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REPORT

on the European Semester for economic policy coordination: Annual Growth Survey 2019
(2018/2119(INI))

Committee on Economic and Monetary Affairs

Rapporteur: Tom Vandenkendelaere

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the European Semester for economic policy coordination: Annual Growth Survey 2019 (2018/2119(INI))

The European Parliament,

- having regard to the Treaty on the Functioning of the European Union (TFEU), in particular Articles 121(2), 126 and 136 thereof and Protocol No 12,
- having regard to Protocol No 1 on the role of national parliaments in the European Union,
- having regard to Protocol No 2 on the application of the principles of subsidiarity and proportionality,
- having regard to the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union,
- having regard to Regulation (EU) No 1175/2011 of the European Parliament and of the Council of 16 November 2011 amending Council Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies¹,
- having regard to Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States²,
- having regard to Regulation (EU) No 1174/2011 of the European Parliament and of the Council of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area³,
- having regard to Council Regulation (EU) No 1177/2011 of 8 November 2011 amending Regulation (EC) No 1467/97 on speeding up and clarifying the implementation of the excessive deficit procedure⁴,
- having regard to Regulation (EU) No 1176/2011 of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances⁵,
- having regard to Regulation (EU) No 1173/2011 of the European Parliament and of the Council of 16 November 2011 on the effective enforcement of budgetary surveillance in the euro area⁶,
- having regard to Regulation (EU) No 473/2013 of the European Parliament and of the

¹ OJ L 306, 23.11.2011, p. 12.

² OJ L 306, 23.11.2011, p. 41.

³ OJ L 306, 23.11.2011, p. 8.

⁴ OJ L 306, 23.11.2011, p.33.

⁵ OJ L 306, 23.11.2011, p. 25.

⁶ OJ L 306, 23.11.2011, p. 1.

Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area⁷,

- having regard to Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability⁸,
- having regard to the Commission communication of 21 November 2018 entitled ‘Annual Growth Survey 2019: For a stronger Europe in the face of global uncertainty’ (COM(2018)0770), and to the Alert Mechanism Report 2019 (COM(2018)0758),
- having regard to the annual report of the European Fiscal Board of 10 October 2018,
- having regard to the Commission’s European Economic Forecasts (Autumn 2018 and Winter 2019),
- having regard to Regulation (EU) 2017/825 of the European Parliament and of the Council of 17 May 2017 on the establishment of the Structural Reform Support Programme for the period 2017 to 2020 and amending Regulations (EU) No 1303/2013 and (EU) No 1305/2013⁹,
- having regard to the 2018 Ageing Report, published by the Commission on 25 May 2018,
- having regard to the recommendation for a Council recommendation of 21 November 2018 on the economic policy of the euro area (COM(2018)0759),
- having regard to its resolution of 16 February 2017 on improving the functioning of the European Union building on the potential of the Lisbon Treaty¹⁰,
- having regard to the Five Presidents’ Report of 22 June 2015 on completing Europe’s Economic and Monetary Union, to the Commission white paper of 1 March 2017 on the future of Europe, and to the Commission reflection paper of 31 May 2017 on the deepening of the Economic and Monetary Union,
- having regard to the Eurogroup report to Leaders of 4 December 2018 on deepening the Economic Monetary Union (EMU),
- having regard to the statement of the Euro Summit of 14 December 2018,
- having regard to the resolution of the Committee of the Regions of 10 October 2018 on the economic policies for the euro area and in view of the 2019 Annual Growth

⁷ OJ L 140, 27.5.2013, p. 11.

⁸ OJ L 140, 27.5.2013, p. 1.

⁹ OJ L 129, 19.5.2017, p. 1.

¹⁰ OJ C 252, 18.7.2018, p. 215.

Survey¹¹,

- having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs, the opinions of the Committee on the Environment, Public Health and Food Safety and the Committee on Regional Development, and the position in the form of amendments of the Committee on Women’s Rights and Gender Equality (A8-0159/2019),
- A. whereas Europe’s economy is now entering its seventh year of uninterrupted growth; whereas the euro area and the EU’s GDP growth rates have been adjusted downwards, with respective growth of 1.3 % and 1.5 % in 2019 and 1.6 % and 1.8 % (EU27) in 2020; whereas the growth rate is expected to moderate further, owing in part to growing concerns about the global growth outlook; whereas divergences between Member States in economic and employment performances persist;
- B. whereas unemployment in the euro area and the EU stood at 7.9 % and 6.6 % respectively in December 2018; whereas the unemployment rate in many Member States remains above pre-crisis levels, most notably in the case of long-term unemployment, with youth unemployment remaining high in a number of Member States;
- C. whereas the employment rate in the EU is growing, albeit unevenly across the Member States; whereas the number of people in work has reached the highest level ever recorded in the euro area, having stood at 146 million in the third quarter of 2018; whereas many of the newly created jobs are part time;
- D. whereas economic growth remains vulnerable and varies between Member States amid continued geopolitical tensions, which have an impact on global trade, and persisting uncertainties surrounding the Union’s future relations with the UK;
- E. whereas Europe is still facing an investment gap, even though it has for years benefited from exceptionally low interest rates and that financing conditions remain favourable;
- F. whereas according to Eurostat, the old-age dependency ratio in the EU is predicted to increase, in the absence of policy changes, from 29.3 % in 2016 to 52.3 % by 2080, which amounts to fewer than two working-age people for every elderly person; whereas there are vast differences between the Member States in this regard;
- G. whereas over the past two decades, total factor productivity in the euro area has lagged behind that of major global economies;
- H. whereas euro area debt-to-GDP ratio is expected to continue its declining trend of recent years and fall from around 87 % in 2018 to around 85 % in 2019; whereas, however, according to the Commission forecast, ten Member States are expected to have debt-to-GDP ratios of more than 60 % in 2019 and in seven Member States the ratio will remain above 90 %; whereas debt reduction measures have been slow in some Member States; whereas five euro area Member States with high debt-to-GDP ratios are forecast to have

