



EUROPEAN PARLIAMENT

2009 - 2014

---

*Committee on Economic and Monetary Affairs*

---

**2011/2319(INI)**

12.1.2012

# **AMENDMENTS**

## **1 - 111**

**Draft report**  
**Jean-Paul Gauzès**  
(PE887.394v01-00)

on the contribution to the Annual Growth Survey 2012  
(COM(2011)0815 – 2011/2319(INI))

AM\888463EN.doc

PE478.675v01-00

AM\_Com\_NonLegReport

**Amendment 1**  
**Sylvie Goulard**

**Motion for a resolution**  
**Citation 1**

*Motion for a resolution*

– having regard to the Communication from the Commission of 23 November **2012** on the Annual Growth Survey 2012 (COM(2011)0815),

*Amendment*

– having regard to the Communication from the Commission of 23 November **2011** on the Annual Growth Survey 2012 (COM(2011)0815),

Or. en

**Amendment 2**  
**Pervenche Berès**

**Motion for a resolution**  
**Citation 4 a (new)**

*Motion for a resolution*

*Amendment*

– *having regard to its resolution of 6 July 2011 on the financial, economic and social crisis: recommendations concerning the measures and initiatives to be taken<sup>1</sup>,*

---

<sup>1</sup> P7\_TA(2011)0331

Or. en

**Amendment 3**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Motion for a resolution**  
**Recital A (new)**

*Motion for a resolution*

*Amendment*

***A. Whereas the latest statistical evidence highlights rising inequalities and unemployment in the European Union,***

Or. en

**Amendment 4**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Motion for a resolution**

**Recital B (new)**

*Motion for a resolution*

*Amendment*

***B. Whereas most Member States have lost track of the headline targets of the EU2020 objectives,***

Or. en

**Amendment 5**

**Pervenche Berès**

**Motion for a resolution**

**Subheading 1**

*Motion for a resolution*

*Amendment*

***Economic challenges and main macroeconomic policies***

***deleted***

Or. en

**Amendment 6**

**Pervenche Berès**

**Motion for a resolution**

**Subheading 1 a (new)**

*Motion for a resolution*

*Amendment*

***Key message with a view of the Spring European Council:***

Or. en

**Amendment 7**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Motion for a resolution**

**Paragraph -1 (new)**

*Motion for a resolution*

*Amendment*

***-1. Recalls its requests addressed to the Council and the Commission in its resolution of 1 December 2011 on the European Semester for Economic Policy Coordination and demands a public response to the elements contained in such resolution;***

Or. en

**Amendment 8**

**Nikolaos Chountis**

**Motion for a resolution**

**Paragraph 1**

*Motion for a resolution*

*Amendment*

1. ***Welcomes*** the spirit of the Annual Growth Survey (AGS) 2012 as presented by the Commission; stresses that the solutions ***specifically targeting*** the ***current sovereign and financial crisis, and being worked on a daily basis by all the institutions, should go hand in hand with a major focus on the medium- and long-term growth-enhancing measures, as well***

1. ***Deplores*** the spirit of the Annual Growth Survey (AGS) 2012 as presented by the Commission; stresses that the solutions ***promoted will not aid the confrontation of this crisis or the prevention of a generalized depression in EU, but instead exacerbate its effects, increase social inequalities, poverty and unemployment and eventually lead to the***

*as an overhaul of the general economic framework, in order to improve the competitiveness, and ensure the long-lasting success, of the European economy;*

*impoverishment of the peoples of Europe;*

Or. en

#### **Amendment 9**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

#### **Motion for a resolution**

##### **Paragraph 1**

###### *Motion for a resolution*

1. *Welcomes the spirit* of the Annual Growth Survey (AGS) 2012 as presented by the Commission; stresses that the solutions specifically targeting the current sovereign and financial crisis, and being worked on a daily basis by all the institutions, should go hand in hand with a major focus on the medium- and long-term growth-enhancing measures, as well as an overhaul of the general economic framework, in order to improve the competitiveness, and ensure the long-lasting success, of the European economy;

