1995 annual economic Report. General economic policy guidelines

1994/2222(COS) - 07/04/1995 - Text adopted by Parliament, single reading

In its resolution on the Commission's 1995 annual economic report and the Council report on the broad economic policy guidelines, the European Parliament welcomed the 2.6% increase in GDP in 1994 announced in the report (compared with - 0.4% in 1993) and forecast rates of 2.9% for 1995 and 3.2% for 1996. However, Parliament deplored the overly slow reduction in unemployment, which looked set to top the 11% mark in 1994 and gradually fall to a disappointing 7% by the year 2000. - It was for this reason that Parliament vigorously defended the objective of creating 15 million new jobs between now and the end of the century. It called on the Union and the Member States to do everything within their power to put this commitment into practice within a reasonable period of time and to ensure that growth resulted in new jobs by introducing major tax reforms and gradually introducing legislation reducing working times. On the same lines, it also recommended that measures implemented to control budgetary deficits should take account of their impact on employment. - As far as the recovery in the medium term is concerned, the European Parliament recommended that the propensity to invest should be strengthened in order to boost investments from 19% to 25% of GDP. New products and new areas of industrial activity should be developed, especially in the information sector, as well as in the environment, biotechnology and audiovisual sectors. It also stressed that competitiveness would only improve if education and training in the new technologies were drastically improved. As far as wages are concerned, Parliament acknowledged that wage increases should not outstrip productivity gains but that wage restraint should be counterbalanced by profit-sharing schemes for employees. - With reference to the changeover to the third stage of EMU, the European Parliament approved the conclusions in the report stressing the need to reduce budgetary deficits, provided that they did not compromise the objectives of cohesion, solidarity and high employment levels, and called on the Commission, the Council and the EMI to set a realistic timetable for the changeover to the single currency in order to allow time for a comprehensive public information campaign. At the same time, it issued a clear warning against the risk of self-satisfaction on the part of the Member States with regard to exchange rate and interest rate stability and called on the Commission to investigate this problem. - Finally, Parliament was concerned at the contempt expressed in the Commission report for democratic control by the House, which was limited to merely examining monetary and budgetary policy, and called for all texts on Community matters presented to the Council and the European Council to be presented to the European Parliament as well. Similarly, the European Parliament called for everything to be done to bring about a formal interinstitutional agreement which would fully involve Parliament in all stages of Union economic policy-making (broad economic policy guidelines, multilateral control and procedure in the event of excessive deficit).