¹¹ OJ C 461, 21.12.2018, p. 1.

a sizeable structural deficit in 2019;

- I. whereas no euro area Member State is forecast to have a deficit above the 3 % of GDP threshold in 2019 and the aggregate euro area headline deficit is expected to have fallen to 0.6 % of GDP in 2018, rising slightly to 0.8 % of GDP in 2019;
- J. whereas the long-term sustainability of the Member States' public finances is a matter of concern for intergenerational fairness;
- K. whereas the current account surplus peaked in 2017 and are set to recede somewhat to settle at around 3.6 % of GDP in the euro area and at 2.3 % of GDP in the EU in 2019 and 2020, and are thus among the highest in the world;

1. Welcomes the Commission's Annual Growth Survey 2019, which reaffirms the importance of: 1) increasing high-quality investments; 2) reforms that increase productivity growth, inclusiveness and institutional quality; and 3) macro-financial stability and sound public finances;

2. Urges the EU and its Member States to take decisive and concerted action to deliver on the aim of inclusive and sustainable growth, to take responsibility for future generations, and to ensure intergenerational fairness through the sustainability and adequacy of public finances and our social security systems and, in so doing, to secure the future of our welfare states;

3. Notes that the Commission's 2018 Ageing Report shows that without policy changes, fiscal costs linked to pensions, healthcare and long-term care are expected to rise over the coming decades, as Europe's population continues to age significantly;

4. Urges the Member States to prepare for these demographic developments by: 1) implementing socially-balanced structural reforms to reduce such costs; 2) enhancing productivity growth, which is essential for ensuring strong and sustainable economic growth in the future, and 3) building the appropriate fiscal buffers to arm against rising fiscal costs;

5. Welcomes the fact that the employment rate in the EU is growing, albeit unevenly across the Member States; notes that long-term unemployment and youth unemployment remain high in some Member States, necessitating continued reforms and investments to facilitate the entry of young people and the long-term unemployed into the labour market;

6. Urges the Commission to further promote the deepening of the Economic and Monetary Union (EMU), in accordance with the agreed roadmap;

7. Calls on the Commission to put the completion of the single market at the top of its agenda;

Delivering high-quality investment

8. Emphasises that, in order to ensure intergenerational fairness in the long term, Member States must increase productivity through productive investments, such as in growth-enhancing sustainable infrastructure projects, consistent with the UN Sustainable Development Goals (SDGs), so as to help stimulate much-needed potential economic growth;

9. Welcomes the positive contribution of the Investment Plan for Europe for economic growth and job creation; underlines the fact that Parliament has already adopted its negotiating position on the InvestEU programme and urges that an interinstitutional political agreement be reached as soon as possible; notes the European Court of Auditors' suggestion on improving the geographical spread of investments supported by the European Fund for Strategic Investments (EFSI);
10. Notes that there is still an investment gap in the euro area, despite the positive results of the Investment Plan for Europe; points out that in the current context of signs of economic slowdown and rising external risks and challenges, public and private investment play an important role in facilitating growth and convergence at European level;
11. Recalls the need for Member States to distinguish between long-term productive public investment and current expenditure when using budgetary space;
12. Stresses that increasing productivity growth requires investment in skills, innovation, automation, digitalisation, R&D, sustainable mobility and infrastructure, in line with the targets of the Europe 2020 strategy; emphasises the need to invest in both physical and human capital, and thereby calls on the Member States to ensure equal access to lifelong education, upskilling and retraining;
13. Considers that reforms removing disproportionate red tape to investments would both facilitate economic activity and create conditions conducive to long-term growth;
14. Stresses that intra-European foreign direct investment can lead to productivity gains for both the investing firm and local firms in the host regions, and helps generate economic convergence within Europe; considers that clear and enforceable rules, a level playing field and reduced compliance costs are crucial factors for attracting investment;
15. Highlights the urgent need for a fully-fledged capital markets union, as better integrated financial markets could provide for further private risk-sharing and risk-reduction mechanisms, facilitate cross-border investments and access to finance for the real economy, and promote sustainable private investments;

Focusing reform efforts on productivity growth, inclusiveness and institutional quality

16. Recalls that an ageing workforce may become a drag on European productivity growth over the next few decades, all things being equal; remains concerned about the EU's low competitiveness and productivity growth and urges the Member States, therefore, to implement productivity-enhancing and socially-balanced structural reforms;
17. Stresses the urgent need to review both the adequacy and long-term financial sustainability of national public pension schemes; underlines the need to reform the pension systems in the Member States concerned so as to ensure long-term sustainability;
18. Shares the Commission's view that higher productivity growth and inclusiveness should be an important objective of national reforms;
19. Stresses the importance of increasing the labour force participation rate in order, *inter alia*, to help keep social security systems sustainable, particularly in the context of an

increasing dependency ratio; calls on the Member States, therefore, to adopt measures encouraging the labour market integration of young people not in education, employment or training (NEETs) and refugees;

