

**SUMMARY**

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from: Secretariat

to: Working group VI on "Economic Governance"

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Subject: Summary of the meeting held on 29 August 2002

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**Outcome of Proceedings**

1. Opening by the Chair

The chairman announced the agenda: the hearing of Professor Maria João RODRIGUES for the morning session and the continuation of the examination of the draft conclusions which has been drawn up in the light of the discussions so far and the organisation of the rest of the work over the remaining few meetings.

2. Hearing of Professor Maria João RODRIGUES

The Chairman introduced Professor Rodrigues to the Working Group recalling that Professor Rodrigues was based in Lisbon, and has both a distinguished academic background, holding the post of Professor of economics at the University of Lisbon, as well as being active in government. She was best known for her role as advisor to Prime Minister Guterres during the Portuguese Presidency in which post she has provided much of the inspiration and effort required to launch the Lisbon process. She had held many other distinguished posts both in politics and academia.

Professor RODRIGUES opened with an introduction about the origins of the so-called 'Lisbon' strategy, its objectives, its genesis, and its subsequent development.

After this introduction, a question-answer session took place between the members and Professor RODRIGUES where the following aspects were discussed: the respective role of the institutions and national parliaments in the open method of coordination, its possible mention in the Treaty, its place vis-à-vis the Community method, its democratic legitimacy, its concrete results, the relationship between economic and social policy, as well as the functioning of the 'open method of coordination'.

### 3. Discussion on overall conclusions of Working Group

The President recalled that the discussions on the various issues set out in the group's mandate had been divided into three broad groupings, and that these discussions had enabled the Working Group to draw up three sets of elements for possible conclusions. During its previous meeting on 17 July 2002, the Group carried out a review of the first set (Working document 5).

The Group then reviewed the second set of elements contained in Working document 8:

Point 1: There was opposition against the inclusion of the open method of coordination in the Treaty while some other members pleaded for a mention of this method in the Treaty. Several cautioned that including it risked undermining the "Community method".

Point 2: On the question of the formalisation in the Treaty of the involvement of social partners in the coordination process, the group remained divided.

Point 3: Most members were in favour of redrafting the conclusions related to the Lisbon strategy following Mrs Rodrigues' hearing. Some members requested adding a reference to the fact that improving the synchronisation/harmonisation of the various coordination processes does not request any treaty changes. It was also recalled that the group had suggested adding "simplification" as an objective.

Point 4: The Group agreed with the current drafting.

Point 5: while some members were in favour of an amendment of the Treaty in order to allow for decision-making on fiscal harmonisation, at least in part, by qualified majority vote, other members pleaded for the principle of unanimity to be maintained. Reference was made to the final compromise proposal put forward during the IGC in Nice. The Group agreed to return to this question after having looked at Nice texts.

Point 6: The Group agreed on the text as currently drafted.

The President announced that in the light of the discussions, the secretariat would prepare a revised consolidated version of the three sets of conclusions, including, where necessary, text in brackets where differences of views remain. This consolidated version would constitute the basis of the group's report to the Convention plenary. The Group would examine and finalise the text at the last two meetings of the Working group.

#### 4. Update on time schedule for next hearings

- The President recalled that a full set of hearings was planned for the next meeting on 13 September. The meeting was scheduled for 13.00, and it was foreseen that Mr Duisenberg would join the Working Group at 13.30. He would be followed by Mr Delors at 15.00, and Mr Solbes at 16.30. The President added that meeting would continue until 18.00, which was an hour longer than originally foreseen, but explained that this was necessary if the working Group was to provide sufficient time for its guests.
- The President confirmed also that Mr Akerholm, the chairman of the Economic and Financial Committee would be available to meet the group for an exchange of views at its meeting on 18 September. Mr. Akerholm would join the meeting at 17.00. Commissioner Diamantopoulou will assist such meeting.

5. Agenda for the next meeting.

- The President confirmed that the next meeting would be devoted entirely to hearings. The final two meetings (18 and 27 September) would enable the Group to review the third set of possible conclusions (Working Document 10) and finalise its report, including where necessary, suggestions for Treaty amendment.