European Monetary Institute EMI. 3rd annual 1996 Report

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The rapporteur, Mr Roberto MEZZAROMA, congratulated Mr LAMFALUSSY, as he neared the end of his term of office, on setting up the European Monetary Institute (EMI) and quickly making it operational. As regards the macro-economic framework, he was worried by the weak relationship in the European Union between GDP growth, employment and unemployment and regretted that the EMI analysis blamed this situation on "rigidities in labour markets", while ignoring other significant factors such as low investment, lack of purchasing power, little research and technological innovation, lack of educational and learning systems etc. Noting that a large number of Member States already meet many of the requirements for economic and monetary union, the rapporteur considers that the decision on which Member States can participate in economic and monetary union should take full account of the tendential and lasting nature of convergence developments. As far as preparations for stage three are concerned, the rapporteur reiterated that the European Union's monetary policy could not be divorced from its economic policy, which was based on close coordination between the economic policies of the Member States. He noted with surprise that numerous Member States have still not fully satisfied the provisions of the Treaty relating to the independence of the national central banks. He trusted that proper use would be made of the EMI missions designed to safeguard cooperation between the central banks and expressed his concern with respect to the implementation of the information and communication systems needed in order to carry out the operational functions of monetary policy within the ESCB. Similarly, the rapporteur trusted that relations between the EMI and the various international financial bodies would be consolidated as quickly as possible. As far as relations with the European Parliament were concerned, he reiterated the importance which he attached to genuine democratic monitoring of EMU policy and the need to start planning how to consolidate future relations with the ECB. The rapporteur did not feel that it made sense to draw up a convergence report in 1997 on the basis of the economic data for 1996, as provided for in the Treaty, because misunderstandings and uncertainty might arise.