###### *Amendment*

1. *Takes notes* of the Annual Growth Survey (AGS) 2012 as presented by the Commission; stresses that the solutions specifically targeting the current sovereign and financial crisis, and being worked on a daily basis by all the institutions, should go hand in hand with a major focus on the medium- and long-term growth-enhancing measures, as well as an overhaul of the general economic framework, in order to improve *sustainability of the European Economy, the* competitiveness, and ensure the long-lasting success, of the European economy;

Or. en

#### **Amendment 10**

**Pervenche Berès**

#### **Motion for a resolution**

##### **Paragraph 1**

###### *Motion for a resolution*

1. *Welcomes the spirit* of the Annual Growth Survey (AGS) 2012 as presented

###### *Amendment*

1. *Takes note* of the Annual Growth Survey (AGS) 2012 as presented by the

by the Commission; stresses that the solutions specifically targeting the current sovereign and financial crisis, and being worked on a daily basis by all the institutions, should go hand in hand with a major focus on the medium- and long-term growth-enhancing measures, as well as an overhaul of the general economic framework, in order to improve the competitiveness, and ensure the long-lasting success, of the European economy;

Commission; stresses that the solutions specifically targeting the current sovereign and financial crisis, and being worked on a daily basis by all the institutions, should go hand in hand with a major focus on the medium- and long-term growth-enhancing measures, as well as an overhaul of the general economic framework, in order to improve the competitiveness, and ensure the long-lasting success, of the European economy;

Or. en

#### **Amendment 11**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

#### **Motion for a resolution**

##### **Paragraph 1 a (new)**

*Motion for a resolution*

*Amendment*

***1 a. Deems however the Annual Growth Survey falls short of what is necessary to restore confidence amid European households and enterprises as well as financial markets since it overlooks the need to take urgent action to support short term activity and employment in investing in the EU 2020 objectives;***

Or. en

#### **Amendment 12**

**Pervenche Berès**

#### **Motion for a resolution**

##### **Paragraph 1 a (new)**

*Motion for a resolution*

*Amendment*

***1 a. Instructs the European Council and the Commission to integrate the following***

*changes into the recommendations for the European Semester 2012 as proposed in this resolution and presented in its annex;*

Or. en

**Amendment 13**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Motion for a resolution**

**Paragraph 1 b (new)**

*Motion for a resolution*

*Amendment*

*1 b. Deems that National Reform Programmes should contain an investment chapter designed by Member States in consultation with the European Commission setting out investments to be gradually undertaken in order to bridge the gap between the commitments they took regarding the five headline targets and the current levels in those fields;*

Or. en

**Amendment 14**

**Philippe Lamberts**

**Motion for a resolution**

**Paragraph 2**

*Motion for a resolution*

*Amendment*

*2. Recalls that the Annual Growth Survey 2011 and a number of other initiatives such as the Euro Plus Pact already contained most of the elements which are necessary to regain confidence, increase competitiveness and achieve growth;*

*deleted*

Or. en



**Amendment 15**  
**Nikolaos Chountis**

**Motion for a resolution**  
**Paragraph 2**

*Motion for a resolution*

2. Recalls that the Annual Growth Survey 2011 and a number of other initiatives such as the Euro Plus Pact ***already contained most of the elements which are necessary to regain*** confidence, increase competitiveness and ***achieve*** growth;

*Amendment*

2. Recalls that the Annual Growth Survey 2011 and a number of other initiatives such as the Euro Plus Pact, ***proved anything but the right tools to tackle the crisis to the benefit of European citizens. Stresses that in the name of the recovery of market*** confidence, ***the*** increase ***of*** competitiveness and ***the achievement of*** growth, ***wages are minimized, the social fabric is destroyed the social rights of people of Europe are violated. Also notes that the European social model is degraded;***

Or. en

**Amendment 16**  
**Sylvie Goulard**

**Motion for a resolution**  
**Paragraph 2**

*Motion for a resolution*

2. Recalls that the Annual Growth Survey 2011 and a number of other initiatives such as the Euro Plus Pact already contained most of the elements which are necessary to regain confidence, increase competitiveness and achieve growth;

*Amendment*

2. Recalls that the Annual Growth Survey 2011 and a number of other initiatives such as the Euro Plus Pact, ***which needs to be implemented through national and European legislation,*** already contained most of the elements which are necessary to regain confidence, increase competitiveness and achieve growth;

