1996 annual economic Report

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The Economic and Social Committee is concerned at the current macroeconomic trends identified by the Commission. The further loss of momentum at the end of 1995, in particular, does not augur well for short to medium-term economic prospects. As stated by the Essen European Council and confirmed by the Cannes Council, equality of opportunity and the reduction of unemployment remain the most important challenges facing the European Union and its Member States. Sustained, socially and environmentally acceptable, investment-driven growth is essential if these economic and social policy requirements are to be met and economic and monetary union realized. The Economic and Social Committee therefore calls on the Commission to promote the European confidence pact for employment initiated by Commission President Jacques Santer and to develop it into a European alliance for employment and stability. Efforts to achieve convergence must also be stepped up with due concern for the principle of social balance. Stability and convergence are essential for economic and monetary union, but they require sustained growth and an improved employment situation. The response to weak economic growth must not be to postpone EMU. In order to meet the 1999 deadline the nominal convergence criterion of the Maastricht Treaty should be fully respected and interpreted appropriately rather than mechanically. Moreover, a policy is needed combining fiscal discipline, economic growth and employment measures, enabling a sufficient number of Member States to join. Finally, the Economic and Social Committee sees a need to improve further the) coordination of economic policy at European level. In particular it feels that there is a need for more structural measures. In connection with the Intergovernmental Conference the ESC calls for employment to be enshrined in the revised EU Treaty.