Annual assessment of implementation of stability and convergence programmes

2002/2288(INI) - 12/03/2003 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on its own-initiative report drafted by Bruno TRENTIN (PES, Italy) on the implementation of stability and convergence programmes. (Please refer to the document dated 19/02/03). Parliament stated that the economic policy guidelines to be considered at the Spring European Council must be more strongly geared to a medium-term oriented policy. The current economic slowdown underlines the need for an urgent re-think of the national economic policies in several Member States which will show positive results only in the medium and long term. There is a strong economic interdependence in the internal market, and in order to boost investments and carry out the structural reforms foreseen in the Lisbon process, an efficiently coordinated economic policy, implemented simultaneously throughout the EU, is the most effective way to overcome the growth crisis. Parliament stressed the necessity of improving budgetary surveillance by Member States, and of continuing to apply the Stability and Growth Pact flexibly. This must include, in countries with excessive budget deficits, continuously cutting back on net new indebtedness by 0.5% annually and holding it below the 3% threshold, as well as pursuing more consistently the overall indebtedness threshold of 60%. Parliament went on to state that recommendations and early warnings should henceforth be issued on the sole responsibility of the Commission, and that the Council should not have the right to vote on them. Although a multilateral surveillance of budgetary policies to reach convergence in the context of the Stability and Growth Pact is easier to implement in phases of national economic growth, it should also be carried out strictly in accordance with the Stability and Growth Pact in downturns. Those Member States which complied best with the Stability and Growth Pact in a favourable economic climate tend to perform better during a general slump. Finally, Parliament called for the Commission's evaluations and recommendations on the stability and growth programmes to be forwarded to Parliament in good time in order to give Parliament an appropriate say in the economic coordination process in the context of the Stability and Growth Pact.