

## Summary of the Statement of the Committee on Finance FiU:18 Reflection paper on the deepening of the Economic and Monetary Union (EMU)

### Summary

The Committee has examined the Commission's reflection paper on the deepening of the Economic and Monetary Union (EMU) (COM(2017) 291). The reflection paper is part of a wider discussion on the future of the EU, which will continue until the elections to the European Parliament in 2019. The reflection paper presents a range of measures that aim to strengthen the functioning of the Economic and Monetary Union in different ways. The paper is based to a large extent on the "Five Presidents' Report", which was presented in June 2015. The measures include strengthening resilience in the euro area's economies by way of more robust coordination and decision-making at EU level. The European Council is expected to adopt conclusions about these future issues in December 2017.

The Committee supports the position formulated by the Government in connection with the reflection paper. The Committee would particularly like to emphasise the importance of holding the EU together as well as allowing all member states to discuss and decide on issues that affect the entire EU. The Committee also considers that focus should be placed on efficiently implementing measures that have already been decided upon, rather than establishing new procedures and bodies. The Committee would also like to highlight the importance of national ownership over economic policy and the importance of giving politics a democratic foundation.

The Committee proposes that the Riksdag file the Statement.

The Statement contains one reservation (Left Party) and one separate statement of opinion (Sweden Democrats).

### ***The position of the Committee***

The issue of how the EMU functions has become relevant on a number of occasions over the past few years, and the Committee has repeatedly handled matters that have aimed in various ways to strengthen and deepen the monetary union. The decision of the United Kingdom in June 2016 to leave the EU to some extent places the functioning of the EMU in a new light. The Committee therefore welcomes the fact that the issue is being dealt with as part of a wider discussion on the future of the EU and that the Commission is seeking a broad consensus. The Committee would like to emphasise the importance of holding the EU together and promoting effective cooperation and equity between member states, both inside and outside the euro area. The Committee believes that matters concerning all member states should also be discussed and decided upon by all member states.

The Committee understands that euro area countries need to develop their cooperation further in order to ensure an efficiently functioning monetary union. The Committee would like to highlight the fact that the EMU could function more efficiently if member states were to pursue

policies nationally that were in line with the fact that they have the euro as a currency. It is of fundamental importance that these countries pursue an economic policy that respects the fiscal policy regulations and that there is national ownership of the implementation of different structural reforms. Given this context, the Committee would also like to point out that various instruments for risk-sharing can, by their very nature, negatively impact the incentive of member states to pursue responsible policies. The Committee therefore questions the parts of the proposals in the reflection paper that are heading in a strongly centralised direction. Respect for member states' authority over taxation and labour market and social policy must be upheld.

The Committee would also like to stress that priority should be given to efficiently implementing existing measures that have been taken to improve the functioning of the EMU, rather than establishing new procedures and bodies. Even if the Committee's view is that there must always be unlimited room for ventilating far-reaching thoughts and ideas, the Committee also notes that in its reflection paper, the Commission both formalises some of the proposals from the Five Presidents' Report that could be seen as more radical, and introduces new and relatively far-reaching proposals into the discussion. These include a European "safe asset", funds to help achieve economic convergence and the appointment of a European Finance Minister with accompanying department, for example. In the Committee's view, it is debatable whether this is the right time to be discussing more concrete proposals, or whether more thorough discussion of such issues should wait until there has been efficient implementation of existing functions and already-decided measures.

In light of the President of the Commission Juncker's speech to the EU on 13 September 2017, the Committee would like to bring to mind that Sweden remains outside the Monetary Union until the Riksdag decides otherwise. The Swedish people voted 'no' to introducing the euro as their currency in a referendum in September 2003. The Committee feels that the significance of this must have a bearing on reality; any increase in supranational governance of the euro area justified by the functioning of the currency union should not automatically lead to commitments on Sweden's part, and the Riksdag's financial power should not be undermined.

As far as Sweden is concerned, it is very important for the internal market to develop in a positive direction and create opportunities for Swedish companies and citizens. The Committee considers it essential for capital markets to be more closely integrated, with adequate consumer and investor protection, without undermining financial stability. Sweden is not a part of the banking union, but there may be reason for Sweden to monitor it and, where necessary, attempt to influence its development. The Committee notes that the Government intends to assess the implications for Sweden of entering into the banking union.

Finally, the Committee would like to emphasise that openness, insight and accountability are all essential for stable and effective management. It therefore welcomes the Commission's desire to strengthen democratic accountability. The Committee considers that the Commission's ambition to strengthen its contact with the European Parliament and national parliaments is commendable as a complement to the process carried out at national level.

With regard to what has been stated above, the Committee proposes that the Riksdag file the statement.

#### *Examined document*

Reflection paper on the deepening of the Economic and Monetary Union (EMU) (COM(2017) 291).