Broad guidelines of the economic policies for 1999

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The European Parliament adopted the resolution by André Fourçans (PPE,FR), on the Commission's recommendation for the broad guidelines of the economic policies of the Member States and the Community. The Parliament is pleased to see the stability programmes of the Member States fulfil the requirements of the stability and growth pact. Nonetheless, it considers that some Member States have failed to give this first stability programme exercise all the importance it deserves. Furthermore, some stability programmes are over-optimistic about growth forecasts and too vague as to the ability to control public expenditure. The report welcomes the Commission's call for a European Employment Pact. The Parliament believes that this pact should be based on a political declaration by the Council, the Commission and the European Parliament committing them to growth and employment, with the social partners also being invited to contribute to this objective. Specifically, this pact should contain the following elements: - reinforced cooperation between the different economic actors; - simultaneous discussion of the Broad Economic Guidelines and the Employment Guidelines, with both being adopted in June each year; - a European initiative for the Information Society. The report calls for a variety of structural reforms, in particular: - tax reforms: reducing the burden on labour, modernising tax systems, a reduced VAT rate on labour-intensive services, better tax coordination; - labour market reforms: adjusting the organisation of work while stressing the importance of flexible working hours negotiated at company and branch level, flexible working hours, adjusting social protection systems; - reform of social security systems to make them more flexible. The report also calls for: - improvement of the functioning of the single market; - wide introduction of the principle of mutual recognition; - further integration of the financial markets; - further liberalisation of the telecommunications, transport and energy sectors; - improvement of the conditions enabling access for businesses to all forms of financing (particularly risk capital); - development of a European market in electronic commerce and services.