


# Procedure file

Basic information	
COS - Procedure on a strategy paper (historic) <a href="#">1998/2065(COS)</a>	Procedure completed
Economic and monetary union EMU, 3rd stage: composition of the Economic and Financial Committee EFC	
Subject 5.20.01 Coordination of monetary policies, European Monetary Institute (EMI), Economic and Monetary Union (EMU)	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy	PSE <a href="#">BERÈS Pervenche</a>	18/03/1998
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2044</a>	17/11/1997

Key events			
17/11/1997	Debate in Council	<a href="#">2044</a>	
25/02/1998	Non-legislative basic document published	COM(1998)0110	Summary
29/04/1998	Committee referral announced in Parliament		
30/06/1998	Vote in committee		Summary
30/06/1998	Committee report tabled for plenary	<a href="#">A4-0264/1998</a>	
14/07/1998	Debate in Parliament		
14/07/1998	Decision by Parliament	T4-0418/1998	Summary
14/07/1998	End of procedure in Parliament		
21/09/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1998/2065(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142

Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/09939

Documentation gateway					
Non-legislative basic document		COM(1998)0110	25/02/1998	EC	Summary
Committee report tabled for plenary, single reading		<a href="#">A4-0264/1998</a> <a href="#">OJ C 292 21.09.1998, p. 0004</a>	30/06/1998	EP	
Text adopted by Parliament, single reading		T4-0418/1998 <a href="#">OJ C 292 21.09.1998, p. 0018-0036</a>	14/07/1998	EP	Summary

## Economic and monetary union EMU, 3rd stage: composition of the Economic and Financial Committee EFC

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OBJECTIVE: to lay down detailed provisions concerning the composition of the Economic and Financial Committee. SUBSTANCE: the third stage of Economic and Monetary Union is to begin on 01/01/1999. The Treaty requires the existing Monetary Committee to be dissolved at the beginning of stage 3 and that an Economic and Financial Committee (EFC) be set up. In accordance with the requirements of the Treaty, the Commission presents a proposal for a Council Decision on the detailed provisions concerning the composition of the Economic and Financial Committee. Under the proposal, the Member States, the Commission and the European Central Bank are each to appoint two members, so that the EFC will consist of 34 members altogether. ?

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On 1 January next year, the Economic and Financial Committee (EFC) will be set up to take over the role currently played by the Monetary Committee in preparing the work of the Ecofin Council. In its report on the Composition of the EFC by Mrs Pervenche BERES (PES, F), the Committee expresses its dismay over the fact that Parliament according to the Treaty does not even have a right to be consulted - only informed - about the setting up of the EFC. According to the proposal for a Council Decision, the Committee shall have 34 members, two each from the Commission and the ECB, and two appointed by each Member State, selected from among senior officials from the administration and the national central bank. The Committee expressed deep concern that this proposed membership of the EFC may lead to an over-representation of central bankers, which distorts the objective of a body which is supposed to create a balance between the monetary and the economic aspects of EMU. In particular, the Committee expresses its doubts whether the EFC as presently composed could serve as a forum for a dialogue on coordination of economic policies favourable to growth and employment. The Committee therefore invites the Council to amend the proposal so that eurozone countries appoint two members who are first chosen from the ministries responsible for formulating short- and medium-term economic policies. The Committee also proposes that members selected from national central banks should not be entitled to vote in the EFC. Finally, the Committee considers that the future Chairman of the EFC should appear before Parliament's competent committee on a quarterly basis. ?

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In adopting the report by Mrs Pervenche BERES (PSE, F) on the composition of the Economic and Financial Committee, Parliament regretted that it was not consulted but merely informed about the setting up of the Economic and Financial Committee. Parliament noted that the presence of national central bankers of countries belonging to the euro area on the Economic and Financial Committee gave it a more marked national character instead of favouring its development towards a structure with a more Community dimension. It believed that the composition of the committee should be such as to maintain a balance between the monetary and economic aspects of EMU. With regard to the representatives of national administrations, the Member States should appoint members who had both economic and financial expertise. Furthermore, the Member States should use the alternate members to ensure participation by senior officials with competence in the fields of taxation, the budget and economic forecasting. More generally, Parliament wondered about the way in which the Economic and Financial Committee would be able to operate and expressed its doubts about the capacity of the committee, as presently composed, to be a forum for dialogue concerning coordination of economic policies favourable to growth and employment. It called on the Council and the Commission to submit to it proposals concerning the coordination and dialogue to be established between the Economic and Financial Committee and the Employment Committee. Lastly, Parliament considered that the future chairman of the Economic and Financial Committee should appear before its competent committee on a quarterly basis. It should be noted that plenary rejected paragraph 14 of the report which proposed that the members of the committee chosen from among the senior official of the national central banks should not have the right to vote. ?