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DRAFT REPORT

on the review of the economic governance framework: stocktaking and challenges
(2014/2145(INI))

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Rapporteur: Pervenche Berès

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the review of the economic governance framework: stocktaking and challenges (2014/2145(INI))

The European Parliament,

– having regard to Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability[1],

– having regard to Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit in the Member States of the euro area[2],

– having regard to the letter of 3 July 2013 from the then Vice-President of the Commission, Olli Rehn, on the application of Article 5(1) of Council Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies,

– having regard to Regulation (EU) No 1175/2011 of the European Parliament and of the Council of 16 November 2011 amending Council Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies[3],

– having regard to Council Regulation (EU) No 1177/2011 of 8 November 2011 amending Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure[4],

– having regard to Regulation (EU) No 1173/2011 of the European Parliament and of the Council of 16 November 2011 on the effective enforcement of budgetary surveillance in the euro area[5],having regard to Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States[6],

– having regard to Regulation (EU) No 1176/2011 of the European Parliament and of the council of 16 November 2011 on the prevention and correction of macroeconomic imbalances[7],

[1] OJ L 140, 27.5.2013, p. 1.
[2] OJ L 140, 27.5.2013, p. 11.
[3] OJ L 306, 23.11.2011, p. 12.
[4] OJ L 306, 23.11.2011, p. 33.
[5] OJ L 306, 23.11.2011, p. 1.
[6] OJ L 306, 23.11.2011, p.41.
[7] OJ L 306, 23.11.2011, p. 25.

– having regard to Regulation (EU) No 1174/2011 of the European Parliament and of the Council of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area[1],

– having regard to its resolution of 13 March 2014 on the enquiry on the role and operations of the Troika (the European Central Bank (ECB), the Commission and the International Monetary Fund (IMF)) with regard to the euro area programme countries[2],

– having regard to its resolution of 12 December 2013 on constitutional problems of a multitier governance in the European Union[3],

– having regard to its resolution of 1 December 2011 on the European Semester for Economic Policy Coordination[4],

– having regard to its resolution of 6 July 2011 on the financial, economic and social crisis: recommendations concerning the measures and initiatives to be taken[5],

– having regard to the Commission Communication of 28 November 2014 entitled 'Economic governance review – Report on the application of Regulations (EU) Nos 1173/2011, 1174/2011, 1175/2011, 1176/2011, 1177/2011, 472/2013 and 473/2013' (COM(2014)0905),

– having regard to the Commission Communication of 13 January 2015 entitled 'Making the best use of the flexibility within the existing rules of the Stability and Growth Pact' (COM(2015)0012),

– having regard to the conclusions of the European Council meetings of June and December 2014;

– having regard to the conclusions of the Euro summit of October 2014,

– having regard to the speech of 15 July 2014 by President of the Commission Jean-Claude Juncker at the European Parliament,

– having regard to the Annual Growth Survey for 2015 (COM(2014)0902),

– having regard to the speech of 22 August 2014 by President of the ECB Mario Draghi at the annual central bank symposium in Jackson Hole,

– having regard to the opinion of 14 January 2015 of the European Court of Justice Advocate-General, Cruz Villalón, regarding the legality of the Outright Monetary Transactions (OMT) programme of the ECB,

[1] OJ L 306, 23.11.2011, p. 8.
[2] Texts adopted, P7_TA(2014)0239.
[3] Texts adopted, P7_TA(2013)0598.
[4] OJ C 165 E, 11.6.2013, p. 24.
[5] OJ C 33 E, 5.2.2013, p. 140.

