Basic information

1998/2134(INI) INI - Own-initiative procedure	Procedure completed
The adjustment mechanism in the event of unevenly distributed repercussions **Subject** 5.10.01 Convergence of economic policies, public deficit, interest rates	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	METTEN Alman (PSE)	03/06/1998

Key events

Date	Event	Reference	Summary
19/06/1998	Committee referral announced in Parliament		
10/11/1998	Vote in committee		Summary
10/11/1998	Committee report tabled for plenary	A4-0422/1998	
15/12/1998	Debate in Parliament		
16/12/1998	End of procedure in Parliament		
09/04/1999	Final act published in Official Journal		

Technical information

Procedure reference	1998/2134(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/10260

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary

Committee report tabled for plenary, single reading		A4-0422/1998 OJ C 398 21.12.1998, p. 0003	10/11/1998	
Text adopted by Parliament, single reading		T4-0748/1998 OJ C 098 09.04.1999, p. 0145-0171	16/12/1998	Summary

The adjustment mechanism in the event of unevenly distributed repercussions

1998/2134(INI) - 16/12/1998 - Text adopted by Parliament, single reading

This own-initiative report was drafted by Mr. A. METTEN (PES, D). Introducing his report, Mr. Metten noted that the introduction of the Euro meant that participating states would lose the power to devalue in order to deal with various economic and monetary crises. He underlined that whilst the risk of asymmetric shocks would decrease in the Euro area, they would not entirely disappear. He called for the development of a mechanism at EU level as asymmetric shocks over time could have adverse effects on the prosperity of the EU as a whole. Member States were advised to consider the setting up at national level of insurance mechanisms, similar to the so-called 'buffer funds' already set up in Finland. He also recommended the creation of an insurance instrument at Community level on the basis of Article 103 A of the Treaty. It was stressed that such an instrument would not be a transfer mechanism, but a means for providing Member States facing an asymmetric shock with interest-bearing credits. The Commission and the Council were called upon to prepare and adopt a regulation creating flexible insurance mechanisms. The Commission was also called upon to develop an early warning system in order to achieve a better co-ordination of Member States' economic policies.