

- ECU
 - Regional policy
 - Part II
- } next week

at Part I → ECU means high Prob;

mean use of the ex. rate

There is a role in the adjustment by DG !!

ECU offers mean in terms of growth, employment + cohesion = an opportunity!

show us the difficulties + adjustment = task of Committee

Role in cost of social security

as worked with globalisation

as regional policy → (could lead by concentration (classical way)

3 problems

- ~~movement~~ change measures to promote investment...
- comparative advantage in terms of salary + living conditions
- new system of communication + exchange of info

Self-help; self-initiative

have a para on problematic of other countries having the same chances;

- regional policy

- EU + other in parallel, otherwise too progress
- ...

coordination of macro policy → 74 convergence criteria

but how to change it;

- not only talk of budget policy but all macro-econ. policy

multi-year

- also see need of framework; not only budgetary policy like budget of macro-policy but be concerned cyclical + structural

degrees of cooperation + coordination, which will be strengthened over time; difficult to say how long it develops

Regulation of savings in the C:

- protection of savings
 - supervision of stock exchanges
- union market →

ECU →

parallel currency

steps:

1) common institution on ECU

2) ~~create it~~ ^{introduce} ~~national~~ ^{monetary} union

provisions that make national currencies the sole currency (accounting...)

3) make ECU legal tender a means with which the states can fulfil their obligations

shall be the stage 1 or

no parallel
no discrimination
single currency & ECU

Agreement →

be the sole ECU

I 1) ECU should ~~not be the driving force~~
there is no continuity between now and sole currency

I 2) ECU is not parallel currencies
i.e. - not the driving force
- no monetary policy instrument
before ECU before ECU

II 3) non-discriminatory use of ECU, equal
but not ~~discriminatory~~ currencies

ECU → evolutionary construction in part II

And part II also needs work

Role + nature of the ECU plan
the process! → para 6

equilibrium + de-equilibrium in the
currency; → paras 10-14
↓
no equal chances!

→ other papers (not yet known how
arrived)

thus, less, complex

reference to the other
consideration → 17

no work → not to complicate the institution

- avoidance of ERM ✓

- monetary policy on the 1992 context ✓

- Council as Group ✓

- Finance ✓

Tools

budgetary law

administrative law

use the Council report
on administrative
functions

A more profound
discussion of
3 major conditions
which emerged

ECU

- parallel currency

- what is the possible substitution of ECU

which it becomes sole currency

→ selected ECU chose alternative,
and it is, when

- what can we do?

→ its use

→ 3 broad conclusions

do these
conclusions
show that
the
possibility of

- parallel

- before conclusion of ECU

- agreed, but not parallel, status to national currency

1. Principles governing the management of EMU

a) Union's responsibility areas:

- management of internal market
- definition + execution of common policies
- coherence of ec. policy + implementation of budget

b) Application of principle of subsidiarity in exp. + revenues, with need for coherence of national policies

c) Definition + management of a fair balance between classical contributions (on the basis of indicators + constraints) + flexible and guide contributions between Community + member states for cyclical purposes; but question of sanctions

2. Tasks: to define a growth and employment strategy in stability + cohesion

a) define macro-policy in short + medium term

b) + multi-year framework for Community + national budgetary policies

c) manage common policies

d) set ec. rules policy

3. The instruments

- a) effective coordination procedure + surveillance
- b) direct financial instruments: variation in C receipts & expenditure; independence of C borrowing / lending
- c) selective adaptation of instruments of Community policy
- d) in interinstitutional field, mandate for Community to act as a single body

4. Inst. arrangements

- a) no institutional change required → Council and Commission parallel the non-financial policy-making bodies such as the board of directors, respectively of ESCB; but practical majority decisions
- b) strengthened involvement of EP and national parliaments in coordination process; EP consulted on short-term and medium-term policy decisions
- c) appropriate + regular relations between CEPE + ESCB
- d) Council + Commission submit annual report to European Council + EP