Annual assessment of the implementation of stability and convergence programmes

2001/2009(INI) - 11/04/2001

The committee adopted the own-initiative report by Giorgos KATIFORIS (PES, GR) on the Council·s annual assessment of the implementation of the stability and convergence programmes. The committee came out in favour of ·public borrowing.... to the extent that it is used for public investment· (i.e. the so-called ·golden rule· as practised in the UK which allows public deficits over the economic cycle to cover spending, for example, on infrastructure). The report noted that the UK Treasury had managed to combine this practice with achieving an overall basic surplus. The committee welcomed efforts made by the Member States to control public spending but noted that only ten Member States had managed to achieve a balanced budget and that government debt was still unacceptably high in some Member States. Further efforts were therefore needed to keep budgets in balance. Against the backdrop of reduced forecasts for growth in the European economy, the committee also called for further structural reform designed to increase flexibility and competitiveness. The report approved of the fact that more funds were being switched towards public investment in previously-neglected areas such as education and training, research and information technologies. It also said that both private and public investment was needed to deliver the strategic goal of Europe becoming the most competitive and dynamic knowledge-based economy over the next ten years as set out in the Lisbon Summit. Lastly, there was a warm welcome for Greece's first stability programme, and Greece was urged to build on the progress made so far in the areas of public sector reforms, budgetary discipline and debt reduction.