Convergence and stability in the applicant countries

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The European Parliament, with regard to the contributions of the Committee on Economic and Monetary Affairs, stresses that the initial years following accession will mean a major challenge for the economies of the new Member States, particularly as a result of the inevitable changes which will affect their financial, economic and social structures, and that the phase of adoption of the euro, which will bring its own constraints, represent a subsequent stage in the successful transition to a market economy in accordance with the Copenhagen criteria. Therefore, it calls on the Commission to carry out a detailed assessment of progress in respect of the Copenhagen economic criteria, including the criteria of a functioning market economy, a stable legal framework for the economy, and the reform of business law and of the arrangements for state aid. Furthermore, banking and financial systems need to be strengthened according to the Parliament. This could be done in particular by means of international cooperation in order, inter alia, to improve the reliability of banking supervision. Hence, the fact that the Commission is called upon to consider, depending on the individual country, the introduction of transitional periods for the liberalisation of capital movements in the same way as for the free movement of goods and persons, emphasising significant risks of financial instability for banking systems and for the real economy. The European Parliament also proposes the introduction of an institutionalised framework to encourage, during the pre-accession phase, exchanges of information between the ministries of finance and central banks of candidate countries and the competent institutions of the Union. This could take the form of periodic meetings on the occasion of meetings of the Economic and Financial Committee and the Economic Policy Committee. In addition, the Parliament advocates, in light of the exceptional needs of these countries with regard to infrastructure, the development of human resources and the environment, that public investment expenditure be identified in the assessment of the management of their public finances, observing that there is a significant budgetary margin of manoeuvre in the majority of these countries as a result of markedly higher growth rates than in the EU. More importantly, the authorities of the candidate countries, which have not already done so, are called upon to introduce, as soon as possible, exchange rate policies linked to the euro and to examine in detail, together with the authorities of the European Union, the challenges and risks posed by the partial monetary integration which will result from the increasing use of the euro as a parallel currency.