



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Camera Deputaților for its Opinion on “A blueprint for a deep and genuine economic and monetary union. Launching a European Debate” {COM (2012) 777 final}.

The Commission welcomes the views presented on the Blueprint for a deep and genuine EMU. The Opinion covers a broad range of issues, which the Commission has carefully examined.

The crisis demonstrated that stronger, more integrated financial, budgetary and economic frameworks are needed to ensure economic and social welfare for EU citizens. It was the need to ensure a long-term vision for the strengthening of the EMU that made the Commission come forth with its Blueprint, presenting objectives, tools and instruments for the short, medium and long-term, to achieve the ambition of a genuine EMU.

As stated in the sub-heading of the Communication, the Commission sees the Blueprint as a tool to launch a European debate. This debate is ongoing and the Camera Deputaților's Opinion provides an important contribution to it.

As regards the call for a more detailed analysis, the Commission notes that the Blueprint has set out the rationale of the actions envisaged for the short term, such as the initial elements of banking union, on ex ante coordination of major national reforms and a possible convergence and competitiveness instrument. At the same time, in its call for a roadmap for more integrated financial, budgetary and economic frameworks, the European Council recognised that stabilisation and return of confidence in the euro area would also depend on a clear medium- and long term vision for a genuine and deep EMU. The Blueprint is not, however, a detailed analytical report on the many different options and elements presented for the medium- and long term. It was intended to set out the key elements of a vision for deep and genuine EMU, with concrete objectives, timetable and instruments. That said, the Commission has presented analyses on some of the elements mentioned in the Blueprint in its other documents, e.g. Green paper on the feasibility of the common issuance of Stability Bonds.

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The Opinion highlights the importance of completing both the banking union and fiscal union in order to achieve a sustainable and genuine EMU. The Commission is fully in agreement with this. However, as important as it is to be ambitious in proposals and actions towards completing the EMU, it is similarly necessary to be both realistic and to ensure we have a proper debate about how best to proceed in the different areas. It is this balance we have aimed to strike in the Blueprint. The Commission will continue to progress, and is pleased to say that many of the short term measures have already been achieved.

Concerning ex-ante coordination of plans for major economic policy reforms and the introduction of a Convergence and Competitiveness Instrument, the Commission would like to emphasize the consultative nature of the two Communications, which set out ideas, suggestions and questions on the usefulness of such processes and on the form they could take. Discussions on these issues will continue in the coming months, including on the possible scope of reforms and possible setup of a financial solidarity mechanism.

The Commission agrees on the importance of the social dimension of the EMU, on which the Commission has recently adopted a Communication¹. As regards fiscal policy, growth-friendly budgetary consolidation that is differentiated between Member States according to their fiscal space remains a valid strategy. This is also part of the Country Specific Recommendations which the European Council endorsed on 28-29 June 2013. The fiscal recommendations call for an improvement in the quality of public expenditure, at national and EU level, and a reorientation to areas with a positive impact on potential output. This remains crucial for mobilising resources for the objectives of the Europe 2020 strategy. The Europe 2020 Strategy provides a framework for smart, sustainable and inclusive growth and is complemented by incentives through for example the structural funds.

The Camera Deputaţilor raises the point that further deepening of the euro area should take place within the Treaties, to avoid fragmentation and a weakening of the Union. The Commission agrees with this: One of the key principles for the deepening of EMU is that it should build on the institutional and legal framework of the Treaties.

Finally, the Commission also agrees on the importance of ensuring that wherever future integration towards a genuine EMU involves further shared management of sovereignty and hence responsibility at the European level, this should be accompanied by commensurate steps to strengthen democratic legitimacy and accountability. We need to ensure high quality politics in a multilevel system, in respect of subsidiarity. Democratic accountability should be ensured at the level where the respective executive decision is taken while taking due account of the level where the decision has an impact.

¹ http://ec.europa.eu/commission_2010-2014/president/news/archives/2013/10/pdf/20131002_1-emu_en.pdf

The Commission hopes that these clarifications address the issues raised by the Camera Deputaților and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*