

Dr. Marek Dabrowski—Written evidence (EMU0010)

1. Introductory remarks

1. This note has been written in response to the UK House of Lords European Union Committee's Call for Evidence on 'Completing Europe's Economic and Monetary Union'. The opinions presented here represent solely the view of their author and not necessarily the institutions, which he is affiliated with. Thus, these opinions can be attributed publicly to the author only.
2. The author of this note is not an expert on financial sector and financial industry and, therefore, will not be able to answer part of the Question 16 related to the potential impact of new

be implemented through either EU secondary legislation or the Commission's own decisions. This

compromised by the rescue programs to troubled countries. The expected revue of the SGP legislation should not cause its diluting in the name of higher 'flexibility' (it is flexible enough).

14. At the Stage 2, the Report proposes incorporation of the intergovernmental agreements - on the European Stability

legitimacy. As result, there is no progress in coordination of national policies in comparison with the pre-2010 period, i.e., before introducing European Semester.

19. Both the Report and Communication propose changes to European Semester's

24. Furthermore, most of these indicators as well as policy issues analyzed by the MIP scoreboard, Alert Mechanism Reports (AMR) and In-Depth Reviews (IDR) belong to the sphere of national competence, for example, the entire area of labor market and social policy regulation. This makes the MIP and even more the EIP intrusive from the point of view of the national sovereignty, similarly to the SGP and European Semester, and hardly enforceable (also given conceptual doubts discussed above).
25. The Report declares further strengthening of the MIP as an instrument to influence member states' microeconomic and structural policies. From the conceptual point of view it would make more sense than dominant focus on current account balances (see above) but there is unsolved problem of the MIP intrusiveness (from the point of view of national sovereignty and current division of competences between the national and EU level) and enforceability.

7. Banking and Capital Market unions

26. The Report puts correctly the emphasis on completing the Banking Union at the Stage 1 and starting building the Capital Market Union. Both are important for increasing capital mobility and private risk sharing within the Euro area and completing

sovereign states, which do not involve other forms of integration (for instance, the Western African Economic and

10. Euro area 'Ins' and 'Outs': EU of two speeds

36. Introduction of the common currency that is not used by all EU member states had to lead to their internal differentiation into two categories: those, which decided to introduce Euro ('Ins') and those, which either decided to retain their own currencies³ or did not manage to meet formal EMU membership criteria (the so-called Maastricht criteria) yet ('Outs'). A common currency due to its economic role (in fact, this is

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