



## RESOLUTION 2.2 ON THE DEMOCRATIC LEGITIMACY IN THE GOVERNANCE OF THE ECONOMIC AND MONETARY UNION

*consolidated, as adopted in Plenary by the Federal Committee on 18 June 2017.*

Whereas

- the need is acknowledged to entrench democracy throughout the European Union, the most vivid manifestation of which should be to strengthen and develop democratic processes across EU institutions;
- a lasting and sustainable European Union needs to be firmly established on the basis of subsidiarity;
- it is currently generally acknowledged that any temptations to resort to treaty amendments and creating new institutions should still be delayed at least until the next legislature of the European Parliament;
- in a fast changing world, he who does not advance recedes, and until all the Member States are politically and economically ready to move forward at the same pace, temporarily resorting to differentiated integration is unavoidable; as a result, a vanguard should be granted the role of scouting new paths;
- this does not preclude that those Member States who seem to be provisionally lagging behind should continuously benefit help and assistance through the Cohesion Fund to catch up with the most advanced ones, in order to maintain consistency within the whole Union, as well as a matter of solidarity between European peoples;
- the most prominent group of Member States that needs to start moving forward again are EMU members, the so-called "Euro Area" in which 76% of the 27-member European Union's citizens live, in order to strengthen its governance with regard to both its democratic legitimacy and its effectiveness;
- provisions on enhanced co-operation in TEU (Title IV) and TFEU (Title III) are deemed irrelevant to help provide a framework for the internal governance of EMU;
- in particular, since the vote on the budget is one of the kingly roles of a parliament and pertains to its privileges, one of the most urgent moves to be undertaken when a dedicated budgetary capacity is granted for the euro area a democratic control of the EMU governance by a parliamentary assembly must be set up;
- it is acknowledged that in any Member State, the Parliament is composed of representatives of all citizens of that Member State, in spite of being possibly elected in a territorial constituency, and obviously so if elected by proportional representation; likewise, Art. 14.2 TEU provides that "*The European Parliament shall be composed of representatives of the European Union's citizens*", meaning that a Member of the European Parliament is in no way a representative of the sole citizens of the Member State in which she or he has been elected, or the spokesperson of that Member State's specific interests; when dealing with Euro Area matters, a Member of the European Parliament's scope is that of the entire European Union;
- the Members of any Parliaments are handed over a remit by their voters, to whom they are accountable in the limits of that remit, which, at the same time, supports and delineates their democratic legitimacy; as a consequence, just as the respective remits of regional, national, and European parliamentary assemblies differ by essence, so do their respective democratic legitimacies; therefore no fuzzy and anarchic interference can be accepted between different levels of democratic representation;

- while the democratic legitimacy, hence the remit, of the European Parliament is both extended and restricted to all European matters, i.e. those regarding the common good of citizens within the European Union at large, those of Member States' Parliaments are, by essence, restricted to the common good within each of those Member States and for the sole sake of their own citizens; each specific realms of democratic legitimacy are reflected in distinct remits on behalf of different electorates;

- while at the same time the subsidiarity principle has to be accounted for in the EMU governance, the remit of the Member States' Parliaments is of a specific essence, and they cannot be granted any direct role some people claim in that regard in the European institutional structure;

- the Béres-Bröge report (on budgetary capacity for the Eurozone) provides that *"the European Parliament and national parliaments should exercise a strengthened role in the renewed economic governance framework (of the Euro Area) in order to reinforce democratic accountability"* and that *"to improve ownership, national parliaments should scrutinise national governments, just as the European Parliament should scrutinise the European executives"*;

- the Bresso-Brok report (on Improving the functioning of the European Union building on the potential of the Lisbon Treaty) provides *"that political dialogue between national parliaments and the European Parliament should be intensified and made more meaningful and substantial, without overstepping the limits of their respective constitutional competences"* and *"in this regard, that national parliaments are best placed to mandate and scrutinise at national level the action of their respective governments in European affairs, while the European Parliament should ensure the democratic accountability and legitimacy of the European executive"*; it also *"emphasises that decisions must be taken at the level of constitutional competences and that there is a clear delineation of the respective decision-making competences of the national parliaments and the European Parliament, where the former must exercise their European function on the basis of their national constitutions, in particular via the control of their national governments since this is the level where they are best placed to directly influence the content of and exercise scrutiny over the European legislative process"*, and *"is therefore against the creation of new joint parliamentary bodies with decision-making powers"*; it also *"proposes that the Council be transformed into a true legislative chamber"*; it *"stresses the importance of the subsidiarity principle as laid down in Article 5 TEU"*, *"recalls in this context the respective roles assigned to the national parliaments and the Committee of Regions"*; it *"reminds national parliaments of their key role in monitoring application of the subsidiarity principle"* and *"points out that the formal possibilities for national parliaments to ensure the principles of subsidiarity and proportionality offer ample opportunities in this respect, but that practical cooperation between national parliaments needs to be strengthened"*;

- the Verhofstadt Report (on possible evolutions of and adjustments to the current institutional set-up of the European Union, European Parliament) *"points out that, because compliance is crucial to the functioning of the Economic and Monetary Union, stronger governmental functions are required than those currently provided by the Commission and/or the Eurogroup, as well as full democratic checks and balances through the involvement of the European Parliament on all EMU aspects"*; it *"believes that in parallel, to improve ownership, accountability must be ensured at the level where decisions are taken or implemented, with national parliaments scrutinising national governments and the European Parliament scrutinising the European executive"*; it *"considers that the Council (of the European Union) and its specialised configurations, as the second chamber of the EU legislature, should, in the interest of specialism, professionalism and continuity, replace the practice of the rotating six-month presidency with a system of permanent chairs chosen from their midst; suggests that Council decisions should be taken by one single legislative Council, while the existing specialised legislative Council configurations should be turned into preparatory bodies, similar to committees in the Parliament"*; it also *"suggests that Member States should be able to determine the composition of their national representation in the specialised Council configurations, whether consisting of representatives of their respective national parliaments, governments or a combination of both"*; it nevertheless *"recognises the significant role played by national parliaments in*

*the current institutional order of the European Union, and in particular their role in transposing EU legislation into national law and the role they would play in both ex-ante and ex-post control of legislative decisions and policy choices made by their members of the Council, including its specialised configurations”; and “suggests therefore complementing and enhancing the powers of national parliaments by introducing a ‘green card’ procedure whereby national parliaments could submit legislative proposals to the Council for its consideration”;*

**The Federal Committee of the Union of European Federalists, meeting in Madrid, Spain, on 17 and 18 June 2017 adopts the following statement:**

1. The democratic legitimacy in the institutional system governing the Economic and Monetary Union must be secured by the general rule that the European Parliament is deciding on all matters of the Economic and Monetary Union, including a possible new budget for the Euro Area. But at the same time, a new voting rule within the European Parliament must be set up, giving the voting rights on matters of the Euro-Area exclusively to those Members of the European Parliament who have been elected within the Member States belonging to that Economic and Monetary Union.
2. With due respect to the principle of subsidiarity, its implementation in the governance process of the Economic and Monetary Union must be supported in a similar way as the role played at the European Union’s level by the Council of the European Union acting in its legislative role, without the right of veto of a single Member State.