


# Procedure file

Basic information	
COS - Procedure on a strategy paper (historic)	1997/2263(COS)
Economic policy co-ordination in stage 3 of EMU	Procedure completed
Subject	5.10.01 Convergence of economic policies, public deficit, interest rates

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy	ELDR <a href="#">GASÒLIBA I BÖHM</a> <a href="#">Carles-Alfred</a>	13/10/1997
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2053</a>	01/12/1997
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2044</a>	17/11/1997

Key events			
22/09/1997	Non-legislative basic document published	N4-0574/1997	Summary
06/11/1997	Committee referral announced in Parliament		
17/11/1997	Debate in Council	<a href="#">2044</a>	
26/11/1997	Vote in committee		Summary
26/11/1997	Committee report tabled for plenary	<a href="#">A4-0378/1997</a>	
01/12/1997	Debate in Council	<a href="#">2053</a>	
04/12/1997	Debate in Parliament		
04/12/1997	Decision by Parliament	T4-0599/1997	Summary
04/12/1997	End of procedure in Parliament		
22/12/1997	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2263(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/4/09479

### Documentation gateway

Non-legislative basic document		N4-0574/1997	22/09/1997	EC	Summary
Committee report tabled for plenary, single reading		<a href="#">A4-0378/1997</a> <a href="#">OJ C 388 22.12.1997, p. 0003</a>	26/11/1997	EP	
Text adopted by Parliament, single reading		T4-0599/1997 <a href="#">OJ C 388 22.12.1997, p. 0013-0036</a>	04/12/1997	EP	Summary
Document attached to the procedure		<a href="#">04832/1997</a>	08/12/1997	CSL	

## Economic policy co-ordination in stage 3 of EMU

**OBJECTIVE:** this memorandum to the Committee on Monetary Affairs seeks to improve economic policy coordination during stage 3 of Economic and Monetary Union. **CONTENT:** in response to the mandate issued by the European Council at Amsterdam, the Commission and the Council have continued discussions on how to improve economic policy coordination during stage 3 of EMU. A broad consensus has emerged on a number of points during these discussions: 1) there is a real need for greater economic policy coordination in accordance with the principles and procedures provided for in the Treaty; 2) the Treaty already provides a wide range of instruments for successful coordination; 3) the ECOFIN Council should continue to be the cornerstone of economic coordination; 4) the countries in the euro zone should be able to meet on an informal basis with a view to discussing matters of specific interest to these countries. The way forward is therefore to find ways of making the coordination instruments and procedures already provided more efficient, strengthening the coordination role of the ECOFIN Council and setting out the role, content and procedure for informal meetings between countries in the euro zone.?

## Economic policy co-ordination in stage 3 of EMU

In an own-initiative report on economic policy in the third stage of EMU by Mr. Carles-Alfred GASOLIBA I BÖHM (-ELDR, E) the Committee highlights the need for a closer coordination of Member States economic policies. Coordination, the Committee stresses, is vital to the cohesion and stability of Monetary Union. Thus the Committee calls for the conditions to be created so that the EU can adopt a coherent and effective economic policy. Under the Committee proposal, the current broad economic guidelines should be expanded to determine orientative targets for key economic variables, such as growth, unemployment and wage trends. These would then be used to establish a policy mix conducive to growth and employment. Other Community policies, such as competition, industrial and R&D policies should gradually be integrated in the broad economic guidelines. At the same time, the Committee underlines that such an increased coordination of economic policy must go hand-in-hand with greater democratic control. In particular, the Committee calls for an active and formal participation of Parliament in the process of supervising the management of EMU. Also, the Committee calls for a genuine social dialogue over the economic guidelines, for example through the creation of an annual conference involving the two sides of industry, giving them an opportunity to deliver an opinion on the draft broad economic guidelines.

## Economic policy co-ordination in stage 3 of EMU

In adopting the report by Mr Carles-Alfred GASOLIBA I BÖHM (ELDR, E) Parliament took the view that increasing real convergence among the economies of the Member States, in particular through closer coordination of their economic policies, was vital to the cohesion and stability of the European Union. The strengthening of such coordination should be based on a three-fold approach: - clearing the way for the adoption of a coherent and effective economic policy at Union level; - ensuring a democratic public debate on European economic choices; - improving the decision-making process, its effectiveness and its transparency. Parliament proposed that the recommendation for the broad guidelines of the economic policies should: - ensure that the monetary pillars of EMU were counter-balanced by an economic pillar; - determine the orientative targets for growth, inflation and public spending on investment in order to establish a policy mix conducive to growth and employment; - incorporate the economic policies linked to the internal market; - take account of the objectives laid down when the guidelines for employment are drawn up. Parliament took note of the possible creation of a Euro Council but was concerned as to the intergovernmental nature of this proposal and urged that even if the structure was an informal one the Commission should participate in it to the full extent of its competences. Parliament stressed that the strengthening of the coordination of economic policies must go together with better democratic supervision. It called in particular for its active and formal participation in the process of supervising the management of EMU. It called for the establishment of genuine dialogue between the social partners on the economic guidelines establishing, for example, an annual conference involving the social partners which would enable them to give their views on the broad economic guidelines envisaged. Lastly, it called on the Member States to offer their parliaments the best possible arrangements at national level for participating in the discussions on the framing of the broad guidelines of the economic policies of the Member States and the Community. ?