The adjustment mechanism in the event of unevenly distributed repercussions

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The introduction of the euro means that participating states loose one of their traditional tools for dealing with various economic and monetary crises - namely the possibility to devalue their currencies. In an report drawn up on behalf of the Committee underlines that although the risk for such asymmetric shocks to happen will decrease in Monetary Union, they will not disappear. Therefore the rapporteur considers that the eurozone countries need to be equipped with the proper tools for dealing with asymmetric shocks affecting single countries, regions or industries. While stressing that it is primarily for the Member States affected to tackle the effects of such shocks, Mr Metten underlines that it is also necessary to develop a mechanism at the EU level as asymmetric shocks over time could have adverse effects on the prosperity of the union as a whole. Member States are therefore advised to consider the setting up at national level of insurance mechanisms against asymmetric shocks, similar to the so-called "buffer funds" already set up in Finland. In addition, and as a last resort, the Committee calls for the creation of an insurance instrument at community level on the basis of Article 103A of the Treaty. The rapporteur stresses that such an instrument will not be a transfer mechanism but a means for providing Member States facing an asymmetric shock with interest-bearing credits. Consequently, the Committee calls on the Commission and Council to prepare and adopt a regulation creating a flexible insurance mechanism. The Committee also points out that it will be necessary to achieve a greater co-ordination of Member States' economic policies in order to remove problems caused by differences in legislation and policies. Finally, the Committee called on the Commission to develop an early-warning system for asymmetric shocks to enable the EU and its Member States to react quickly and adequately when shocks occur. Following the adoption of his report, Mr Metten welcomed the broad support in the Committee for his proposals. Mr Metten said: "Already back in April last year the Commissioner responsible promised Parliament that he would put forward a proposal for a community mechanism for helping countries facing difficulties. This has not yet happened, but in view of the strong commitment to this initiative that we have seen today, I hope that the Commission will finally meet Parliament's demands".