Broad guidelines of the economic policies of the Member States and the Community for 1997

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The rapporteur considered that the broad guidelines for economic policy had not been sufficiently used to actually achieve a greater degree of coherence in European economic policy. According to Mrs Randzio-Plath, more effective and more binding economic guidelines needed to be promoted and employment needed to be established as an essential element in all other aspects of economic policy. To conclude, the rapporteur stressed the importance of channelling public funds more directly into productive investment and also the need to increase purchasing power in order to raise the level of demand, partly by reducing the tax burden on the labour factor. Rejecting the rapporteur's slightly too pessimistic conclusions, Commissioner de Silguy said that employment could not be decreed away but depended on strong, sustainable and balanced growth. As for demand, he warned that this should not be artificially stimulated as new imbalances would be created. Referring to certain statistics which revealed a gradual increase in both demand, from 1.9% in 1997 to 6.3% in 1998, and productive investment, from 4.8% in 1997 to 6.3% in 1998, Mr de Silguy recommended for this year improved coordination of the economic policies of Member States, including those relating to employment matters. In his opinion, research and development should also be promoted and the labour market should be reformed through a reasonable overhaul of the salary structure, without this necessarily leading to lower salaries. Having noted that investment profitability was at its highest level since the 1960s and that employees had significantly contributed to this healthier macro-economic framework, Mr de Silguy asked employers to relaunch job-creative investment and the authorities to maintain public investment and expenditure, especially on the trans-European networks. Finally, the Commissioner, who was favourable to the substance of the report's main amendments, reaffirmed the Commission's willingness to set up an interinstitutional agreement for implementing Article 103 of the Treaty so that Parliament could be involved more in the multilateral surveillance process.