– having regard to the announcement by the ECB of 22 January 2015 of an expanded asset purchase programme,

– having regard to ECB Occasional Paper No 157 of November 2014 entitled ‘The identification of fiscal and macroeconomic imbalances – unexploited synergies under the strengthened EU governance framework’,

– having regard to the CPB Netherlands Bureau for Economic Policy Analysis policy brief of July 2014 entitled ‘Structural budget balance: a love at first sight turned sour’,

– having regard to Organisation for Economic Cooperation and Development (OECD) Working Paper No 977 of 6 July 2012 entitled ‘Implications of output gap uncertainty in times of crisis’,

– having regard to OECD Social, Employment and Migration Working Paper No 163 of 9 December 2014 entitled ‘Trends in income inequality and its impact on economic growth’,

– having regard to the IMF staff discussion note of September 2013 entitled ‘Towards a fiscal union for the euro area’,

– having regard to Rule 52 of its Rules of Procedure,

– having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on Employment and Social Affairs, the Committee on the Internal Market and Consumer Protection and the Committee on Constitutional Affairs (A8-0000/2015);

A. whereas, according to the Commission’s autumn forecast, after two consecutive years of unanticipated negative growth, gross domestic product (GDP) in the euro area is expected to rise by 0.8 % in 2014 and by 1.1 % in 2015, meaning that the pre-crisis growth rate will not be regained this year;

B. whereas huge differences will continue to prevail between the Member States, also following the Troika’s intervention, with forecasted GDP growth rates in 2014 ranging between -2.8 % in Cyprus and +4.6 % in Ireland, a situation which reflects growing internal divergences that are increasingly undermining in nature;

C. whereas, according to the Commission’s autumn forecast, investment in the euro area decreased by 3.4 % in 2012, by 2.4 % in 2013 and by 17 % since the pre-crisis period, with the expected rebound rate in 2014 (0.6 %) and that anticipated for 2015 (1.7 %) being very weak; whereas a lack of investment can be just as detrimental to future generations as excessive public debt;

D. whereas a European investment plan is being put in place to raise EUR 315 billion in new investments over the next three years;

Stocktaking of the current economic governance framework

1. Believes that the current economic situation calls for urgent, comprehensive and decisive measures to face the threat of deflation or very low inflation, low growth and high unemployment;

2. Highlights the fact that the current economic governance framework does not allow for a proper debate on the economic perspective of the euro area or on an aggregate fiscal stance and does not address the different economic and fiscal situations on an equal footing;

3. Notes that major policy initiatives which included policy recommendations were based on economic forecasts that had not anticipated the low growth and inflation experienced and have not fully taken into account the underestimation of the size of the fiscal multiplier, the importance of spillover effects across countries in a period of synchronised consolidation and the deflationary impact of cumulative structural reforms;

4. Stresses that the current situation calls for closer and inclusive economic coordination (to increase aggregate demand, improve fiscal sustainability and allow for fair and sustainable structural reforms and related investments) and for swift reactions so as to correct the most obvious fault lines in the economic governance framework;

5. Warns that the accumulation of procedures makes the economic governance framework complex and not sufficiently transparent, which is detrimental to the ownership and acceptance by parliaments, social partners and citizens of guidelines, recommendations and reforms stemming from this framework;

6. Acknowledges that progress has been made with a debate on the Medium-Term Objective (MTO) and better ownership of the national debate in euro area Member States, also thanks to the contribution of the national fiscal councils;

What is the best use of the flexibility of existing rules?

7. Underlines all the existing provisions under the Stability and Growth Pact (SGP) which have been put in place to ensure an anti-cyclical policy; finds it regrettable that these provisions were not put to full use in previous years, in the context of low inflation, low growth and high unemployment;

8. Welcomes the fact that in its interpretative communication on flexibility, the Commission acknowledges that the way in which the current fiscal rules are interpreted is crucial in bridging the investment gap in the EU and implementing growth-enhancing structural reforms;

9. Supports all the incentives to finance the new European Fund for Strategic Investments (EFSI), mainly by making national contributions to the fund fiscally neutral as regards the SGP; calls for further clarification regarding the concrete treatment of these contributions in accordance with the new paradigm set out in the communication;

10. Believes that the communication rightly broadens the scope of the investment clause, allowing for flexibility in the preventive arm of the SGP to accommodate investment

programmes by the Member States, in particular as regards expenditure on projects under structural and cohesion policy, including the Youth Employment Initiative, trans-European networks and the Connecting Europe Facility, and co-financing under the EFSI; believes that a symmetric approach must be urgently reassessed with a view to being applied to the corrective arm of the SGP;