20. Notes that excessive taxation can be a hindrance to investments and jobs; calls for a tax shift away from the high tax burden on labour in Europe; considers, moreover, that reducing the tax burden for low and middle incomes is likely to increase demand and boost growth; stresses the need to improve tax collection and better coordinate the administrative practices in the field of taxation, and welcomes the efforts of those Member States implementing such reforms;

21. Emphasises that digitalisation, globalisation, artificial intelligence, automation and technological change offer great growth potential, are radically transforming our labour markets, and are affecting the growth dynamics of European economies;

22. Highlights the fact that mobilising a diminishing working-age population will require more versatile and skilled employees, more dynamic labour markets, active labour market policies, lifelong learning and training of and upskilling and retraining of the labour force, and stronger links between education and training systems and businesses, combined with accessible social security systems; insists that due account be taken of these principles with a view to supporting inclusive and well-functioning labour markets and promoting job quality, as outlined in the European Pillar of Social Rights;

23. Highlights the fact that small and medium-sized enterprises (SMEs), which are an important driver of employment, are unable to fully harness the potential of the European single market on account of legislative and administrative barriers; urges the Commission to reduce these barriers; urges the Commission, moreover, to tackle unfair competition and taxation among SMEs and multinational corporations; emphasises the importance of continuing the fight against tax fraud, evasion and avoidance;

24. Recalls the importance of a business-friendly administrative and regulatory environment whilst taking into account sufficient consumer protection, in order to make it easier for companies to access finance and raise funds across borders; welcomes the Annual Growth Survey's emphasis on the need to improve the effectiveness of public administration, which should involve all levels of government; urges the Member States to remove unnecessary obstacles to private and public investment at local and regional level;

25. Emphasises that coping with potential future shocks requires progress in deepening the EMU; recalls that deepening the EMU will require strong political commitment, efficient governance and democratic accountability; recalls the importance of a resilient banking sector and its efficient and appropriate regulation to safeguard financial stability; calls for a step-by-step completion of the banking union, with a credible European deposit insurance scheme and continued efforts to reduce non-performing loans; takes note of the mandate given by the Euro Summit to the Eurogroup to work on a budgetary instrument for convergence and competitiveness;

Ensuring macroeconomic stability and sound public finances

26. Points out that macro-financial stability and sound public finances remain a precondition of sustainable growth;

27. Notes that a higher proportion of elderly people entails higher spending on healthcare, old-age care and pensions; further notes that in an ageing society, everything else being equal, the proportion of working-age people is falling in relation to the proportion of elderly people, meaning that there are fewer working-age contributors per elderly person; emphasises that this places a massive burden on the public finances of those Member States which have not implemented the necessary reforms, challenging their sustainability;

28. Calls for those Member States with high levels of deficits and public debt to undertake continuous efforts to reduce them; acknowledges the efforts made by a number of Member States to consolidate their public finances, but regrets the fact that some have missed the opportunity to carry out the necessary reforms; points out that some Member States with good fiscal space have consolidated even further, thereby contributing to the euro area's current account surplus;

29. Welcomes the Commission's efforts to encourage those Member States with current account deficits or high external debt to improve their competitiveness, and those with large current account surpluses to promote demand by increasing wage growth in line with productivity growth and to foster productivity growth by promoting investment;

30. Urges the Member States to build the appropriate fiscal buffers for current and future generations; calls for a consistent implementation of and compliance with the Stability and Growth Pact (SGP), including its flexibility clauses, in order to safeguard responsible public finances; recalls the importance of a consistent implementation of fiscal rules for ensuring the trust of financial markets, which is fundamental for attracting investment;

31. Welcomes the European Fiscal Board's proposal for a radical simplification of the budgetary rules to further improve the current EU fiscal framework; stresses that flexibility, as built into the rules of the SGP, allows Member States to strike a good balance between the objective of ensuring prudent fiscal policy and facilitating productive investments; calls on the Commission to take all country-specific factors into account for the purposes of its debt sustainability analyses;

National ownership

32. Recalls that the degree of implementation of the country-specific recommendations is too low; believes that the focus of the European Semester should be on national ownership; urges national and regional parliaments to debate country reports and country-specific recommendations and to engage with the relevant actors; points out that a more streamlined and more focused European Semester could increase ownership;

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33. Instructs its President to forward this resolution to the Council and the Commission.

31.1.2019

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination: Annual Growth Survey 2019
(2018/2119(INI))

Rapporteur: Andrey Kovatchev

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Calls on the Commission to adapt the European Semester process to a new long-term strategic framework guided by the Sustainable Development Goals (SDGs) to support Member States in achieving environmentally sustainable and socially inclusive growth; reiterates the importance of monitoring the implementation of the European Pillar of Social Rights to ensure significant progress in the realisation of its key principles, in particular the right to access high-quality preventive healthcare that is affordable for all;
2. Emphasises that social, climate and environmental policy should play a full role in the European Semester process, in addition to its economic dimensions; calls for the inclusion of indicators oriented towards measuring sustainability and well-being;
3. Stresses that continued decoupling of energy and resource use from economic growth is needed to achieve the EU's 2030 climate and energy targets, in line with the commitments made under the Paris Agreement;
4. Calls on the Commission to include in the European Semester the objective of achieving a climate-neutral economy; recalls the EU's commitment to achieving net-zero greenhouse gas emissions by 2050 through a socially fair transition, and in a cost-efficient manner;
5. Highlights that the decarbonisation of the EU's economy will stimulate significant

additional investment; recalls that today around 2 % of the EU's GDP is invested in its energy system and related infrastructure; notes that this would have to increase to 2.8 % in order to achieve a net-zero greenhouse gas economy, which requires considerable additional investments compared with the baseline;

