Basic information	
1996/2603(RSP) RSP - Resolutions on topical subjects	Procedure completed
Resolution on the broad economic guidelines **Subject** 5.10.01 Convergence of economic policies, public deficit, interest rates	

Key events			
Date	**Event**	**Reference**	**Summary**
18/06/1996	Debate in Parliament		
19/06/1996	End of procedure in Parliament		
08/07/1996	Final act published in Official Journal		

Technical information	
Procedure reference	1996/2603(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Debate or resolution on oral question/interpellation
Legal basis	Rules of Procedure EP 142-p5
Stage reached in procedure	Procedure completed

Resolution on the broad economic guidelines

1996/2603(RSP) - 19/06/1996 - Text adopted by Parliament, topical subjects

Adopting a joint resolution by the PSE, PPE, ELDR and Green groups on the broad economic outlines by 339 votes to 33 with 11 abstentions, the European Parliament considered that the Council was guilty of excessive optimism and had given an unsuitable response to the current economic situation in the European Union and felt that the contribution of both monetary policy and structural policies should be much more clear cut. It deplored, in particular, that neither the Commission nor the Council had seen fit to take account of its opinion of 9 May 1996 on the Commission's annual economic report for 1996. While approving the macro-economic framework set out in the Treaty on European Union, especially with regard to price stability and exchange rates, sound public finances, competitiveness, employment and the working of the labour market, it considered nonetheless that the approach taken by the Commission and the Council was inadequate in the face of the current economic stakes and proposed a series of actions to correct it. These include: . restoring the balance between monetary policy and policies to improve public finances in order to mitigate the short-term negative impact of the reduction in deficits; . with regard to improved public finances, sufficient public investment to improve the potential for labour-intensive growth; . a more flexible monetary policy; . making better use of the potential of the internal market in order to trigger growth; . a more realistic approach to the challenges and prospects for sustainable growth; . creating an environment to promote recruitment; . analyzing best job creation practices in the Member States and elsewhere. It considered that a medium-term policy geared to stability would help to encourage long-term investment, sustainable growth and job creation and called for the priorities laid down in Essen to be implemented and strengthened as a matter of urgency in order to defend employment, especially by: . supporting education, training and continuing learning, . creating new jobs in sectors such as the environment or which meet new demands of society, . promoting new working time arrangements. It also called on the Council to implement the conclusions of the Commission Green Paper on innovation (COM(95)0688). Deploring the reticence of most Member States to implement the broad outlines in 1994 and 1995 (especially with regard to reducing non-wage costs on low wages), it urged the Florence Council to reintegrate into the outlines the key elements proposed by the Commission which were left out of the version of the outlines approved by the ECOFIN Council on 3 June 1996 (especially a better mix of reform policies to promote growth, employment etc.). Finally, it called on the Irish presidency to present the recommended broad outlines for economic policy to the July 1996 session of the European Parliament in accordance with Article 103, paragraph 2 of the EC Treaty.