11. Believes that the structural reform clause under the preventive arm and the means of considering structural reform plans under the corrective arm constitute a step forward as regards ensuring the more efficient implementation of reforms by Member States; calls for further clarification as to the types of structural reforms eligible under this new scheme; believes that a direct link to the cost, timeframe impact and value of structural reforms should also be explicit in the corrective arm of the SGP;

12. Believes that structural reforms should have a positive socioeconomic return and contribute to increased administrative capacity;

13. Deplores, however, the fact that the communication does not touch upon the nature of 'unusual events' falling outside the control of a Member State which could allow it to temporarily depart from the adjustment path towards achieving its MTO;

Closer coordination and economic convergence: possible improvement of the SGP within the review of the 6 + 2 pack

14. Believes that more room for flexibility and soft laws exists under the SGP and in the European Semester; invites the Commission to build on this flexibility and to propose rule changes where needed;

15. Invites the Commission and the Council to better articulate the fiscal and macroeconomic frameworks, notably in the corrective arm of the SGP, to allow for earlier debate among stakeholders, taking into account the need to increase convergence between euro area Member States and the role of national parliaments and social partners regarding the design and implementation of structural reforms;

16. Insists that the Annual Growth Survey (AGS) and euro area recommendation must be better designed and put to better use to allow for a global economic debate, notably as regards convergence in the euro area; proposes that the country-specific recommendations (CSRs) should be established on the basis of striking a better balance between the AGS and the macroeconomic imbalance procedure (MIP), and suggests that the Euro Area Recommendation should be made compulsory following a proper debate with Parliament, with incentives being offered so as to encourage the implementation thereof; requests that the excessive deficit procedure (EDP) recommendation be joined together with the CSRs;

17. Asks the Commission to verify whether the current 1/20 rule on debt reduction is sustainable and whether it needs to be reconsidered;

18. Asks the Commission to make the three-pillar strategy (investment, fiscal rules and structural reforms), presented in the AGS 2015, more concrete under the euro area recommendation and in the CSR and to strengthen its approach by building a fourth

pillar on taxation;

19. Believes that national fiscal councils could play a useful role at EU level; requests the set-up of a European network allowing for an independent analysis of the economic perspective to be initiated as a basis for a proper political discussion among stakeholders;

20. Believes that the MIP must be used in a more balanced manner between deficit and surplus countries, also to address countries with significant room for action;

21. Calls on the Commission to explore ways in which to better align the preventive and corrective arms of the SGP, in particular regarding investment allowing temporary deviation from the MTO, or the adjustment path towards it, within the existence of a safety margin under the preventive arm;

22. Asks the Commission to take into account all relevant factors, including real growth and inflation, when evaluating the economic and fiscal situations of Member States under the EDP;

23. Insists on the need to clarify the way in which effective actions are taken into account under the EDP;

24. Insists that the focus on structural deficits since the 2005 reform of the SGP, together with the introduction of an expenditure rule with the 2011 reform, creates margins for the discretionary implementation of the SGP, as the calculation of potential growth, underpinning the assessment of structural deficits, and that of the expenditure rule are subject to several questionable assumptions and substantial revisions between the Commission's autumn and spring forecasts, thereby leading to various calculations and diverging assessments as regards the implementation of the SGP;

25. Calls on the Commission, when evaluating the fiscal position of Members States, to include a better balance between the impact of the agreed fiscal measures and the fiscal figures based on estimated potential growth for GDP, output gaps and structural deficits that may introduce unexpected radical change at a later stage;

Democratic accountability and challenges ahead in deepening economic governance

26. Believes there is a strong need for less complexity, better ownership, and more transparency and democracy in economic governance; believes that looking forward towards deeper integration cannot be achieved by adding a new layer of rules to the existing ones;

27. Acknowledges, based on the current situation, that the economic governance framework must be corrected and completed in both the medium and long term to allow for the EU and the euro area to meet the challenges of convergence, long-lasting investment and reliance;

28. Calls for the annual sustainable growth guidelines to be made subject to a codecision procedure that should be introduced in the next Treaty change; instructs its President to

present the annual sustainable growth guidelines as amended by Parliament at the spring European Council;

