sustainable development commitments; calls urgently on the Commission and the European Council to take these commitments into account in the economic governance of the Union; calls for the Social Scoreboard to be fully taken into account for the purposes of monitoring the Member States’ performance in relation to the EPSR’s principles; recalls that social partners should be consulted on economic, employment and social policies according to national practices, as provided by the EPSR;

11. Calls on the European Central Bank (ECB) to respect the Ombudsman’s recommendations⁴ and to carefully review its internal policies in order to curb conflicts of interest that can arise through revolving door practices, as well as the participation of members of the ECB Executive Board and Governing Council in informal forums involving secretive discussions with senior representatives of the private sector;

12. Stresses the need for proper mechanisms to address economic shocks; welcomes the creation of the recovery fund NextGenerationEU (NGEU) as a further important step but points to the need for permanent programmes of financial assistance; reiterates the need for an effective institutional framework in order to develop such mechanisms and programmes further;

13. Highlights that in the light of the current crisis it is important to pay attention to rising unemployment and the level of inequality in Europe in the context of the Union’s economic framework; considers that one of the best ways to combat these negative trends is to step up all efforts to contribute to creating more and better jobs in Europe;

14. Stresses the important role of unemployment reinsurance schemes in times of economic downturn; in this regard, welcomes the European instrument for temporary Support to

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¹ Case 1697/2016/ANA on the involvement of the former ECB President, Mario Draghi, in the ‘Group of Thirty’.
mitigate Unemployment Risks in an Emergency (SURE) during the COVID-19 pandemic; highlights the need to effectively mitigate both symmetrical and asymmetrical economic shocks in the Union;

15. Welcomes the adoption of the interinstitutional agreements between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources;

16. Recalls that the Better Law Making Agreement reiterates that the European Parliament and the Council as co-legislators are to exercise their powers on an equal footing and that the Commission therefore needs to treat them equally, and stresses the role and responsibility of national parliaments;

17. Welcomes the issuance of common debt by NGEU and the decision on the creation of new own resources; regrets, however, the current pace of ratification of this decision and calls on the Member States to step up their efforts in this regard;

18. Recalls that according to Protocol No 14 of the TFEU, all Member States are to adopt the euro;

19. Notes that the Eurogroup and the Euro Summit are informal forums of discussion within the Economic and Financial Affairs (Ecofin) Council and the European Council, and calls for their integration into the Treaty framework; calls on the Member States to act within the Community framework, ensuring the European Parliament’s role as co-legislator and its right to democratic oversight;

20. Calls for the Eurogroup to be subject to rules of procedure enhancing the transparency of decision-making and accountability, including voting procedures and the publication of results;

21. Recalls its position that the posts of President of the Eurogroup and Commissioner for Economic and Financial Affairs could be merged, in which case the President of the Commission should appoint this Commissioner as Vice-President of the Commission;

22. Notes that a deeper, more resilient EMU requires stronger governance, more efficiency, less complexity and more transparency, and that as a matter of principle, rules should not go beyond what is necessary to achieve the objectives;

23. Highlights that the socio-economic consequences of the COVID-19 pandemic are of a structural nature and will have long-lasting negative effects, therefore entailing the need to pursue an overall review of the macroeconomic governance system of the Union, notably of the Stability and Growth Pact (SGP);

24. Considers it necessary, moreover, to ensure productive investment aimed at strengthening, inter alia, the EPSR, the twin transitions and the research and innovation sector; recalls, in this context, that the European Fiscal Board has proposed exempting some specific growth-enhancing expenditure from the net primary expenditure growth ceiling;

25. Welcomes the fact that the general escape clause allows the Commission and the
Council to undertake the necessary policy coordination measures and essential public investment for responding to the health, social and economic crisis within the rules-based framework of the SGP; stresses that the activation of the general escape clause, which allows Member States to depart temporarily from the adjustment path towards the medium-term budgetary objective, should remain active until epidemiological conditions allow for economic activity to normalise; notes that current preliminary indications would suggest the continued application of the general escape clause in 2022;

26. Recalls the importance of gender equality, which has been enshrined in Article 23 of the Charter of Fundamental Rights of the European Union; recalls that the Union’s economic and monetary affairs nominations are to respect the principles of qualification, experience and gender balance; calls for the national and EU institutions to ensure that these principles are respected, and recalls Parliament’s position in paragraph 4 of its resolution of 14 March 2019 on gender balance in EU economic and monetary affairs nominations, in which Parliament commits itself not to take into account lists of candidates where the gender balance principle has not been respected alongside the requirements concerning qualifications and experience in the selection process;

27. Recalls its call on the Council, specifically in its recent 2020 annual report on the ECB, to draw up a gender-balanced shortlist for any upcoming vacancies at the ECB and to share this with Parliament, thus allowing Parliament to play a more meaningful advisory role in the appointment process of the Executive Board Member nominations;

28. Considers that the establishment of EMU is inseparable from respect for the rule of law, and completion of the Banking Union; welcomes the adoption of Regulation (EU, Euratom) 2020/2092 on a general regime of conditionality for the protection of the Union budget;

29. Stresses the important role played by the European Parliament in the negotiations leading up to its adoption; recalls, in this context, that the regulation is fully applicable;

30. Stresses the importance of an economic governance debate with citizens, civil society organisations and social partners, and a range of stakeholders at European, national, regional and local level as part of the Conference on the Future of Europe;

31. Calls for the conclusions of the Conference to be properly taken into account; commits itself to a genuine follow-up of the Conference without delay, with legislative proposals, initiating Treaty change or otherwise; calls on the remaining two institutions to make the same commitment;

32. Calls for the implementation of a review of the SGP, as well as for the incorporation of the European Stability Mechanism and the Single Resolution Fund into EU law in order to improve the democratic accountability of economic governance and to complete EMU;

33. Requests that the restrictions stipulating unanimity in Council and thus limiting

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parliamentary codecision powers be removed in all areas of economic and financial policy in the next revision of the Treaties;

34. Asks for the transformation of the Eurogroup into a Council formation.
INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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| Result of final vote | +: 23  
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| Members present for the final vote | Gerolf Annemans, Gabriele Bischoff, Damian Boeselager, Geert Bourgeois, Fabio Massimo Castaldo, Leila Chaibi, Włodzimierz Cimoszewicz, Gwendoline Delbos-Corfield, Pascal Durand, Charles Goerens, Esteban González Pons, Sandro Gozi, Brice Hortefeux, Laura Huhtasaari, Giuliano Pisapia, Paulo Rangel, Antonio Maria Rinaldi, Doméneq Ruiz Devesa, Jacek Saryusz-Wolski, Helmut Scholz, Pedro Silva Pereira, Sven Simon, Antonio Tajani, Mihai Tudose, Guy Verhofstadt, Rainer Wieland |
| Substitutes present for the final vote | Othmar Karas, Niklas Nienaß |
## Final vote by roll call in committee for opinion

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