



AN COMHCHOISTE UM GHNÓTHAÍ AN AONTAIS EORPAIGH

AN CION POLAITIÚIL MAIDIR LE

ATHBHREITHNIÚ LÁR TÉARMA

AR AN

**TUARASCÁIL NA GCÚIG UACHTARÁN MAIDIR LE HAONTAS EACNAMAÍOCHTA
AGUS AIRGEADAÍOCHTA NA HEORPA A CHRÍOCHNÚ**

EANÁIR 2016

JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

POLITICAL CONTRIBUTION ON

**THE FIVE PRESIDENTS' REPORT ON COMPLETING
EUROPE'S ECONOMIC AND MONETARY UNION**

JANUARY 2016

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PART 1
REPORT OF THE JOINT COMMITTEE

COMPLETING EUROPE'S ECONOMIC AND MONETARY UNION

1. Introduction

The Oireachtas Joint Committee on European Union Affairs, under its orders of reference, is tasked with considering the EU Commission's strategic planning documents and cross-sectional policy developments at EU level. As a report setting out the 'blueprint' for the completion of Europe's Economic and Monetary Union (EMU), the EU Commission's report entitled 'Completing Europe's Economic and Monetary Union' (herein after referred to as 'the Five Presidents' Report') was identified as a strategic document that should appropriately be considered by the Committee. This contribution to the debate builds on the previous work of this Committee on the topic of EMU, notably a Political Contribution on COM(2013)690- *Strengthening the Social Dimension of the Economic and Monetary Union* and also its report entitled 'Ireland: EMU, Integration and Accountability' published in July 2014.

Published in June 2015, the Five Presidents' Report sets out a vision and roadmap for EMU based on the premise that EMU as it stands today is like a '*house built over the decades but only partially finished. When the storm hit, its walls and roof had to be stabilised quickly*'. At the height of the crisis, far reaching decisions had often to be taken in a rush, sometimes overnight without due democratic oversight and accountability.

The Five Presidents' Report seeks to address current deficiencies in EMU, in a staged process under various headings, including democratic accountability and institutional strengthening stating that '*greater responsibility and integration at EU and euro area level should go hand in hand with democratic accountability, legitimacy and institutional strengthening*'. This Committee report focuses on the democratic oversight and accountability aspects of that Report.

2. Joint Committee Consideration

The Joint Committee considered the Five Presidents' Report on three separate occasions in 2015. To assist the Committee in consideration of the report, the Joint Committee invited Mr. Jose Leandro from the EU Commission, Dr. Seamus Coffey from University College, Cork, Professor Gavin Barrett from University College Dublin and Mr. Michael Tutty and Mr. Alan Dukes from the Institute of International and European Affairs (IIEA) to engage with the Committee and outline their views and observations on the report. The Joint Committee wishes to thank the witnesses for their contributions and assistance in relation to its work on this important issue.

3. Decision of the Joint Committee

On 27 January 2016, the Joint Committee agreed to provide a political contribution to the European Commission. It was also agreed to provide the Minister for State for European Affairs and the European Parliament with a copy of this report.

The contribution in Part 2 of this Report was agreed on 27 January 2016 and is hereby formally communicated to the European Commission for consideration and response; and to the Minister of State for European Union Affairs and the European Parliament.

The political contribution will be laid before the Houses of the Oireachtas.



Dominic Hannigan T.D.
Chairman

27 January 2016

PART 2

POLITICAL CONTRIBUTION ON THE FIVE PRESIDENTS' REPORT ON 'COMPLETING EUROPE'S ECONOMIC AND MONETARY UNION'

The following paragraphs sets out the views, observations and recommendations of the Joint Committee on the Five Presidents' Report, and addresses the democratic accountability aspects of the Report.