29. Recalls that legislation implemented during the crisis on the basis of intergovernmental agreements lacks democratic accountability at EU level;

30. Recalls the European Parliament's request that the creation of the European Stability Mechanism (ESM) outside of the structure of the institutions of the Union represents a setback to the political integration of the Union and, therefore, demands that the ESM be fully integrated into the community framework and made formally accountable to Parliament;

31. Calls for a new legal framework for future assistance programmes in order to ensure that all decisions are taken under the responsibility of the Commission with full involvement of Parliament;

32. Requests, as per the opinion of the ECJ's Advocate-General, that the ECB not form part of any assistance programmes;

33. Requests that a reassessment of the Eurogroup's decision-making process be conducted so as to provide for appropriate democratic accountability; believes that in the long term the Commissioner for Economic Affairs should assume the role of President of the Eurogroup;

34. Recalls that a 'genuine Economic and Monetary Union' (EMU) cannot simply be limited to a system of rules but also requires an increased euro area fiscal capacity;

35. Recalls that the banking union was the result of the political will to avoid a financial crisis and that the same will is needed as regards a fiscal union in order to avoid a political crisis;

36. Asks the Commission to come forward with an ambitious roadmap which takes into account the need for economic governance reforms, as outlined in this report, and which should be presented to Parliament by the end of May 2015, ahead of the June European Council;

37. Invites the stakeholders in this necessary next step of the EMU to avoid spillover effects and to explore all options which have been well discussed and documented over a long period of time as ways of achieving a deepening of the EMU, such as:

– a 'taxation union',

– a social dimension, including a minimum wage mechanism and a minimum unemployment benefit scheme for the euro area and in-depth reforms to favour mobility,

– the inclusion of the ESM in Union law and a new approach towards Eurobonds,

– a euro area fiscal capacity, notably to finance countercyclical actions, structural reforms or part of debt reduction;

38. Requests that it be elaborated on the basis of a ‘4+1 Presidents’ approach, including the EP President;

39. Asks its President to represent Parliament in this upcoming task on the basis of the mandate given by this resolution;

40. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Following the mandate received from the coordinators of the ECON committee in September 2014, this report is a contribution to assess the effectiveness of the legal framework, particularly whether the provisions governing decision-making have proved sufficiently robust and whether the progress in ensuring closer coordination of economic policies and sustained convergence of economic performances of the Member States (MS) in accordance with the TFEU. Since then, 3 major evolutions have occurred: the request by the Eurozone summit on 24 October 2014 to the President of the Commission to resume the work on the 4 Presidents report, the publication by the Commission of two communications, one on the 'economic governance review, report on the application of regulations' on 28 November 2014 and another one on 'making the best use of the flexibility within the existing rules of the Stability and Growth Pact'.

It is prepared in a context where more than 7 years after the beginning of the crisis, the euro has been rescued thanks to steps, including the revision of the Stability and Growth Pact (SGP), the Fiscal Compact, the settlement of a the European Stability Mechanism (ESM), the banking union and the driving role of the European Central Bank (ECB), that nobody could imagine to achieve beforehand. But it is also facing a situation in Europe, in the euro area where, according to the latest figures issued by Eurostat, the unemployment rate was 11.5% in November 2014, annual inflation is expected to be down to -0.2% in December 2014, while the European Commission's autumn forecast projects weak economic growth for 2014 (+0.8%).

The report is based on this background and on the analysis of the first years of the implementation of the economic governance framework as it was modified during the crisis. With today's insight, the incomplete character of the Economic and Monetary Union (EMU) and the poor performance of the euro area since 2011 have given rise to a debate on the policy-mix adopted in the wake of the sovereign debt crisis, as the euro area has been lagging behind its counterparts. In this vein, an economic paper[1] by the Commission analysing the euro area from 2011 to 2013 concludes that the simultaneous consolidations in euro area countries - following the expansionary policies agreed by the G20 in the aftermath of the failure of Lehman Brothers - have had 'large negative output effects' and 'significant negative spillovers'. The report observes that the new provisions have not allowed to take adequately into account the cumulative, Europe-wide effect of policies pursued at national level, in particular of the aggregate fiscal stance, and therefore have not addressed the risks stemming from growing divergences among euro area economies, the threat of deflation, low growth and high unemployment.

