# European Monetary Institute EMI. 3rd annual 1996 Report

1997/2057(COS) - 10/06/1997 - Text adopted by Parliament, single reading

In adopting the report by Mr Roberto MEZZAROMA (UPE, It), Parliament, congratulated Mr LAMFULUSSY, as he neared the end of his term of office, on setting up the European Monetary Institute (EMI) and quickly making it operational. However, it regretted the fact that the EMI blamed the weak relationship between GDP growth, employment and unemployment principally on 'rigidities in labour markets' while ignoring other significant factors such as low investment, lack of purchasing power and demand. As regards the macro-economic framework, Parliament considered that the decision as to which Member States should enter the monetary union should take full account of the historical role and the tendential and lasting nature of convergence developments. It acknowledged that the improvement of the budgetary positions of the Member States depended on a real reduction in public spending rather than on an increase in the tax burden, but believed that this objective could be attained by the selective use of public investment in productive investments (transport, energy and telecommunications infrastructures). It regretted that the EMI had not mentioned the general problem of the coordination of - direct and indirect - taxation in Europe. Parliament reiterated the importance it attached to genuine democratic monitoring of EMU policy which required, in particular, the establishment of regular and frequent relations between Parliament and the EMI and, in future, the ECB. It called for the future central bank to provide quarterly information, in writing or through the appearance of a member of the Executive Board before Parliament, on the implementation of monetary policy and to report to it regularly on the background to interest rate decisions. Finally, Parliament considered that it did not make 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 in public opinion.