

Opinion No. 2
of the European Union Affairs Committee
of the Sejm of the Republic of Poland
on
“The Council recommendation on the establishment of National Competitiveness
Boards within the Euro Area (COM(2015) 601 final)”
adopted at the 9th meeting held on 16 December 2015.

The European Union Affairs Committee of the Sejm of the Republic of Poland:

1. Does not approve of ”The Council recommendation on the establishment of National Competitiveness Boards with the Euro Area (COM(2015) 601 final)” which directly applies only to the euro-area Member States. The Committee does not approve of the voluntary establishment of the aforementioned boards in the non-euro area states, as it does not consider it appropriate to strengthen current instruments of the management process and supervision over Member States’ economic policies.
2. Welcomes the position of the government of the Republic of Poland presented in the instant case. The Committee considers the government negative opinion regarding the recommendation of the Council to be justified in view of the fact that the Committee did not put forward sufficient arguments for the establishment of the abovementioned institution, and failed to clarify numerous doubts expressed with reference to the case, *inter alia* at meetings of the High Level Group on Competitiveness and Growth, Economic and Financial Affairs Council, Competitiveness Council and their committees by the majority of Member States, including Poland.
3. The Committee considers the government arguments against the establishment of competitiveness boards as appropriate, in particular having regard to:
 - the fact that the European Commission failed to present a diagnosis of the situation which would lead to a conclusion that the current system of economic governance in the European Union needs additional institutions in order to monitor the competitiveness of the Member States’ economies, the assessment of economic and social policies from the competitiveness perspective, and to formulate recommendations for such policies.
 - serious doubts regarding the national powers in view of the establishment of competitiveness boards in a situation where in Poland this is the government which is held responsible for the conduct of economic policy. The creation of an independent

institution on a permanent basis financed by public funds, the essential goal of which will be to review this policy, as well as making recommendations for the government, should be incorporated into the current institutional order described in the Constitution of the Republic of Poland. The establishment for competitiveness boards would disturb the order and, at the same time, would raise a question of the sovereignty of the government and other institutions – the Parliament and the Supreme Chamber of Control in scope of the roles fulfilled by them.

- institution financed from public funds cannot be discharged from any public scrutiny. Voluntary establishment and operation of a separate institution with autonomy and the scope of tasks specified in the draft of the Council Recommendation entails costs for the state budget,

- unconvincing justification of the European Commission of the submitted draft recommendation with the fact that some Member States already have similar institutions in the absence of present-depth analysis of the functioning of such bodies, or the impact of their activities on state competitiveness,

- doubts and concerns in respect of the powers of competitiveness boards.

Having reasonable doubts concerning the draft recommendation, the Polish government rightly points out that the correct approach is to use existing institutions rather than create new ones with the similar scope of operation. The establishment of such a body will not solve the existing problems related to competitiveness, but may only result in greater complexity of economic policy implementation and may reduce democratic legitimacy of the government in this regard. As a result, the coordination of boards' work by the European Commission may also lead to the increased impact of the supranational level on the shaping of economic policy, with the treaties remaining unchanged

Chairman of the Committee

Piotr Naimski