6. Recalls the need to align the EU's financing commitments with the Paris climate goals, including assessing that investments support or are compatible with climate objectives, ramping up climate finance, and mainstreaming climate reporting on financial flows;
7. Underlines the need to integrate into the European Semester the climate and energy goals set by Member States under the regulation on the governance of the Energy Union and climate action¹;
8. Stresses that greening the economy and investing in more efficient healthcare systems will enhance Europe's capacity to improve the well-being of its citizens; notes that short-term fiscal implications of structural reforms and their long-term environmental, economic and social effects should be taken into account;
9. Considers it important to use the European Semester to accelerate the transition towards a resource-efficient, circular, net-zero emission, energy-efficient economy based on renewable energy and contributing to sustainable development and the achievement of the Sustainable Development Goals; reiterates the importance of EU financial support for coal- and carbon-intensive regions to enable a just energy transition to clean technologies and energy-efficiency solutions, while creating sustainable jobs;
10. Considers the European Semester to be an essential tool without which the EU biodiversity targets, and the respective socio-economic benefits, will not be reached;
11. Welcomes the proposed allocation of EU funding in the next programming period to support Member States in the implementation of recommendations and structural reforms, but stresses that this linkage should not take the form of a conditionality; calls for the adoption of a longer-term perspective in the monitoring and assessment of reform progress;
12. Welcomes the recognition in the European Semester that Member States should pay particular attention to the adaptability of the workforce, to ensure they have the right skills to match technological progress; stresses, in this context, the need to adopt a just transition approach, ensuring inclusion and participation of all those affected, and supporting the workforce and the creation of decent work and quality jobs;
13. Welcomes the fact that in the area of healthcare the European Semester process shifted the focus from cost-saving to health system performance, recognising the importance of health outcomes and access to high-quality healthcare that is affordable to all; calls for the development of common indicators and methodologies to assess the performance of healthcare systems with the aim of reducing health inequalities; supports the efforts to develop common indicators and methodologies to enable the assessment of national healthcare systems' performance, including inequalities and gaps in access to

¹ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, OJ L 328, 21.12.2018, p. 1.

healthcare;

14. Stresses that effective investment in healthcare, including health research and disease prevention, is essential for providing citizens with equal access to high-quality healthcare services; underlines the importance of the sustainability of the healthcare sector;
15. Underlines the importance of structured and systematic dialogue with civil society at national level with a view to increasing ownership; believes that the Commission should gather input from a broad range of stakeholders and ensure more publicity around the country-specific recommendations (CSRs) and country reports, including through more discussions at a higher political level;
16. Calls on the Commission to give a territorial dimension to the European Semester at both analytical and operational level; considers, furthermore, that in order to ensure the effective management of structural policies, regional and local authorities must be involved in drawing up and taking decisions on these policies by means of a top-down mixed planning process and vice versa;
17. Calls for structured involvement of civil society and environmental organisations within the European Semester process, and for greater involvement of environment ministers within the European Semester process at Council level;
18. Calls for greater coherence with other EU policies, such as those related to climate change and unsustainable exploitation of natural resources;
19. Stresses the need to strengthen the European common response capacity to disasters such as drought in southern European countries, catastrophic floods, forest fires and earthquakes; stresses the need to encourage greater cooperation on the advanced planning of European disaster-response operations by, among other measures, mapping Member States' assets, drawing up contingency plans and improving risk-management planning.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	29.1.2019
Result of final vote	+: 43 -: 8 0: 2
Members present for the final vote	Marco Affronte, Margrete Auken, Pilar Ayuso, Zoltán Balczó, Catherine Bearder, Ivo Belet, Paul Brannen, Soledad Cabezón Ruiz, Nessa Childers, Birgit Collin-Langen, Miriam Dalli, Seb Dance, Mark Demesmaeker, Bas Eickhout, José Inácio Faria, Francesc Gambús, Elisabetta Gardini, Gerben-Jan Gerbrandy, Jens Gieseke, Julie Girling, Sylvie Goddyn, Françoise Grossetête, Andrzej Grzyb, Jytte Guteland, Anneli Jäätteenmäki, Jean-François Jalkh, Benedek Jávor, Karin Kadenbach, Urszula Krupa, Giovanni La Via, Jo Leinen, Peter Liese, Valentinas Mazuronis, Susanne Melior, Miroslav Mikolášik, Rory Palmer, Massimo Paolucci, Bolesław G. Piecha, John Procter, Julia Reid, Michèle Rivasi, Davor Škrlec, Renate Sommer, Ivica Tolić, Adina-Ioana Vălean, Damiano Zoffoli
Substitutes present for the final vote	Herbert Dorfmann, Fredrick Federley, Christophe Hansen, Babette Winter, Carlos Zorrinho
Substitutes under Rule 200(2) present for the final vote	José Blanco López, Andor Deli

18.2.2019

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination: Annual Growth Survey 2019 (2018/2119(INI))

