Convergence criteria, the third stage of EMU and the various social security systems

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The committee adopted, by 32 votes to nil, with 12 abstentions, the motion for a resolution on the convergence criteria, the third stage of EMU and the funding of national social security systems. Although the rapporteur, Mr Willockx (PSE, B), stated that the introduction of a single currency could generate employment, because of lower interest rates and sustained growth, he asked that similar importance be immediately granted to employment and fiscal policies as well as to the economic and social aspects. However, the adopted motion for a resolution did not only discuss the European social model, which should remain the cornerstone of the Union, it also looked at the limits that the convergence criteria imposed on the budgetary scope of Member States in terms of their social objectives, the harmful effect of the ageing of the population on social security systems, as well as the need to reduce social security contributions from employers in order to reduce labour costs. To correct this, the document adopted called for a voluntarist policy on employment and restated that the White Paper on Growth, Competitiveness and Employment was a first step towards a sound employment policy. It called for the immediate implementation of the White Paper in question and supported the proposals made by the Commission President to review the financial perspective, with a view to placing greater emphasis on employment in the budget. It also called for a job-creation policy, which would use the capital spent on unemployment payments for job creation purposes. Moreover, the rapporteur regretted that the reduction in social security contributions and the possibility of offsetting this by a European tax on CO2 and energy remained blocked. In fact, in his view, the Union should seek, in the short term, to create a European framework for the transfer of taxation from labour to capital, the environment and energy consumption. In the longer term, the proposal for a 'European social snake' should be revived in the light of EMU. Mr Willockx was aware that there was a relative lack of solidarity in terms of redistribution between Member States. However, he asked clearly that a social and fiscal redistribution policy be established. The document also recalled the shortcomings of the internal market and noted the lack of coordination on tax matters at European level. It emphasized that there was a risk of fiscal rivalry between the Member States, which would accentuate the existing differences. Finally, it recommended that those involved in the European social dialogue continue after the entry into force of the third stage of EMU, particularly as regards wage policy, and that the Commission address the question of the future of social protection in the Union and for Parliament to be closely involved.