

Working Group VI

Working document 05

Working group VI Economic governance

Members of Working Group VI will find attached a paper setting out elements for possible conclusions of the group on the basis of the discussions at its meetings on 20 and 24 June.

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Elements for possible conclusions

First draft for possible conclusions of the Working Group on the basis of the discussion at the meetings of the Group on 20 and 24 June.

The working group could agree

1. that growth, employment, social progress and sustainable development should be strengthened and more clearly specified as objectives of the Union;
2. that the current structure whereby exclusive competence for monetary policy within the Eurozone lies with the ECB and competence for economic policy lies with the Member States should be maintained;
3. that there is scope for improved co-ordination between the economic policies of Member States;
4. that the Broad Economic Policy Guidelines are a useful instrument for supporting economic policy co-ordination. [The decision-making procedures should remain unchanged] [The common European interest might be better reflected by giving the Commission the right to make formal proposals, subject to a specific derogation from the unanimity requirement under Article 250 TCE];
5. that in order to enhance democratic legitimacy, the European Parliament should have the right to give [its 'avis'] [an 'avis conforme'] on the Broad Economic Policy Guidelines;
6. that the dialogue with social partners could be improved through an enhanced consultation process;
7. that the commitment of Member States to economic policy co-ordination should be increased by encouraging a greater role for national parliaments within Member States;

8. that the Stability and Growth Pact should remain outside the treaty;
 9. that in order to improve the functioning of the Stability Pact it should be possible to use existing mechanisms to achieve greater flexibility;
 10. that the Commission should be given a more important role in the early warning system on excessive deficits. [The Council should take decisions in this field by QMV, excluding the votes of the Member State concerned] [The Commission should have an autonomous role in implementing the initial steps in the early warning system];
 11. that greater discipline should be observed by Member States, in particular regarding warnings on excessive deficits, by encouraging a greater role for national parliaments;
 12. that consideration should be given to the effects of any proposals from the working group on the overall institutional balance of the Union.
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