Annual assessment of the implementation of the stability and convergence programmes

2000/2041(INI) - 18/05/2000 - Text adopted by Parliament, single reading

The European Parliament adopted the resolution based on an own initiative report drafted by Jose Javier POMES RUIZ (EPP/ED, Spain) on the annual assesment of the implementation of the stability and convergence programmes. Parliament expressed its satisfaction that the budgetary objectives set in the previous programmes have been achieved, but notes that those objectives were widely characterised as rather modest. It believes that budgetary consolidation must remain a priority and considers that the improved economic environment gives Member States an opportunity to accelerate fiscal consolidation and introduce tructural reforms. Member States need to implement more radical reforms of their labour markets to tackle unemployment. Tax reforms to reduce taxes are welcomed since they contribute to unemployment, but the reforms should not engender progress in fiscal consolidation. Parliament calls for an annex to the stability and convergence programmes investigating potential implications of ageing populations for public finances as well as different scenarios for the years 2005 to 2010 describing both worst case (minimal reforms or none at all) and best-case scenarios. It criticised the failure of certain programmes sufficiently to take into account a rise in interest rates with all the implications for economic growth and debt servicing in the period covered, which is particularly important for those Member States with a high level of public debt. With regard to the unified monetary policy, there is a need to achieve greater coordination of economic policies than that envisaged in the Stability and Growth Pact, through effective alignment of budgetary policies.