

## **Speech by Ms Elisa Ferreira, MEP, Rapporteur on the European Semester in the European Parliament**

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A – 2008 crisis (still lasting) evidenced:

- How much internal competitiveness imbalances had increased through the functioning of the internal market and in particular the common currency.
- How the interdependence of the EU economies increased.
- How unprepared the EU and the Eurozone in particular were to face an external (or even internal) shock. Political disaggregation has never been so close.

B – At the moment, we are not out of the crisis yet.

Adjustment programmes still have to prove their capacity to deliver. Unemployment and poverty are too high and growth is still weak.

A more thorough and deep reflexion on the missing elements of the EU and Eurozone architecture will have to be at the centre of our common political agenda in the years to come; the report from the 4+1 Presidents “Towards a genuine Economic and Monetary Union” as well as the Commission’s Blueprint on the future of the Emu are very important contributions towards that aim.

C – Institutionally, the management of the crisis was accompanied by a shift of the power of initiative from the Commission to the European Council. A shift from community-based procedures into an intergovernmental framework and from a majority based decision process into a unanimity one.

The resulting serious political tensions as well as major citizen’s disenchantment with Europe have to be taken into serious consideration and corrected when sketching the next moves.

D – The European Semester and the Banking Union are two of the most important elements of the immediate post-crisis political agenda.

None of them suffices without complementary elements, namely

- In the short run, at least a community social dimension to combat extreme poverty, human distress and massive unemployment.
- A growth agenda through stimulating strategic investment, including the one associated with structural reforms, internal demand and guaranteeing access to external markets.
- Clear and determined action against tax fraud and tax evasion including tax havens – fairness and justice

But these short term initiatives cannot distract Europe from the medium/long term agenda.

E – The European Semester is then no more than the recognition of the fact that Europe and the European economies a lot more than the adding up of a set of 28 different countries, with different economic interests and above all, economic and political power.

The spillover effects of decisions apparently concerning a single country have the power to impact all the Union, whether such decisions are taken in Germany (in relation to the level of its wages), certain Member States on tax competition attracting FDI, Ireland (protecting deposits up to 100.000€), Greece (opening the possibility of a Eurozone sovereign default) or Cyprus (lessons of the management of bank supervision failure).

F – Coordinated economic governance through the semester as well as involve a substantial degree of reallocation of power and sovereignty from the national to the community level, requiring a parallel reinforcement of democratic accountability and control that only parliaments can guarantee; this accountability will have to occur at the level at which decisions are taken, the European Parliament as regards European level decisions and national parliaments ensuring the legitimacy of member States actions in the European Council and Council; in the context of the semester the European Parliament has been particularly concerned, as co-legislator, to reinforce the role of the national parliaments in the Stability Programmes, the National Reform Programmes, the national budget in the dialogue with the Commission and the discussion of the CSR's.

The overall perspective of the functioning of the European economy and the interlinkage of its different components must fall under a reinforced European Parliament scrutiny in the AGS that initiates the semester and in the discussion of the CSR's. These two important moments will be complemented by the possibility to invite for economic dialogue the Presidents of the Commission, the Council and the Eurogroup or dialogue with individual Member States, namely to discuss the overall budgetary assessment and the forecasts for the Eurozone.

G – There are obvious advantages in a close dialogue between National Parliaments and the Euroepan Parliament in exercising these tasks. I hope the present meeting will be fruitful in setting the limits, the calendar and the content, organizing such cooperation.