



## COMPLETING EUROPE'S ECONOMIC AND MONETARY UNION

The Commission's Contribution to the Leaders' Agenda

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### A EUROPEAN MINISTER OF ECONOMY AND FINANCE



*"We need a European Minister of Economy and Finance. I am not calling for a new position just for the sake of it. I am calling for efficiency. The Commissioner for economic and financial affairs – ideally also a Vice-President – should assume the role of Economy and Finance Minister. He or she should also preside the Eurogroup. The European Economy and Finance Minister must be accountable to the European Parliament."*

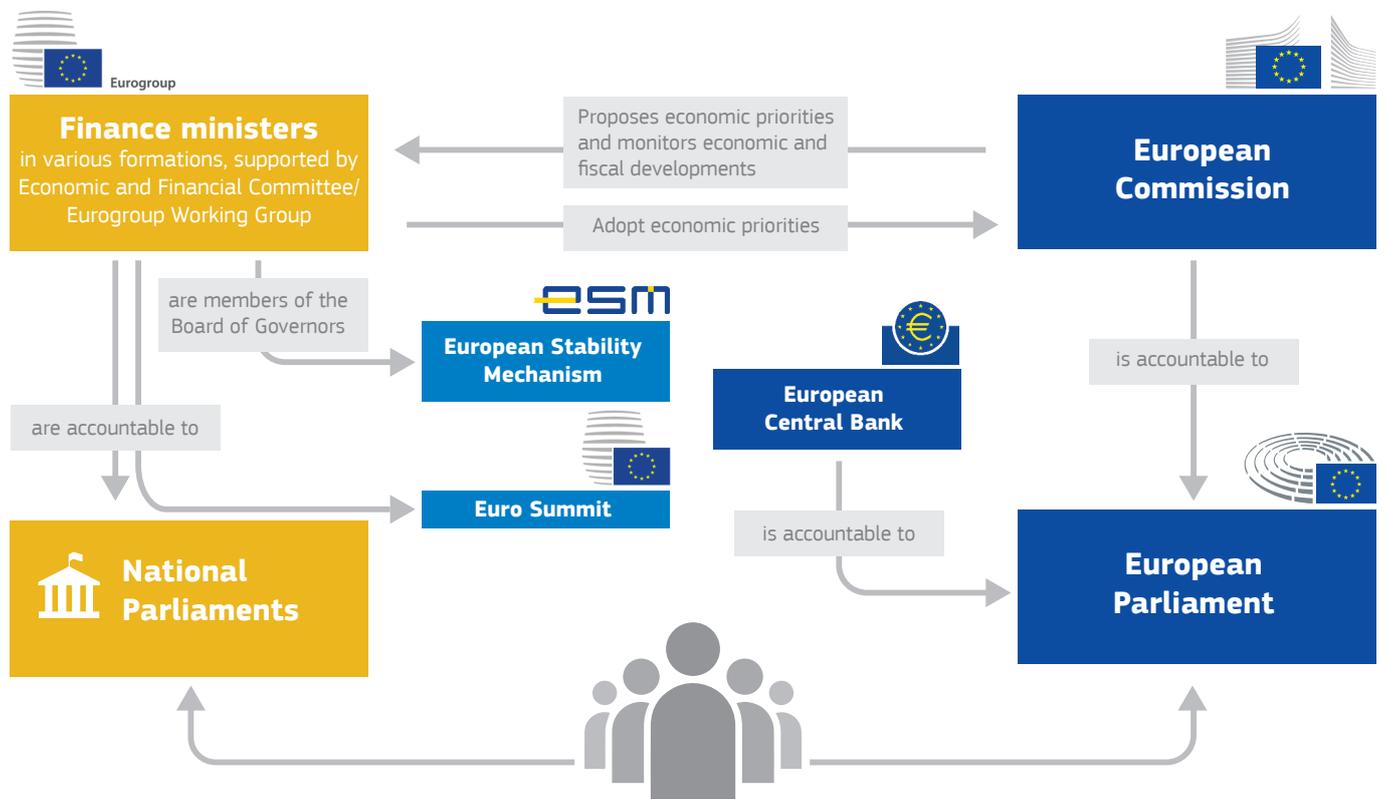
European Commission President Jean-Claude Juncker, State of the Union Address, 13 September 2017

