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***The parliamentary scrutiny of the European Economic Governance***

*Speech on the occasion of the Interparliamentary Conference on Stability, Economic Coordination and Governance in the European Union*

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It is clear that we all agree that there is a strong link between parliamentary scrutiny and the democratic legitimacy. It matters today more than ever. But the mechanism behind this link is far from perfect.

Public policy decisions are legitimate if they take into account the will of European citizens and when what they deliver meets the expectations and needs of citizens.

I would like, as AFCCO chair to leave with you the following messages:

- The democratic legitimacy of the EMU can be further improved within the current EU institutional framework . We do not have to wait till there is an appetite for treaty change to make scrutiny truly work.
- The effectiveness of parliamentary scrutiny depends on how complex, efficient and transparent the economic governance is. The less complex, more efficient and more transparent the governance is, the more effective its scrutiny. This relationship should be an underlying principle in the ongoing reforms.
- An inter institutional agreement between the EP, the Council and the Commission could provide for a better parliamentary scrutiny of different elements of the economic governance. In particular, such an agreement could help with better handling of the issues which require double legitimacy.
- Extending the ordinary legislative procedure to economic and fiscal policy matters would strengthen legitimacy of the EU governance.
- Incorporating the ESM, the Fiscal Compact and the SRF into the framework of European law would improve democratic oversight of European governance. The crisis hit mostly in the areas where there was no European competence and a treaty change required unanimity. As a result international agreements between member state cope today with fundamental elements of European governance. The enhanced cooperation was not used as a possible path for reform.
- Even though the legal basis of the Banking Union excludes the EP from co deciding, constant scrutiny by the EP of the ECB works rather well, despite the fact that the Banking Union added novel layers of intricacy to the ECB accountability issue.

- The participation of national parliaments in the scrutiny of the process of European economic governance requires further adjustments of the control mechanism at national level to include more decisively the implementation and enforcement of European law as well as moving beyond law making toward decision making