

Completing Europe's EMU – Where do we stand?

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For a long time, I have been a strong advocate for a deepening of the Economic and Monetary Union. These steps are necessary to reach the political union, as our final goal.

We see today that Europe is accepted in all the areas, where we act on the ground of community law. When we act outside of this on intergovernmental agreements and short-time solutions, people do not accept the solutions and we have a problem of democratic legitimacy and transparency.

In the last years, we had neither institutional, nor legal, nor political EU instruments available for the euro area to tackle the crisis we faced. Because of the urgency of the crisis executive powers took the dominant role over representative powers, such as the European Parliament. But we have to be aware that the democratic accountability of the instruments will show, if our reactions to a future crisis will be accepted by the people.

As long as we do not have European answers for our problems, people will question the membership instead of the policies. Only with the necessary European tools, we can engage in a truly European future.

Therefore, we need to draw the lessons learned from the past for the future steps of the European Union. From the Parliament's side this means that we have to improve the input legitimacy, as well as the output legitimacy. A better input legitimacy means that there have to be transparent and clear rules for the participation of the different institutions. In my work as Rapporteur for the Troika Report, I concluded that we need a European Monetary Fund on the basis of Union law. It would combine the financial means of the European Stability Mechanism (ESM) and the expertise and experience that the Commission has acquired over the last few years in this field.

The enhanced output legitimacy means that we need a stronger involvement of the European Parliament when it comes to the control of the results of political actions. Under the current treaty this means improving the accountability and the oversight of the European Parliament. Only with these measures there will be a democratic process and legitimacy of the actions in the eyes of the European people.

But we must not shy away from bigger changes than that. I am glad the so called Five Presidents' report, by the Heads of the European Institutions, on completing

Europe's Economic and Monetary Union delivered a roadmap for these changes. But the proposed Competitiveness Authority, for example, will only boost the economic convergence in the euro area, if we have binding rules for its outcome. A process without the necessary legal means to enforce it, will not be taken seriously.

Jean Monet said: "Europe is created in the crisis, and it will be the sum of the solutions to be found for these crises." The solutions must be bold and decisive steps on the way to an economic, fiscal and social union.

A more converged Europe is a stronger Europe, because it can anticipate a future crisis in a better way and react quicker when it is necessary.