

THE EUROPEAN CONVENTION

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COVER NOTE

From	Secretariat
To	Convention
Subject :	Contribution by Mr Adrian Severin, alternate member of the Convention on: " Debate on the report of the Working Group on Economic Governance, 7-8 November 2002, Brussels "

The Secretary-General of the Convention has received the contribution annexed hereto from
Mr. Severin, alternate member of the Convention.

Contribution of Mr. Adrian Severin, MP (Romania), alternate member of the Convention, to the debate on the report of the Working Group on Economic Governance, 7-8 November 2002, Brussels

1. We cannot separate the economic policy from the social policy. An economic Europe makes sense only if it is, at the same time, a social Europe.
2. The European economic policy should have as goal the welfare of the European citizens and also the social cohesion of the national and European societies. At stake there are the very elements for European cohesiveness. Diversity is all right, but diversity does not mean disparity and from this point of view there are still ambiguities.
3. We are already facing a process of social fragmentation in our national societies with conflictual consequences; a united Europe having an economic and social government should provide us the necessary instruments for restoring the national society's cohesion, while building up a cohesive European society. We need equal economic opportunities, but coupled with equal opportunities for social inclusion.
4. All abovementioned are a solid argument in favor of the consolidation of the community dimension of the EU's economic procedure. In this respect, I think that we must look once more to the European Commission's proposals and to decide supporting them. Consequently the future European Constitution must state that:
 - The Commission has the right to initiate proposals and not only recommendations.
 - The Commission has the right to give warnings to the state concerned in the frame of the task of surveillance of the BEPG and the SGP.
 - The exclusion from voting of the state concerned when its case is on the agenda.
 - The formal implication of the European Parliament through the co-decision procedure, in the case of the stability programs and the economic convergence.
5. At the same time it would be hard to see how could one support the monetary union without coordinating the monetary policy with the tax/fiscal policy, budgetary policy, commercial policy and economic policy. That is why one needs a joint macroeconomic policy at least.
6. One needs to expand the usage of the qualified majority voting in the field of fiscal policy when we deal with problems connected to:
 - Indirect taxes
 - Environmental taxation
 - The fight against tax fraud and evasion of the rules
 - Measures to prevent discrimination and double taxation
 - Administrative co-operation between tax administration

- Fiscal harmonization in the field of the direct taxation when the fiscal competition can afflict:
 - the proper functioning of the single market
 - the exercise of the freedoms and the fundamental rights incorporated in the Treaty, including those of the Charter of Fundamental Rights (economic and social rights).

7. A social Europe means a Europe whose citizens could find more jobs, better medical care, better education and a clearer environment than could find at their nation-state level. If the EU cannot solve such problems, the citizens are not interested in Europe. Likewise, it is illogical to say that the solution to these problems should be left to the member states since till now there have been precisely the member states which have been unable to solve them within the limits of the national markets.
8. The Commission should have the right of initiative to propose the economic strategies, and the Council could modify these strategies either by QMV and the accord of the Commission or by unanimous vote. When establishing the policies for implementation of the strategies, the Commission should enjoy full freedom of action and decision. If the Council considers that the Commission actions are inappropriate it could decide with QMV the initiation of a call-back procedure. This call-back procedure will be successful only if the opinion of the Council is approved by both “the Legislative Council” and the European Parliament with QMV.