Rapporteur for opinion: Iskra Mihaylova

SUGGESTIONS

The Committee on Regional Development calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Acknowledges that the EU economy is continuing to grow, employment has risen and the investment gap brought about by the crisis has almost closed, although public investment is still below its pre-crisis level, with major gaps in some of the countries most affected by the crisis; points out nevertheless that vulnerabilities persist, sustainable growth has not benefited everyone equally, unemployment rates are still high in several Member States, and economic, social, regional and territorial disparities are still a key issue of concern; points out that, notwithstanding the fact that investments increased, their impact on productivity has been insufficient, and that better targeting of the investments of cohesion policy and their complementarities with other Union programmes, and with public and private investments, are therefore necessary in order to raise productivity and smooth out the differences across Member States; notes that the Stability and Growth Pact (SGP) should also focus on improving social aspects and achieving sustainable growth;
2. Stresses that the EU should support the postulated recovery with economic policies that protect public services and improve the quality and accessibility of services of general interest;
3. Recalls that, in 2017, public investment as a percentage of GDP in the EU (2.7 %) and in the euro area (2.6 %) was well below the average for the last 10 years (3.2 % and 3.0 %, respectively); notes that, for this reason, public investment must be significantly boosted to compensate for the years of decline triggered by the financial crisis, and meet

the urgent need for investment in infrastructure and public services; observes that public investment remains a priority and should not be undermined by efforts to promote public-private partnerships;

4. Notes that, according to the European Investment Bank (EIB), EU investment in infrastructure is still 20 % lower than pre-crisis level, 34 % of municipalities having indicated that it is failing to meet their requirements, while the EU needs infrastructural investment of at least EUR 335 billion annually;
5. Points out that the European Semester must contribute consistently to the elimination of inequalities and disparities, in particular of a social, economic and territorial nature, between the different regions of the EU; stresses that the continuing geographical imbalance in EIB investments is unacceptable, and the fact that, in 2017, half of the Member States received 80 % of the total EIB investment in the EU, while the other 14 Member States received only 10 % is of great concern;
6. Notes that the best response to citizens' concerns is to support a rise in real earnings and seek more by way of investment to create quality jobs, boost domestic demand and ensure a fairer distribution of the wealth generated; considers that the EU should contribute to the flexibility of the SGP by creating fiscal space for the implementation of the European Pillar of Social Rights;
7. Points out that the European Semester should, as a matter of priority, contribute to the realisation of the European Pillar of Social Rights and monitor the delivery of its 20 key principles, with particular emphasis on ensuring equality of treatment and opportunities for women and men, social protection, access to all essential services, the right to equal pay for work of equal value, and the right to affordable care services of good quality;
8. Recalls that the European Semester should highlight the importance of stepping up measures to combat tax evasion and fraud, thereby generating public investment funding and additional resources for implementing the European Pillar of Social Rights;
9. Points out that the European Semester should take into account the promotion of access to effective social protection in line with the relevant principles of the European Pillar of Social Rights, that Member States must be encouraged to take the necessary measures to remove obstacles to workers' enjoyment of social protection rights and create comprehensive social protection systems, and that the European Semester should therefore monitor Member States' progress in adopting legislation and developing systems that guarantee access to social protection for all;
10. Points to the importance of maintaining the focus of the European Semester on delivering smart, sustainable and inclusive growth, with greater coordination of national and EU policy, in order to create more good quality jobs in the EU and reduce pay and pension gaps;
11. Stresses that the European Semester should focus on increasing productivity through greater investment in infrastructure, education and training, health and research and innovation, and that greater productivity should be reflected in increased pay;
12. Stresses that low earnings in Europe remain a challenge, that the concentration of

workers at the lower end of the wage scale and high poverty rates are a clear sign of wage-setting policies, and that the gender pay gap, coupled with precarious employment, especially among young people, remains a serious problem that needs to be resolved urgently;

13. Calls for the European Semester to include poverty eradication as one of its priorities, as indicated in the Sustainable Development Goals (SDGs);
14. Stresses that ageing populations should prompt governments to invest more in protecting older people and not less, as suggested by the SGP, that public investment in health should be proportional to need, that accessibility to healthcare should be assessed regularly, taking into account average individual disposable income and the impact on households, and that measures must be taken to promote and monitor investment in preventive healthcare, which is essential in an ageing society;
15. Calls for the European Semester to actively contribute to meeting, in a sustainable manner, the demographic challenges (ageing, population loss, demographic pressure, inability to attract or retain adequate human capital) that are affecting European regions in a variety of specific ways; stresses in particular the need to provide adequate support to certain territories such as a number of outermost regions;
16. Stresses that the European Semester should include a thorough analysis of the medium- and long-term labour market impact of technological change; points out that, while technological change can create opportunities for new or better jobs and safer workplaces, it is today frequently associated with the elimination of jobs or the creation of precarious jobs;
17. Stresses that the social and economic development of the EU depends on adherence to our fundamental values;
18. Stresses that one of the priorities of the European Semester must be to protect and support populations and territories suffering from the adverse effects of globalisation (such as relocation and job losses);
19. Calls on the Commission and the Member States to step up their cooperation and to take further measures to leverage private and public investments and more partnerships in order to create new jobs and to fully maximise the added value of cohesion policy funds and their complementarities and synergies with other Union programmes and financial instruments;
20. Emphasises that the degree of involvement of the social partners at national level is still low, and that both the Commission and Member State governments should do more to ensure that they are consulted;
21. Calls on the Commission and the Member States to implement thorough and complete monitoring of all types of housing tenure, as well as to carry out research and to examine the geographical differences between low-demand areas and heated housing markets, among other important issues, in order to improve the analytical basis of the housing assessment in the country reports and the country-specific recommendations;

