Situation of the European economy, report on the broad guidelines for economic policies BGEP

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The committee adopted the own-initiative report by Christa RANDZIO-PLATH (PES, D) on the broad economic policy guidelines for the EU. The report highlighted the lack of progress on the Lisbon strategy and repeated Parliament's calls for a reformed labour market, with a balance between flexibility and security, the swift introduction of structural reforms and responsible management of the Stability and Growth Pact. The Member States and the accession countries were urged to undertake a coordinated strategy on structural reform. In addition, coordinated measures were needed to fight tax fraud (particularly in areas such as VAT) and unfair tax competition. MEPs also wanted to see better economic policy coordination involving an early warning system when Member States risk failing to provide for a budget surplus, or even jeopardising their budgetary stability, in periods of strong growth. Moreover, they pointed to over-regulation and lack of cooperation in all areas of the Lisbon strategy and, given the decline in investment in recent years, called for incentives to encourage the private sector to pour more resources into R&D. The report also stressed the need for greater investment in human capital, a crucial factor for growth, productivity and competitiveness. Member States were urged to cut down the drop-out rate at school, improve the quality and attractiveness of vocational training and increase the share of the population completing secondary, post-secondary and tertiary education by 2010. There should also be more incentives for the private sector to invest in life-long learning of employees. The committee was particularly concerned that the skills and employment strategy should focus more on women (especially in the field of science and technology), older workers, immigrants and new entrants to the labour market. Lastly, to help men and women combine working and family life, Member States were urged to speed up the realisation of the childcare targets set at the Barcelona European Council.