GENERAL OBSERVATIONS

The Joint Committee:-

1. welcomes the Five Presidents' Report and the opportunity it presents to the national parliaments of all Member States to be involved in the debate on the future development of EMU;
2. agrees with the basic premise of the Report that EMU is not yet complete and that the process of completing economic and monetary union must be advanced to support the Single Currency (the Euro) and to the protect the EU economy;
3. is of the opinion that further moves towards EU fiscal and economic integration and sovereignty sharing must be balanced by greater democratic accountability generally;
4. acknowledges the difficulties for some Member States around further European integration and in particular concerns regarding a 'two-tier' Europe and calls for fairness for all EU Member States in that regard;
5. welcomes the initiatives put forward in the Report to take steps towards democratic accountability, legitimacy and institutional strengthening, however, is of the opinion that the Report is vague on detail in that regard;

6. calls for more explicit detail regarding innovations for the role of national Parliaments in particular in this context;
7. is of the opinion that the Report lacks ambition in terms of timescale for completion of EMU and also on detail on how certain processes will develop into the future and calls for an earlier time-scale for the publication of the promised White Paper;
8. is of the opinion that Treaty change is not required in the short-term to achieve greater involvement of national Parliaments at EU level;
9. welcomes the recognition at EU level that national Parliaments should be closely involved in the European Semester process and welcomes the proposed re-orientation of the EU Semester towards a 'euro-area' and national dimension approach, in successive stages;
10. considers that this change to the European Semester process offers new opportunities for national Parliaments to be involved in the 'budget building process' and 'reform programmes'; and calls on the European Commission to consider building this aspect into the European Semester process to allow national Parliaments debate national reform programmes in a timely manner and in turn have a meaningful role in the development of the national reform programmes;
11. believes that there is further scope to enhance meaningful national Parliament involvement in the Semester, particularly in the context of the European Parliamentary week;
12. recommends that national Parliaments must be consulted in the design of the national reform programmes before they are submitted to the European Commission;
13. supports the strengthening of the 'social dimension' of EMU and is of the opinion that national Parliaments are in a unique position to ensure this is achieved in real terms by means of Member States' national reform programmes;

14. supports the European Commission in examining the mechanisms or possibilities for direct interaction between it and national Parliaments on the substance of the country specific recommendations;
15. supports the suggestion that national Parliaments exercise their right to convene a Commissioner for a presentation on draft budgetary plans more frequently; however, asks that the Commission outline this power in writing to all national Parliaments and remind national Parliaments of this facility available to them;
16. welcomes the proposal for a euro area system of competitiveness authorities to inform national policymakers and social partners of the impact on competitiveness of various policy proposals and developments.

The Joint Committee looks forward to receiving the Commission's response to its observations and it hopes the Committee's views and recommendations can be taken into account.



Dominic Hannigan T.D.,
Chairman,
Joint Committee on European Union Affairs.

Appendix 1

Membership of the Joint Committee on European Union Affairs

Deputies: Dominic Hannigan TD (LAB) (Chairman)
Eric Byrne TD (LAB)
Seán Crowe TD (SF)
Timmy Dooley TD (FF)
Bernard J. Durkan TD (FG)
John Halligan TD (IND)
Seán Kyne TD (FG) (Vice-Chairman)
Derek Keating TD (FG)
Joe O'Reilly TD (FG)

Senators: Senator Colm Burke (FG)
Senator Terry Leyden (FF)
Senator Aideen Hayden (LAB)
Senator Catherine Noone (FG)
Senator Kathryn Reilly (SF)

Orders of Reference for the Joint Committee on European Union Affairs

<http://www.oireachtas.ie/parliament/media/committees/euaffairs/Orders-of-Reference-June-2011.doc>

Appendix 2

Transcripts of Joint Committee meetings

The Joint Committee on European Union Affairs met on 3 separate occasions in public session to discuss the Five Presidents Report. Details of these meetings, with a link to the meeting transcripts, are set out below.

24th September 2015 – Meeting with Mr. José Leandro & Mr Graham Stull European Commission

<http://oireachtasdebates.oireachtas.ie>

1st October 2015 – Meeting with Professor Gavin Barrett from University College, Dublin, and Mr. Seamus Coffey from University College, Cork

<http://oireachtasdebates.oireachtas.ie>

4th November 2015 Mr. Michael Tutty and Mr. Alan Dukes, from the Institute of International and European Affairs, IIEA

<http://oireachtasdebates.oireachtas.ie>