As part of its Roadmap for deepening Europe's Economic and Monetary Union, the European Commission sets out how a future European Minister of Economy and Finance could play a role in the governance architecture of the EU and euro area. Specifically, the Communication details the possible key functions of a European Minister of Economy and Finance, outlines the institutional setting in which the Minister would operate and sets out a potential timeline for the setting up of this new position. The "double-hatting" envisaged in the Communication, whereby the European Minister of Economy and Finance is simultaneously a Member of the Commission and President of the Eurogroup, is **already possible under the current Treaties<sup>1</sup>**.



<sup>1</sup> Article 2 of Protocol No 14 on the Eurogroup, annexed to the Treaties, provides that "the Ministers of the Member States whose currency is the euro shall elect a president for two and a half years, by a majority of those Member States."

## The current complex governance of the Economic and Monetary Union



## The role of a European Minister of Economy and Finance

- ▶ **Pursuing the general interest of the EU and euro area economy and representing it at global level:** The Minister could help promote the general interest of the Union and the euro area economy, both internally and on the global level. The Minister would be a key interlocutor at EU level in the areas of economic, fiscal and financial policies vis-à-vis the EU institutions and bodies, the States, social partners and the general public. The Minister would also assume the function of representing the euro on the world stage.
- ▶ **Strengthening policy coordination and overseeing economic, fiscal and financial rules:** The Minister could help further strengthen economic policy coordination and ensure consistency across policy areas, building on the work already done by the Commission together with the Member States. Working in close bilateral and multilateral dialogue with national authorities and the European Parliament, the Minister could also promote the coordination and implementation of reforms in the Member States.
- ▶ **Pronouncing on the adequate fiscal policy for the euro area:** The Minister could help in the identification and pursuit of an adequate fiscal policy for the euro area as a whole. As a member of the Commission, the Minister would coordinate the surveillance of Member States' fiscal policies, ensuring fiscal sustainability and applying the Stability and Growth Pact with the economic reading that the rules foresee.
- ▶ **Overseeing the use of relevant EU and euro area budgetary instruments:** The actions supported by the EU budget are complemented by a number of European and euro area tools and bodies, such as the European Investment Bank and the European Stability Mechanism. The Minister would coordinate the use of EU and euro area budgetary instruments and maximise their impact in support of shared priorities.
- ▶ The Minister would not impinge on national competences or matters best dealt with at national level.

## Institutional setting of a Minister of Economy and Finance

By combining existing functions and available expertise at EU level, the Minister would help create synergies and thus contribute to a more coherent and efficient EU governance framework.

- ▶ **Vice-President of the Commission:** A Vice-President of the Commission could take over the role as European Minister of Economy and Finance. This would allow for the creation of a visibly mandated and unified representative of the economic and fiscal interests of the whole EU and the euro area.
- ▶ **Chair of the Eurogroup:** The Eurogroup could agree to elect the Minister as its President for the whole duration of the Commission's mandate. This is already possible under the current Treaties.
- ▶ **Chairing the Board of the European Monetary Fund:** The President of the Eurogroup currently chairs the Board of Governors of the European Stability Mechanism. As President of the Eurogroup, the Minister would also chair the Board of Governors of the European Monetary Fund in the future.
- ▶ **Accountability towards the European Parliament:** The Minister, as a member of the Commission, would be accountable towards the European Parliament on all issues related to its functions and would also be available for dialogues with national Parliaments.

### Next steps

The Communication looks to the future and sets out how certain existing functions could be combined under a European Minister in order to strengthen the overall coherence and efficiency of EU economic policy-making.

The role of the Minister as Vice-President of the Commission could be established as part of the appointment of the next Commission as from November 2019.

The Eurogroup could agree to elect the Minister as its President for two consecutive mandates, thus agreeing on the alignment of its mandate with the mandate of the Commission.