22. Supports the view that investment, innovation, knowledge and structural reforms play an important part in making Europe stronger and more cohesive; points out, in this context, that investment under the cohesion policy, whose role is vital and cannot be replaced by other instruments, provide the largest share of EU financial support, amounting to EUR 638 billion together with national co-financing for the period 2014-2020, and provides European added value by contributing to economic growth, social inclusion, innovation and environmental protection, by addressing new challenges such as security, the integration of migrants and refugees under international protection, as well as by contributing to public and private investment, alongside appropriate reforms to boost sustainable economic growth, inclusiveness, institutional and administrative capacity;
23. Urges that the impact of research and innovation policies on the development and economic and social growth of the Member States be evaluated;
24. Welcomes the proposals for the next Multiannual Financial Framework (MFF) and the strengthened links between cohesion policy and the European Semester process for delivering sustainable and inclusive growth, paying particular attention to outermost, remote, least developed or underpopulated regions; deplores, however, the decrease in resources proposed for cohesion policy, and insists that the funding should be maintained at the current level; calls for the swift and timely adoption of the MFF package and the cohesion policy regulations in order to avoid any possible delays in implementation; welcomes the requirement under the new MFF for a quarter of expenditure to be spent on climate objectives, given that climate change is an important long-term issue;
25. Takes note of the stronger focus of the 2019 European Semester on investment needs to support programming decisions for the period from 2021 to 2027 and the envisaged new annex to the 2019 country reports, in which investment needs that are relevant for the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+) and the Cohesion Fund (CF) during the 2021-2027 period will be identified; considers that a greater focus should be placed on fighting inequalities, also through cohesion policy funding, by implementing effective tools and targeting resources to this end;
26. Stresses the importance of continuing and stepping up ESF+ support for the Youth Guarantee, of the Youth Employment Initiative and the European Solidarity Corps, in view of their role in meeting the challenges of employment, economic growth, social inclusion, learning and vocational training;
27. Considers that there is a need for further simplification and greater flexibility among Union funds, programmes and instruments to make EU funding for strategic investment projects simpler, more efficient and geographically balanced; stresses that particular attention needs to be paid to regions whose development is lagging behind;
28. Notes that cohesion policy must aim to promote the harmonious and balanced development of the Union as a whole and of its regions, leading to a strengthening of its economic, social and territorial cohesion, in a spirit of solidarity and with the aim of promoting sustainable growth, employment, social inclusion and reducing disparities between and within regions, as well as the helping to overcome the underdevelopment of the least-favoured regions;

29. Points out that the Seventh Cohesion Report draws attention to the great diversity of regions and territories, including those in the current categories, owing to their specific circumstances (ultra-peripheral location, sparse population, low income, low growth, etc.), making a tailored territorial approach essential;
30. Stresses the need to take into account the provisions of Article 349 of the TFEU regarding specific measures to meet the challenges facing the outermost regions owing to their geographical remoteness, insularity, small size, difficult topography and climate, and economic dependence on a few products;
31. Calls for the European Semester to support European territorial cooperation (ETC) in all its dimensions (cross-border, transnational and interregional cooperation, both internally and externally), thereby ensuring action to meet the overall objectives of economic, social and territorial cohesion, as well as contributing to solidarity;
32. Reiterates the importance of the implementation of macro-regional strategies in achieving cohesion policy objectives;
33. Notes that certain European regions are particularly exposed to the impact of Brexit, and the UK's withdrawal may have a negative impact on cohesion policy as a whole; stresses that one of the European Semester's objectives should be to minimise the adverse impact of Brexit on the different European regions affected, and to actively contribute to the strengthening of cohesion policy, which has played a substantial role in the recovery of the EU economy by promoting smart, sustainable and inclusive growth.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	14.2.2019
Result of final vote	+: 28 -: 3 0: 0
Members present for the final vote	Pascal Arimont, Franc Bogovič, Victor Boștinaru, Mercedes Bresso, Andrea Cozzolino, Rosa D'Amato, Tamás Deutsch, John Flack, Iratxe García Pérez, Krzysztof Hetman, Sławomir Kłosowski, Constanze Krehl, Louis-Joseph Manscour, Martina Michels, Iskra Mihaylova, Andrey Novakov, Mirosław Piotrowski, Stanislav Polčák, Liliana Rodrigues, Fernando Ruas, Monika Smolková, Ruža Tomašić, Ramón Luis Valcárcel Siso, Matthijs van Miltenburg, Lambert van Nistelrooij, Derek Vaughan
Substitutes present for the final vote	Martina Anderson, Elsi Katainen, Ivana Maletić, Bronis Ropè, Davor Škrlec

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

28	+
ALDE	Elsi Katainen, Iskra Mihaylova, Matthijs van Miltenburg
ECR	John Flack, Sławomir Kłosowski, Mirosław Piotrowski, Ruža Tomašić
PPE	Pascal Arimont, Franc Bogovič, Tamás Deutsch, Krzysztof Hetman, Ivana Maletić, Lambert van Nistelrooij, Andrey Novakov, Stanislav Polčák, Fernando Ruas, Ramón Luis Valcárcel Siso
S&D	Victor Boştinaru, Mercedes Bresso, Andrea Cozzolino, Iratxe García Pérez, Constanze Krehl, Louis-Joseph Manscour, Liliana Rodrigues, Monika Smolková, Derek Vaughan
VERTS/ALE	Bronis Ropë, Davor Škrlec

