



Future economic and monetary union can start now

Committees: Committee on Economic and Monetary Affairs

A strong economic and monetary union in the future will require treaty changes, but for the short term, the EU already has some tools in place to tackle the crisis, provided that its member states deliver on their commitments, says a draft report on establishing a genuine EMU, presented to the Economic and Monetary Affairs Committee on Thursday. The text also urges the European Commission to present a package of legislative proposals soon.

The text, authored by Marianne Thyssen (EPP, BE), is viewed as a reaction to the work by the Herman Van Rompuy task force on the same topic. As Parliament is now directly involved in the work of this task force, the Thyssen draft report will ultimately form a part of the mandate for MEP negotiators.

Building the future, now

Although the draft report calls for various long-term measures to strengthen the EMU, such as common debt issuance, tax coordination, a stronger economic and monetary affairs Commissioner, and institutional changes, it also lays strong emphasis on the present. Implementing commitments and a good legislative package can already go a long way, argues the text.

Stressing the need to do more with the present setup, Ms Thyssen said, "When an agreement is reached, member states must go and explain it to their citizens and then implement it".

The text goes on to ask the Commission to present a package of legislation including stronger European semester arrangements, enhanced cooperation on taxation, rules to improve transparency and accountability, a central EU budget funded by own resources, and updated legislation on deposit guarantees and bank crisis resolution.

Socialist MEP Liem Hoang Ngoc (FR), pushed for more emphasis to be placed on also incorporating the growth pact commitments into EU law, whereas Marisa Matias (GUE/NGL, PT), argued that as it stood, the text relied too heavily on "harsh conditions which could never be complied with".

Citizens on board

The need for democratic legitimacy and accountability of the new competences to be transferred to the EU was stressed both in discussion and in the draft text. All new authorities to be set up and new competences need to be properly accountable, says the text. Key internal Council documents should also be provided to the Parliament and the Troika should be required to report regularly to Parliament and contribute to its hearings.

The importance of winning public support for the new EU taking shape was stressed regularly. "People are not going to buy a bigger EU without democratic accountability and frankly I do not blame them", said Philippe Lamberts (Greens, BE). "The question of democratic

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legitimacy is not a little extra item. We need public support for this", agreed Liberal Sophie Int'Veld (NL). Ivo Strejcek (ECR, CZ), on the other hand contended that a more centralised EU was not the only option.

Banking union

The question of banking union, which is inextricably linked to the future EMU and its governance, is also an important feature of the draft text, and was debated at length by MEPs.

On Wednesday, the banking union topic dominated most of the committee's discussions of draft legislation on bank crisis resolution and a hearing with the three chairs of the European financial supervisory authorities. More on these discussions at [the links to the right](#).

In the chair: Sharon Bowles (ALDE, UK)

Contact :

John SCHRANZ

BXL: (+32) 2 28 44264

STR: (+33) 3 881 74076

PORT: (+32) 498 98 14 02

EMAIL: econ-press@europarl.europa.eu