



The role of the European Central Bank and other institutions

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As Patomäkki and Galbraith stated in March: the EU is facing a crisis of legitimacy. Democracy is the obvious response.

The question is how to make European governance more democratic, open, legitimate and responsive?

This question can be further specified in terms of public access, accountability, and functionality of the [EU and Eurozone] institutions:

Challenge 1: *How can we make the processes and meetings of the Eurogroup, EcoFin, European Commission and ECB Governing Council more public and accessible to European citizens?*

Proposal:

Place the meetings of the Eurogroup, EcoFin, European Commission and ECB Governing Council on the record by:

- videotaping and web-casting all meetings, either in real time or with a short delay
- creating an accurate stenographic record of all meetings, for public release.

Experience tells that public records improve the quality of debate at critical policy meetings and eventually lead to a better quality of policy maker.

Challenge 2: *How can we organize and empower regular European parliamentary oversight hearings of the conduct of monetary and financial policy by the ECB, Eurogroup, EcoFin and other relevant European policy bodies, with the right to compel testimony and to demand documents?*

Proposal:

- Make membership of the governing council of the ECB subject to confirmation by the European Parliament.



- Give the Parliament the right to compel testimony, under oath if necessary, and to demand documents, by subpoena if required, from the ECB and from other relevant bodies.

Challenge 3: *How can we make the ECB responsible for financial stability, European cohesion and full employment as well as reasonable price stability, in line with pressing European needs and best practice in central banking governance?*

Proposal:

- Disband the troika and exclude the IMF from further involvement in European economic policy making.
- Dispense with failed austerity policies. Restructure the Greek debt and open general negotiations on debt relief in other afflicted countries, using ECB bonds along the lines of the "[Modest Proposal](#)."
- Amend the charter of the ECB to foster an enhanced "dual mandate" for full employment and reasonable price stability, along with financial stability.
- Create an option for European countries to operate with a "managed derogation" under the auspices of the European Central Bank – thus an option for a soft exit or partial entry into the managed euro system.

Challenge 4: *What other ways may there be to strengthen democratic accountability and participation of citizens in the functioning of the existing and emerging EU institutions?*

Open to further discussion