3	-
EFDD	Rosa D'Amato
GUE/NGL	Martina Anderson, Martina Michels

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention

4.12.2018

**POSITION IN THE FORM OF AMENDMENTS
OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY**

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination: Annual Growth Survey 2019
(2018/2119(INI))

On behalf of the Committee on Women's Rights and Gender Equality: Ernest Urtasun
(rapporteur)

Position

AMENDMENTS

The Committee on Women's Rights and Gender Equality presents the following amendments to the Committee on Economic and Monetary Affairs, as the committee responsible:

Amendment 1

Motion for a resolution

New Recital

Motion for a resolution

Amendment

whereas the principle of gender equality is a core value of the EU; whereas Articles 8 and 10 TFEU lay down the obligation of gender mainstreaming, stating that the EU must aim to eliminate inequalities, promote gender equality and combat discrimination in all its policies and activities;

Amendment 2

Motion for a resolution
New Recital

Motion for a resolution

Amendment

whereas persistent gender gaps, such as the 18.2 % gender employment gap, the 16.2 % gender pay gap and the 36.5 % gender pension gap, among others such as the gender gap in decision-making processes, are still significant in the EU; whereas urgent efforts are needed to eliminate these gaps, as they remain one of the main barriers to achieving gender equality and an unacceptable form of gender discrimination;

Amendment 3

Motion for a resolution
New Recital

Motion for a resolution

Amendment

whereas addressing the gender pension gap, which stands at an average of nearly 40 % in the EU and results from inequalities accumulated throughout the course of women's lives and their periods of absence in the labour market, is of the utmost importance; whereas the provision of care services is instrumental to an effective response to women's labour shortages;

Amendment 4

Motion for a resolution
New Recital

Motion for a resolution

Amendment

whereas underfunded public services and cuts to social services, including healthcare, education, housing, childcare and long-term care services, have a particular impact on women, as they often

fill the gaps in caregiving, education and other kinds of family support, typically without remuneration, which perpetuates women's disproportionate responsibility for care;

Amendment 5

Motion for a resolution New Recital

Motion for a resolution

Amendment

whereas the quality of care provisions varies greatly within and among the Member States, and among private and public settings, urban and rural areas, and age groups;

Amendment 6

Motion for a resolution New Recital

Motion for a resolution

Amendment

whereas women are underrepresented in ICT and are generally employed in low-quality digital jobs; whereas there are gender gaps in access to and the use of digital technologies; whereas including more women in the digital economy could have a significant impact on economic growth;

Amendment 7

Motion for a resolution New Recital

Motion for a resolution

Amendment

whereas the European Semester should contribute to the realisation of the European Pillar of Social Rights and

monitor the delivery of all 20 key principles, with a particular emphasis on ensuring equality of treatment and opportunities between women and men, the right to equal pay for work of equal value, and the right to affordable care services of good quality; whereas the focus of EU economic governance should be shifted from the narrow objective of GDP growth towards well-being and convergence with high minimum standards for gender equality;

Amendment 8

Motion for a resolution New Paragraph

Motion for a resolution

Amendment

Regrets once again the absence of gender mainstreaming in the Europe 2020 strategy and calls on the Commission and the Council to introduce a gender equality pillar in the strategy and an overarching gender equality objective;

Amendment 9

Motion for a resolution New Paragraph

Motion for a resolution

Amendment

Reiterates its concern about the lack of a gender perspective and indicators within the framework of the European Semester, and calls on the Commission and Member States to ensure greater inclusion of a gender mainstreaming perspective in the formulation of country-specific recommendations, convergence programmes and national reform programmes, by setting qualitative targets and measures that address persisting gender gaps, and to systematically apply

the principles of gender budgeting;

Amendment 10

Motion for a resolution New Paragraph

Motion for a resolution

Amendment

Reiterates its call on the Commission to facilitate the monitoring of the employment and poverty reduction headline targets and the impact of reforms over time, by requesting that Member States use gender-segregated data, and to define additional gender-specific indicators; requests that the macroeconomic imbalance scoreboard be enriched with social indicators, including gender inequality indicators, which must be on an equal footing with economic indicators;

Amendment 11

Motion for a resolution New Paragraph

Motion for a resolution

Amendment

Calls on the Commission and Member States to use gender-disaggregated data in their monitoring process where possible, in particular with regard to the participation of women in the labour market;

Amendment 12

Motion for a resolution New Paragraph

Motion for a resolution

Amendment

Reiterates its concern about the lack of good-quality, affordable and accessible

childcare and long-term care services for older people and people with disabilities and chronic illnesses, which is one of the reasons for the underrepresentation of women in the labour market; stresses the need to prioritise action to tackle the problems of unemployment, poverty and social exclusion, which affect women most of all, particularly those from disadvantaged backgrounds, with a particular emphasis on sustainable employment/good-quality jobs conferring rights and good-quality public services that ensure social inclusion, especially in the areas of education, healthcare, childcare, care for people with support needs, public transport and social services; calls on the Member States to improve public investment in care services and to monitor their quality, affordability and accessibility;

