1995 annual economic Report. General economic policy guidelines

1994/2222(COS) - 22/03/1995

The committee adopted the report by Mr Georgios KATIFORIS (PSE, EL) on the Commission's annual economic report (1995). Mr Katiforis's report is sub-divided into three parts: measures on unemployment, the recovery and medium-term growth and, finally, the third stage of EMU. Unemployment: the objective to create 15 million jobs must should continue to apply and growth should create more jobs. Tax reforms are therefore needed so as to support social security charges from other sources (eco-tax). The report recommends that the social partners start negotiating the possibility and the conditions for reducing working times. Structural policies also need to be applied via public/private partnerships and the trans-European networks should therefore be implemented as quickly as possible. Recovery and medium-term growth: the report highlights the need for measures, including a tax on speculation, in order to boost productive investment, and the need to apply an industrial policy and a policy on increased expenditure on RDT. As far as salaries are concerned, wage increases should not outstrip productivity gains. However, wage restraint should be counterbalanced by various measures such as profit-sharing schemes for employees. As far as deregulation is concerned, care should be taken to ensure that public monopolies are not replaced by private oligopolies. Third stage of EMU: the report welcomes the intention of the EU presidency to change over to the third stage of EMU as quickly as possible and stresses the need for public support for this move and faster technical preparations for the single currency. It also stresses the need for a coordination framework at monetary, economic and fiscal level subject to democratic control by the European Parliament and the national parliaments.