

SUMMARY

from: Secretariat

to: Working group VI on "Economic Governance"

Subject: Summary of the meeting held on 24.06.2002

Outcome of Proceedings

1. Opening by the Chair

- The chairman reported on the outcome of the previous meeting, referring to the discussion paper which had subsequently been circulated (Working document 04). He invited the group to run through the issues set out in the paper in order to try to reach provisional conclusions on the items set out in paragraphs 5 and 6 of the mandate. He also referred to the proposals received for amending the group's mandate. It had been agreed that these would be covered in future discussions of the group as appropriate but that the mandate itself would not be formally amended.

2. Follow-up to meeting of Group on 20 June 2002

- Several members of the group said that they did not agree with all the issues set out in the discussion paper. Specific difficulties were raised over the reference to widening the scope of the mandate of the ECB; some considered that price stability had to remain the overriding goal of the ECB. Others responded by supporting a widening of the Bank's mandate, noting that this would not undermine the independence of the Bank as an institution, but that its overall objectives should more closely tie in with the broader economic objectives of the Union. Support for the idea of ensuring generally a wide interpretation of economic policy objectives was also expressed.

- A number reiterated the view that stronger democratic control over economic policy co-ordination was necessary. For some any strengthening of the Commission's role in establishing the BEPG and/or in mechanisms for the excessive deficit procedure should necessarily include a strengthening of the role of the European Parliament. Others welcomed the reference to the need for national parliaments to be involved in the process.
- On the Stability and Growth Pact, some members said they supported the idea of introducing greater flexibility, though it was noted that this might not be fully compatible with maintaining a robust political framework. Some did not support the idea of giving full responsibility for determining the existence of an excessive deficit to the Commission rather than the Council. One member did not accept that the Pact was not functioning satisfactorily, although this did not mean that the system could not be reinforced; giving a more formal role to the Commission should help reinforce the efficiency of the system.
- One member suggested that the Commission should provide the group with a document setting out the current procedures and indicate where it would like to see changes.
- The Chairman agreed that the different views would be taken into account in drawing up a summary of the provisional conclusions of the group on points 5 and 6 of the mandate. Where there was no consensus, this would be clearly indicated. These conclusions would be circulated to members.

3. Agenda for the next meeting

- The Chairman proposed that the two meetings in July (10 and 17) be devoted to items 7, 8, 9 and 10 of the mandate. As before, members were invited to submit in writing comments on these issues in advance of the meeting. The secretariat would circulate a document setting out the work plan for the remaining meetings.