

SUMMARY

from: Secretariat

to: Working group VI on "Economic Governance"

Subject: Summary of the meeting held on 10 July 2002

Outcome of Proceedings

1. Opening by the Chair

- The chairman referred to the draft elements for conclusions which had been circulated following the previous meeting. It was intended that these would be examined by the group once discussions on all parts of the mandate had been completed.

2. Discussion on the issues in paragraph 7 of the group's mandate (CONV 76/02)

- Interventions by members of the group confirmed that there was no support for any major change in the current structures. A number considered that the open system of coordination was functioning effectively, and that there was no need to go further by offering a more prescriptive approach. Others considered that the process should be strengthened, and a number of ideas were put forward as to how this might be achieved. Some considered that the role of the Commission in the open coordination process should be strengthened and clarified (particularly in the areas of implementation and monitoring), and that this should go together with a greater role for the European Parliament. Others considered that the process itself should be given greater effect through the introduction of mandatory criteria supported by the use of sanctions. Several members stressed the need to ensure greater support from the public and national parliaments in the process. Some considered that the consultative role of the social partners should be strengthened and formally recognised in the Treaty.

- The President noted in conclusion that there were no calls for fundamental change to the current system, but that a number of ideas had been put forward for improving the effectiveness of the system.

3. Discussion of the issues in paragraph 8 of the group's mandate.

- A number of points raised under the previous agenda item were taken up in more detail under this item. There were some who wished to broaden the scope of economic policy coordination by integrating fully social and employment objectives. Others preferred to avoid any such integration. A number of members of the group, noting that the issues were linked, supported an integrated approach, whilst cautioning against a too prescriptive attitude. It was suggested that the open coordination method might be incorporated into the Treaty, and there was a call for better synchronisation of the different co-ordination processes. The President recalled that a number of elements were already in the Treaties and the group needed clarity on the existing provisions before drawing substantive conclusions.

4. Discussion of the issues in paragraph 9 of the group's mandate

Most members of the group saw no need to extend the existing provisions on tax harmonisation. However a number agreed that the decision-making procedures should be amended to provide for an extension of QMV coupled with co-decision. Others considered that the argument of democratic legitimacy at national level militated in support of maintaining unanimity. Some argued for specific areas (in particular those impacting on the single market) to be singled out for QMV. The President concluded that there was no demand for additional provisions in this area (he referred to the existing Treaty articles 93, 94 and 175), but that the question was open as to how far one went in amending the current procedures by extending QMV.

5. Discussion of the issues in paragraph 10 of the Mandate

The group broadly welcomed the recommendations of the Lamfalussy report and the decision to implement them. There was agreement that time was needed before a detailed assessment (and possibly further recommendations) could be made. It was however noted that this subject touched on the more general issue of implementing legislation (and in particular the role of the EP) which went beyond the mandate of the group.

6. Agenda for the next meeting

The President proposed that the 17 July meeting should look at the remaining 3 issues in the group's mandate, as well as review the elements of conclusions on the issues already discussed. There was a short discussion on possible invitees for hearings. It was agreed that the President/Secretariat would follow this up and make, as far as possible, specific proposals at the next meeting on dates for hearings after the summer break.

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