State of the European economy, report to the Commission on the broad guidelines for economic policies

2001/2008(INI) - 27/02/2001

The committee adopted the own-initiative report by Karl von WOGAU (EPP-ED, D) on the broad economic policy guidelines. The committee supported the goal of full employment to be achieved over a period of time on the basis of price stability and non-inflationary and ecologically sustainable growth. However, while it took the view that, in general, policy-making should be based on the concept of ·a social market economy·, the committee warned of the dangers of inflation rising to 2.40% in the euro area as a result of rising oil prices and the knock-on effect of the undervalued euro. It therefore called for measures to be taken to ensure that inflation did not exceed the European Central Bank·s 2% guideline. As far as specific policy measures were concerned, the committee supported a speeding-up of structural reforms as part of a policy mix to take account of the possible reduction in demand following the slowdown of the US economy, a ·balanced· approach to the ongoing liberalisation of the telecommunications, energy, rail and postal networks and action to promote investment. There was also a call for the Member States to direct education and training towards meeting the needs of the new economy. Other points taken up in the report included support for measures to reduce energy dependence and reform of the social security system to take account of an ageing population and the need to encourage free movement.