

European Semester for economic policy coordination: implementation of 2013 priorities

2013/2134(INI) - 23/10/2013 - Text adopted by Parliament, single reading

The European Parliament adopted by 476 votes to 96, with 25 abstentions, a resolution on the European Semester for economic policy coordination: implementation of 2013 priorities.

Whilst welcoming the country-specific recommendations made by the Commission, Members felt that the former need to be more precisely defined and improved for some Member States.

They considered that **urgent action is required in many areas**, inter alia in:

- restoring lending to the real economy and SMEs, which involves developing alternative resources of financing,
- making the business environment more competitive,
- fighting tax fraud, tax evasion and aggressive tax planning,
- restoring the sustainability of public finances and
- seeking effective European solutions to unemployment and thus establishing a fully integrated labour market and also significantly enhancing the social dimension of EMU.

Parliament welcomed the achievements made in several Member States which allowed their deficit procedures to be closed. It also welcomes the Commission's statement that '**deficit**' countries need to boost their competitiveness and that '**surplus**' countries need to boost, where possible, their demand in a proportionate and sustainable way in order to contribute to the stability and growth of the eurozone.

Members welcomed the Commission's statement that already in this year's budgetary execution assessment and in the analysis of the national budgets for 2014, the Commission will try to accommodate, under certain conditions, non-recurrent, public investment programmes with a proven impact on the sustainability of public finances, while fully respecting the EU fiscal surveillance framework.

Members believed that the EU economy as a whole needs to **boost its competitiveness in the global economy**. They stressed that the EU cannot compete on costs alone, but needs to **invest more in research and development, education and skills**, and resource efficiency.

The Commission is asked to:

- submit as a matter of urgency legislative proposals with the aim of creating a **genuine convergence process within the EU Semester**, based on Europe 2020 objectives, such as a Competitiveness and Convergence Instrument (CCI), as well as provisions on ex-ante economic policy coordination;
- develop a **genuine European industrial policy**, based on enhanced competitiveness and innovation that focuses on restoring European industrial competitiveness and scaling back policies which cause companies to relocate outside the EU;
- submit legislative proposals to complete the EMU, which should include a social pillar and set up a **social pact for Europe**, as recommended by Parliament in its resolution of 20 November 2012.

Parliament called for **closer monitoring of the application of the new prudential rules and the banking sector practices** in financing the real economy, in particular economically viable SMEs. It called for direct banking recapitalisation by the European Stability Mechanism (ESM) to be available as soon as the Single Supervisory Mechanism (SSM) is in place.

Employment and social policies: Parliament called for increased targeting of **EU funding on all priorities under the Europe 2020 strategy**, in particular through growth and employment policies, including combating youth unemployment and long-term unemployment, and creating lasting jobs which are not precarious, entail the compulsory payment of social security contributions and are adequately remunerated. In this regard, it should be ensured that the necessary flexibility that is needed on the labour market is balanced with **adequate levels of social protection**.

Members want to see a **European Pact for Youth Employment** and encouraged the Commission to continue the work of the Youth Employment Action Teams to help the Member States with the highest levels of youth unemployment to re-programme EU structural funding under the 2007-2013 MFF in order to target it at young people. They welcomed the adoption of the Youth Guarantee by the Council and the earmarking of EUR 6 billion for the Youth Employment Initiative under the next MFF.

Parliament called for:

- specific action to increase the labour participation of **women, older workers and workers with disabilities** by ensuring that there are efficient incentives to return to, and stay in, work;
- support for the **long-term unemployed** through positive activation incentives such as personalised guidance and welfare-to-work programmes;
- **labour market reforms** with adequate levels of social protection which aim to reduce in-work poverty and strengthen the rights of workers with atypical contracts and improving social protection for self-employed workers.

The resolution recalled the skills mismatches and bottlenecks in many regions and sectors and the inability of certain education and training systems to cope with market demands and workers' needs in this context.

Internal market: the Commission is asked to make single market governance **a priority in its next Annual Growth Survey and in the European Semester 2014**, and, in the next country-specific recommendations, to take full account of the key growth areas – identified as the services sector, the energy sector, the transport sector and the digital single market.

Members call for full and appropriate **implementation of the EU Services Directive** whilst safeguarding public service obligations.

The Commission is asked, in the meantime, to step up its efforts to **enforce single market legislation** and to monitor this enforcement.

Regional policies: deeply concerned by the sharp downturn in public and private investment in the productive economy and especially at local and regional level, Members are convinced that that the Structural and Investment Funds are essential in order to boost public investment. Member States are urged to do their utmost **to decide in a timely manner on their national programming for the Structural Funds and the Cohesion Fund**, in order to avoid delays in using these funds, whose aim is to support growth and job creation.

Women's rights and gender equality: Parliament welcomed the country-specific recommendations (CSRs) regarding measures to improve childcare facilities, to remove disincentives for second earners and to accommodate the need to combine work and private life.

It stresses the importance of gender budgeting with a view to examining all government programmes and policies, their effects on resource allocation, and their contribution to equality between women and men.

Democratic legitimacy and the European semester: Members stress the need for dedicated **respect for parliamentary prerogatives** at European and national level and for those of the Commission as laid down in the Treaties and EU law against the trend of an increasingly intergovernmental culture of economic-policy making at EU and euro-area level. They urge the Commission to ensure the proper formal involvement of the European Parliament in all the steps of the European Semester process in order to increase the legitimacy of decisions which affect all citizens; calls on the Commission to find ways to increase the visibility of the process.