

Coordination by the Council of the general economic policies of Member States

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The primary task that the constituent treaties assigned to the Council was to coordinate the actions of the Member States and of the European Communities with respect to economic policy.

Under Article 26 of the 1951 Treaty establishing the European Coal and Steel Community (ECSC), which expired on 23 July 2002, the principal role of the Special Council of Ministers was to harmonise the action of the High Authority and that of the governments, which were responsible for the general economic policy in their countries.

That task was also set out in the 1957 Rome Treaties. Under the Treaty establishing the European Economic Community (EEC), the Council ensured coordination of the general economic policies of the Member States (former Article 145, new Article 202 of the Treaty establishing the European Community). Under the Treaty establishing the European Atomic Energy Community (EAEC or Euratom), the Council was to take all measures within its powers to coordinate the actions of Member States and of the Community (Article 115).

However, at the time, cooperation was restricted to economic policy, and the mission of coordination invested in the Council was relatively vague. The Council restricted itself to monitoring trends in the economic and monetary policy of the Member States with a view to achieving gradual convergence. In practice, it adopted recommendations, encouraged consultation and took decisions regarding the establishment of committees or other bodies to facilitate concerted action.

The 1992 Treaty on European Union, which sought to achieve economic and monetary union in stages, added a new article to the Treaty establishing the European Community (EC), providing for the introduction of an economic policy based on close coordination of the economic policies of Member States (Article 3a, which became Article 4). This gave the Council a legal instrument, provided for by Article 99 of the EC Treaty, enabling it to set broad guidelines for economic policies. In particular, the Council is responsible for drafting the broad guidelines for the economic policies of the Member States and the Community and for reporting its findings to the European Council. On the basis of the conclusion reached by the European Council, the Council then adopts a recommendation setting out these broad guidelines.