Public finances in economic and monetary Union EMU in 2003

2003/2151(INI) - 26/02/2004 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by Roberto BIGLIARDO (UEN, I) on Commission's paper on public finances in EMU - 2003. (Please see the summary of 27/01/04.) Parliament noted that the French Government has taken a first step in implementing structural reforms (pensions reform, the implementation of social security reform), which should be highly beneficial to public finances in the long term but will not reduce the budget deficit in the immediate future. It emphasized the importance of introducing structural reform packages which in the medium and long term will prove crucial for financial sustainability, for the competitiveness of the European economy and for growth. Parliament urged the accession countries to reduce their deficit levels significantly to below 3% of GDP to ensure fiscal and price stability in an enlarged EU. Reform of their public finances should be effected by reallocating resources as a further move towards ensuring the genuine convergence of accession countries' economies by focusing on the modernisation of their pensions and social benefits systems in support of an effective employment policy. Parliament also emphasised that the best way for Europe to cope with the challenges of an innovation-based global economy is by investing in human resources through secondary and life-long learning. There must be more ambitious investment activities to increase the employment rate, improve education and life-long learning and help develop clean and environmentally-friendly technologies. It felt that, in the interests of boosting public and private investment, it is most important to exceed the current pan-European public spending limit of 0.8 % of GDP. There is room for manoeuvre in spending between 1% and 1.27% of GDP 2004-2006 in line with the present financial perspective 2000-2006 and the Lisbon objectives as well as with the promotion of private investment activities. Furthermore, public expenditure should be redirected in such a way as to ensure that the various budget headings at European and national level reflect the major political priorities set for 2010. Parliament indicated that a mid-term evaluation of the European Action for Growth initiative should be submitted to both the European Council and the European Parliament by 2006 so that the necessary conclusions can be drawn concerning the new Financial Perspective 2007-2011 and the new funding period of the EU Structural Funds. The European Parliament should be fully involved in the mid-term evaluation of the Action for Growth initiative. Parliament called on the European Investment Bank to report to the European Parliament on its preparatory work as soon as possible. It requested that regions which have to date been beneficiaries of the structural funds continue to be eligible following enlargement, on the basis of new parameters.