

Resolution on future legislative proposals on EMU: response to the Commission communications

2013/2609(RSP) - 23/05/2013 - Text adopted by Parliament, single reading

The European Parliament adopted by 484 votes to 107 with 13 abstentions a resolution tabled by the Committee on Economic and Monetary Affairs on future legislative proposals on EMU, in response to the Commission communications Commission communications entitled '[Ex-ante coordination of plans for major economic policy reforms](#)' and '[The introduction of a Convergence and Competitiveness Instrument](#)'.

General assessment of the Commission's communications: whilst acknowledging the Commission's effort to make further progress on macroeconomic governance in the Union, building on the six-pack and the two-pack, the resolution stresses that **full implementation of the new framework must take precedence over any new proposal**. Reaffirming that governance in the EU must not infringe on the prerogatives of the European Parliament and the national parliaments, especially whenever any **transfer of sovereignty** is envisaged, Members stress that proper legitimacy requires democratic decisions and must be ensured at national and EU levels by national parliaments and the European Parliament respectively. They call on the Commission to provide for such **compulsory validation by national parliaments in forthcoming legislative proposals**, as well as to ensure greater involvement of the two sides of industry in economic coordination. Members further reiterate that the Commission needs to take full account of **Parliament's role as a co-legislator**, and state that they are disappointed that the communications only provide for **very limited parliamentary scrutiny** by proposing a dialogue structure. They are also disappointed that the policy areas covered in the communications **focus mainly on price competitiveness and do not include tax avoidance or the social and employment dimensions**.

Ex-ante coordination of plans for major economic policy reforms: the resolution considers that formal ex-ante coordination of economic policy reforms at EU level should be: (i) strengthened on the basis of the Community method, (ii) aligned with the instruments of the EU Semester for economic policy coordination, and (iii) designed in conjunction with new solidarity and incentive-based instruments. Mechanisms to be put in place for ex-ante coordination should apply to all euro area Member States and be open to all Member States of the Union. Parliament states that such coordination should **strive not to suffocate national reform efforts** but to ensure that reforms are not delayed, unless the spillover effects they would bring about are sufficiently significant to warrant a reassessment of the reforms.

Introduction of a convergence and competitiveness instrument (CCI): Parliament is of the opinion that **any proposed new CCI should be:**

- launched only after social imbalances and the need for major long-term growth-enhancing structural reforms have been identified, with the proper formal involvement of the European Parliament, the Council and national parliaments;
- a vehicle for increased budgetary capacity and be geared towards conditional support for structural reforms, with the aim of enhancing competitiveness, growth and social cohesion, ensuring sustained convergence of the economic performance of the Member States;

- be adopted in accordance with the ordinary legislative procedure, be based on the Community method and provide for proper scrutiny by the European Parliament.

Parliament points out that **the possible short-term negative effects** of the implementation of structural reforms, particularly social and political difficulties, could be more easily accepted by citizens if a **reform-supporting incentive mechanism** were put in place. This mechanism should be funded by means of a new facility triggered and governed under the Community method as an integral part of the EU budget, but outside the MFF ceilings, so as to ensure that the European Parliament is fully involved. Lastly, measures taken **should not have a negative impact on social inclusion**, workers' rights, health care and other social issues, even in the short term.