1997 annual economic Report. Growth, employment and convergence on the road of EMU.

1997/2029(COS) - 24/04/1997 - Economic and Social Committee: opinion, report

The Committee endorsed the Commission analysis of the reasons for the inadequate growth rates and deterioration on the employment front recorded in the first half of the 1990s: inadequate increase in productive capacity, fiscal looseness in some Member States with regard to public expenditure and wage policy - contrary to the stability objectives, turbulence on the currency markets and devaluation of various currencies. Due to the rebalancing of the macroeconomic policy-mix there seemed to have been a turnaround in 1996. The Committee stressed that governments and economic and social representatives had a key role to play in boosting the economy and thus creating more jobs. They should continue to apply this macroeconomic policy-mix that would eventually, through stability, lead to easier job creation. The Community should tackle unemployment with the same determination with which it was pursuing monetary convergence. Consequently, the ‘broad guidelines of the economic policies of the Member States and of the Community’ would assume greater importance. A comprehensive economic policy was in fact needed at EU level in order to pursue the employment objective without damaging the substance of the European model and to create fair competition conditions.