Against this background, the report argues that the negative effect on growth perspective of the implementation of simultaneous fiscal policy contraction across Europe has been significantly underestimated, and that the flexibility clauses foreseen in the SGP for implementing anti-cyclical economic policies in a context of growth below potential have not

[1] 'Fiscal consolidations and spillovers in the euro area periphery and core', Jan in't Veld, Economic Papers 506, European Commission, October 2013, http://ec.europa.eu/economy_finance/publications/economic_paper/2013/pdf/ecp506_en.pdf

been fully used or have, up to now, also because of a to narrow interpretation, not allowed for enough room of manoeuvre to face the challenges the EU was going through.

The strong focus on the structural deficit when it comes to the assessment of the implementation of the SGP provisions, which led to discretionary interpretation as, by construction, this indicator is subject several questionable assumptions, is therefore worth being discussed. The consolidation bias over the past years, allowed by this assessment of the implementation of the SGP, has been sometimes harmful to the financing of structural reforms, including overdue investment needs, and may have led to contradictions in terms of policy recommendations when meeting EU 2020 targets were concerned.

In this context, the Commission has come up with two communications that define the framework of what is to be discussed. The one on flexibility is an interpretative one of immediate effect that is welcome to favour investment and growth within the existing rules. By considering national contributions to the EFSI as neutral regarding the SGP, this communication supports the investment plan launched by the Commission. Your rapporteur believes that further progress should be achieved, notably by adopting a symmetric approach for contributions to co-finance projects within the EFSI under a broader ‘investment clause’ in the preventive and corrective arms. This communication also proposes a new way to take into account the cost of the implementation of structural reforms in the assessment of the fiscal situation of MS. The related provisions could improve the implementation of reforms by MS and increase their sense of ownership, provided that the same approach is followed in the preventive and corrective arms.

The second communication is a sort of statistic observation of how the different procedures put in place with the ‘6+2 pack’ have been used: it acknowledges ‘possible areas for improvement, concerning transparency and complexity of policy making’ but also on ‘their impact on growth, imbalances and convergence’ while ‘the Commission plans to discuss these with the European Parliament and the Council in the coming months’.

This move has been made even greater on the monetary side by the decision taken by the ECB on 22 January 2015 to launch an expanded asset purchase programme that will include bonds issued by euro area central governments and amount to EUR 60 billion per month until at least September 2016.

Your rapporteur is strongly convinced that the European Parliament should use this window of opportunity to contribute to the debate on a better functioning of the EMU, also having in mind the discussion that will very soon be opened on the basis of the 4 Presidents report.

In this spirit, it seems that some critical points will need to be addressed.

1) The euro area lack a proper evaluation of its global economic situation, a shared diagnostic, as one sharing the same currency needs to have. This has been made obvious by the appearance of strong divergences that the current crisis and the intervention of the Troika have even increased and by the historical fall of investment in the EU. The EMU obviously lacks proper tools to have the appropriate debate on the dynamic the different MS should follow regarding their fiscal position. This has been a cornerstone of the debate we have since the creation of the EMU. We have tried to address it through different tools, including in the

beginning the Broad Economic Policies Guidelines (BEPG). Somehow we then thought this would be feasible within the European Semester with the Annual Growth Survey (AGS) and the Macroeconomic Imbalance Procedure (MIP). The latter, we have to acknowledge, has allowed us to open an observation of the deficit or surplus countries, even though it has not led to a broad discussion among stakeholders and appears in essence to be a tool for discussion by the Commission with MS on their expected structural reforms. Now that the EU economy has so obviously entered the risk zone of a scenario of the Japanese type, it may be the proper time to have this debate and to build the appropriate tools for it. Somehow it is opened by the current discussion on the 'euro area fiscal stance'', but the question is to find out if it should just be an addition of national observed fiscal positions or if it may be a political approach ahead of the cycle allowing to define the dynamic role each one could have in order to achieve the optimum outcome for the whole. For this purpose, your rapporteur proposes to upgrade the euro area recommendation prepared by the Commission and thus to make it compulsory and to adopt it earlier during the Spring Council.