Amendment 13

Motion for a resolution New Paragraph

Motion for a resolution

Amendment

Stresses that unemployment, poverty and social exclusion are of great concern, particularly among women; points, therefore, to the importance of maintaining the focus of the European Semester on delivering smart, sustainable and inclusive growth, with greater coordination of national and EU policy, in order to create more good-quality jobs in the EU, thereby addressing gender employment and the pay and pension gaps;

Amendment 14

Motion for a resolution New Paragraph

Motion for a resolution

Amendment

Is concerned about vertical and horizontal labour market segregation throughout the EU, gender pay and pension gaps, and the low number of women involved in decision-making processes; stresses that the employment rate of women is still below that of men; underlines that the employment gap is especially high for mothers and women with care responsibilities;

Amendment 15

Motion for a resolution New Paragraph

Motion for a resolution

Amendment

Calls on the Commission and the Member States to monitor women's labour participation on the basis of the number of hours worked per week, contract types, and women's financial independence, and to fight female poverty on that basis; calls for an increase in the minimum wage to at least a living wage, for binding measures to bring about wage transparency and for pay audits to be carried out at company level, in order to achieve equal pay for equal work and for work of equal value in all sectors and professions; calls, furthermore, on the Member States to unblock the Women on Boards Directive; urges the Council to reach a swift agreement on the proposal for a directive for a better work/life balance, including on equal and affordable childcare and life-cycle care services for working parents and carers to enable them to better reconcile their private and professional lives;

Amendment 16

Motion for a resolution
New Paragraph

Motion for a resolution

Amendment

Points out the importance of monitoring the number of NEETs as a percentage of the total population aged 15 to 24, among other auxiliary indicators, and stresses that special attention must be paid to young women and girls, as there is a considerable difference between the sexes when it comes to the proportion of NEETs in this age group;

Amendment 17

Motion for a resolution
New Paragraph

Motion for a resolution

Amendment

Calls on the Member States to strengthen their efforts to improve the digital skills that citizens need on the labour market, with a particular focus on minimising the gender gaps in this field; stresses the urgent need to improve women's education and employment in ICT sectors and to facilitate their access to high-level positions;

Amendment 18

Motion for a resolution
New Paragraph

Motion for a resolution

Amendment

Calls for policies supporting women's entrepreneurship, facilitating their access to finance and business opportunities, providing tailor-made training and establishing measures for the reconciliation of professional and private life;

Amendment 19

**Motion for a resolution
New Paragraph**

Motion for a resolution

Amendment

Calls on the Commission to carry out a gender impact assessment of the structural reforms implemented so far and suggests that the European Institute for Gender Equality be involved more closely in all stages of the European Semester;

Amendment 20

**Motion for a resolution
New Paragraph**

Motion for a resolution

Amendment

Invites once again the Commissioner(s) responsible to discuss the gender aspects of the Annual Growth Survey with the Committee on Women's Rights and Gender Equality each year;

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	26.2.2019
Result of final vote	+: 35 -: 9 0: 3
Members present for the final vote	Pervenche Berès, Esther de Lange, Markus Ferber, Jonás Fernández, Giuseppe Ferrandino, Sven Giegold, Roberto Gualtieri, Brian Hayes, Gunnar Hökmark, Cătălin Sorin Ivan, Petr Ježek, Othmar Karas, Wolf Klinz, Werner Langen, Bernd Lucke, Olle Ludvigsson, Ivana Maletić, Gabriel Mato, Alex Mayer, Bernard Monot, Luděk Niedermayer, Stanisław Ożóg, Ralph Packet, Dariusz Rosati, Pirkko Ruohonen-Lerner, Anne Sander, Molly Scott Cato, Pedro Silva Pereira, Peter Simon, Theodor Dumitru Stolojan, Paul Tang, Ramon Tremosa i Balcells, Ernest Urtsun, Marco Valli, Tom Vandenkendelaere, Babette Winter, Sotirios Zarianopoulos
Substitutes present for the final vote	Eric Andrieu, Nessa Childers, Bas Eickhout, Sophia in 't Veld, Jeppe Kofod, Aleksejs Loskutovs, Thomas Mann, Lieve Wierinck
Substitutes under Rule 200(2) present for the final vote	Ole Christensen, Danilo Oscar Lancini

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

35	+
ALDE	Sophia in 't Veld, Petr Ježek, Wolf Klinz, Ramon Tremosa i Balcells, Lieve Wierinck
NI	Cătălin Sorin Ivan
PPE	Markus Ferber, Brian Hayes, Gunnar Hökmark, Othmar Karas, Esther de Lange, Werner Langen, Aleksejs Loskutovs, Ivana Maletić, Thomas Mann, Gabriel Mato, Luděk Niedermayer, Dariusz Rosati, Anne Sander, Theodor Dumitru Stolojan, Tom Vandenkendelaere
S&D	Eric Andrieu, Pervenche Berès, Nessa Childers, Ole Christensen, Jonás Fernández, Giuseppe Ferrandino, Roberto Gualtieri, Jeppe Kofod, Olle Ludvigsson, Alex Mayer, Pedro Silva Pereira, Peter Simon, Paul Tang, Babette Winter

9	-
ECR	Bernd Lucke
EFDD	Bernard Monot, Marco Valli
ENF	Danilo Oscar Lancini
NI	Sotirios Zarianopoulos
VERTS/ALE	Bas Eickhout, Sven Giegold, Molly Scott Cato, Ernest Urtasun

3	0
ECR	Stanisław Ożóg, Ralph Packet, Pirkko Ruohonen-Lerner

Key to symbols:

+ : in favour

- : against

0 : abstention