

European Semester for economic policy coordination: implementation of 2013 priorities

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In the framework of the **European Semester**, the Council issued:

- **recommendations to 23 Member States** on the economic and employment policies set out in their national reform programmes, and opinions on their fiscal policies, as presented in their stability /convergence programmes;
- **a specific recommendation on the economic policies of the Member States of the euro area.**

Adoption of the texts, generally endorsed by the European Council on 27 and 28 June, concludes the 2012 European Semester monitoring exercise.

In accordance with the "comply or explain" principle introduced in 2011 in the "six-pack" reform of policy monitoring, the Council issued explanations in cases where its country-specific recommendations do not comply with those proposed by the Commission (see doc [11336/13](#)).

In setting out the priorities for this year's European Semester, the European Council emphasised the need to **accelerate efforts to support growth as a matter of priority whilst pursuing growth-friendly fiscal consolidation.**

Within the period 2013-2014, the **Member States of the eurozone are invited to:**

- take responsibility for the aggregate policy stance in the euro area in order to ensure the good functioning of the euro area to increase growth and employment, and to take forward the work on deepening Economic and Monetary Union;
- ensure that the Eurogroup monitors and coordinates fiscal policies of the euro area Member States and the aggregate fiscal stance for the euro area as a whole to ensure a growth friendly and differentiated fiscal policy;
- building on the recapitalisation and the restructuring of the past years, promote further balance-sheet repair among banks as a means to reverse fragmentation in the single market and improve the flow of credit to the real economy, particularly SMEs;
- coordinate ex ante the major economic reform plans of the Member States whose currency is the euro;
- promote further adjustment in the euro area, ensuring a correction of external and internal imbalances;
- take the necessary steps for an effective implementation of the Macroeconomic Imbalances Procedure.

In line with the Annual Growth Survey 2013, it is crucial for the euro area Member States to take collective and significant measures in order to **tackle the social consequences of the crisis and the rising unemployment levels.**

The Council recommends:

- that bold action should be taken along the lines of the Compact for Growth and jobs and the EU Youth Guarantee to tackle youth unemployment;

- further reforms to facilitate access to employment, prevent early withdrawals from the labour market, reduce the cost of labour, combat labour market segmentation and support innovation are recommended.