

Public finances in economic and monetary Union

EMU in 2004

2004/2268(INI) - 22/02/2005 - Text adopted by Parliament, single reading

The European Parliament adopted the own-initiative report drawn up by Othmar KARAS (EPP-ED, AT) on public finances in EMU - 2004. (Please refer to the summary dated 02/02/2005).

In addition the amendments adopted by the committee responsible, Parliament underlines the fact that there is no exception to the rules and procedures of the Stability and Growth Pact but calls on all EU institutions to accept their responsibility in the implementation and control of, and compliance with, the Stability and Growth Pact. Member States are called upon to receive equal treatment and to achieve that, the Commission's role, particularly in launching the excessive deficit procedure, should be enhanced. Member States should successfully conclude the examination of the Stability and Growth Pact during the Luxembourg Presidency.

New Member States are urged to speed up reform of their public finances by re-allocating resources as a further move towards ensuring genuine convergence of their economies and to focus in particular on the modernisation of their pension and social benefits systems in support of an effective employment policy. Parliament stresses the need for continuous improvements in fiscal administration and the establishment of an effective tax collection system, in order to create favourable conditions for the activities of enterprises throughout the single market, promote a culture of entrepreneurship and encourage company start-ups.

Lastly, Parliament reiterates its call for a clear method, which includes a definition of 'high-quality public expenditure', of quantifying public budgetary positions and their contribution to growth and investment, with a view to making a positive contribution to the Lisbon goals. Furthermore, it calls for public expenditure to 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.