2) Most observers, but also the Commission, today recognise that the economic governance has reached a point of complexity that is detrimental to democracy, transparency and ownership. Let's recognise that this is the result of a lack of trust that has led to add new rules to the already existing ones. This has also translated in a somehow intrusive follow-up of 'structural reforms' in MS by the Commission that at some point may be counterproductive. Following the adoption of the euro, the pressure for reforms may have diminished in most MS but the current crisis has obliged each of them to wake up. The best way to achieve them, without jeopardising democracy, social dialogue and ownership that are also part of EU competitiveness, is to allow each MS to deal with them on the basis of a common understanding the situation. Such a move is needed to be successful in the end, including in the spirit of the respect of the rules. It may work as long as one admits that the proper reforms need to be defined at national level following the EU overall strategy, that some reforms have long term effect and that, in the current economic situation, the right balance between structural reforms and fiscal discipline should be looked for.

3) The current economic governance rules and sanctions are essentially based on concepts, first of them the 'output gap', that are the object of important controversies among experts, including by Martti Hetemäki, President of the European Statistical Governance Advisory Board (ESGAB) or Stefan Kapferer on behalf of the OECD during their recent appearances before the ECON committee. The role of the 'output gap' has even been increased by the last Commission's communication on flexibility. This situation is not sane and should be clarified either by coming to a common understanding of these concept or by changing them, but in any case by associating the ECB, the OECD and the IMF to this task.

4) Following the implementation of the current economic governance framework in the current economic context, discussions are opening on the sustainability of some of the rules that were adopted in the past. The upcoming debate will also need to look at them with care. The first one is obviously the one on 1/20° debt reduction but the same may well apply to the 0.5% annual structural adjustment.

5) The European Parliament had at the end of last mandate triggered the debate on the legitimacy and the efficiency of assistance programmes led by the Troika. After he presented

his programme as President of the Commission to the European Parliament on 15 July 2014, it seems that Jean-Claude Juncker does not intend to pursue Troika as such. This need has been reinforced by the opinion of the advocate of the ECJ regarding the legality of the Outright Monetary Transactions (OMT) programme of the ECB. As a result and adding on the fact that the European Parliament pleads for the ESM to be included in the Treaty, a new reflection and a clarification on the responsibility and tools of the different stakeholders are needed.

6) Any framework for economic governance, however, cannot only be judged on outcomes (‘output legitimacy’), but has also to be assessed in terms of its democratic accountability. Given an increasing sense of a democratic deficit of the enhanced economic governance framework, the report argues that purely inter-governmental arrangements have to come to an end and that, instead, a stronger involvement of the European Parliament is, at the European level, a condition since qua non to increase democratic legitimacy. Given that, on top of this, democratic accountability is also weakened by the extreme complexity of the framework, the report asks the Commission to come forward with an ambitious legislative programme on the reform of the framework in spring of this year.

7) Last but not least, nobody can discuss EMU economic governance without thinking beyond the crisis. The debate on the deepening of the EMU has already been postponed for too long, as any honest observer may consider. During the last mandate, it had been stimulated by the Blueprint communication of the Commission, the 4 Presidents report that was assessed by the European Parliament with the recommendations to the Commission on the report of the Presidents of the European Council, the European Commission, the European Central Bank and the Eurogroup ‘Towards a genuine Economic and Monetary Union’, namely the Thyssen report. But finally, the decision makers have been waiting for the German general elections, then for the European Parliament’s ones. Now the outcome of the elections in Greece changes the nature of the debate and so it seems the debate may finally take place after the general elections in the United Kingdom. It is time to prepare this task for which Jean-Claude Juncker has received a new mandate together with the Presidents of the European Council, of the Eurogroup and of the ECB. The European Parliament needs to be fully associated to this negotiation and to ensure that no left over option will be put aside to equip the EMU on an enhanced basis including, among others and at least, four blocks: a fiscal capacity, renewed assistance mechanisms, a social dimension and an institutional and democratic pillar. The EU and the euro area need it to make sure it will not be too little, too late this time and that European people can get the best out of the euro.