Or. en

**Amendment 17**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 2**

*Motion for a resolution*

2. Recalls that the *Annual Growth Survey 2011* and *a number of other initiatives such as the Euro Plus Pact* already contained most of the elements which are necessary to regain confidence, increase competitiveness and achieve growth;

*Amendment*

2. Recalls that the *EU 2020 strategy for smart, sustainable and inclusive growth* contained most of the elements which are necessary to regain confidence, increase competitiveness and achieve *smart and sustainable growth and job creation*;

Or. en

**Amendment 18**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Motion for a resolution**  
**Paragraph 3**

*Motion for a resolution*

3. Deplores the lack of, or unevenness in, the implementation in the Member States of *policies and actions* agreed at the EU level, which prevent the agreed *measures* from unleashing their full potential; welcomes the fact of this year's Annual Growth Survey's emphasis being put on the need for implementation as well as on growth-enhancing actions; underlines the fact that the national ownership of the changes which have been decided in terms of future economic governance needs to be substantially increased;

*Amendment*

3. Deplores the lack of, or unevenness in, the implementation in the Member States of *guidelines* agreed at the EU level *within the necessary policy space of Member States*, which prevent the agreed *orientations* from unleashing their full potential; welcomes the fact of this year's Annual Growth Survey's emphasis being put on the need for implementation as well as on growth-enhancing actions; underlines the fact that the national ownership of the changes which have been decided in terms of future economic governance needs to be substantially increased;

Or. en

**Amendment 19**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 3**

*Motion for a resolution*

3. Deplores the lack of, or unevenness in, the implementation in the Member States of policies and actions agreed at the EU level, which prevent the agreed measures from unleashing their full potential; welcomes the fact of this year's Annual Growth Survey's emphasis being put on the need for implementation as well as on growth-enhancing actions; underlines the fact that *the* national ownership of the changes which have been decided in terms of future economic governance needs to be substantially increased;

*Amendment*

3. Deplores the lack of, or unevenness in, the implementation in the Member States of policies and actions agreed at the EU level, which prevent the agreed measures from unleashing their full potential *to achieve EU 2020 goals*; welcomes the fact of this year's Annual Growth Survey's emphasis being put on the need for implementation as well as on growth-enhancing actions; underlines the fact that *democratic legitimacy and* national ownership of the changes which have been decided in terms of future economic governance needs to be substantially increased;

Or. en

**Amendment 20**  
**Derk Jan Eppink**

**Motion for a resolution**  
**Paragraph 4**

*Motion for a resolution*

4. Agrees that the AGS *should continue to lay the basis for building the necessary common understanding about the* priorities for action at national and EU level for the next twelve months, which should *then* feed into national economic and budgetary decisions, in line with the EU's country-specific recommendations;

*Amendment*

4. Agrees that the AGS *sets out* priorities for action at national and EU level for the next twelve months, which should feed into national economic and budgetary decisions, in line with the EU's country-specific recommendations;

Or. en

**Amendment 21**  
**Sylvie Goulard**

**Motion for a resolution**  
**Paragraph 4**

*Motion for a resolution*

4. Agrees that the AGS should continue to lay the basis for building the necessary common understanding about the priorities for action at national and EU level for the next twelve months, which should then feed into national economic and budgetary decisions, in line with the EU's country-specific recommendations;

*Amendment*

4. Agrees that the AGS, ***and the official positions published by the other European institutions***, should continue to lay the basis for building the necessary common understanding about the priorities for action at national and EU level for the next twelve months, which should then feed into national economic and budgetary decisions, in line with the EU's country-specific recommendations;

Or. en

**Amendment 22**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Motion for a resolution**  
**Paragraph 4**

*Motion for a resolution*

4. Agrees that the AGS should continue to lay the basis for building the necessary common understanding about the priorities for action at national and EU level for the next twelve months, ***which*** should then feed into national economic and budgetary decisions, in line with the EU's country-specific recommendations;

*Amendment*

4. Agrees that the AGS should continue to lay the basis for building the necessary common understanding about the priorities for action at national and EU level for the next twelve months ***provided that it would be enhanced within the framework of the codecision procedure, believes the AGS*** should then feed into national economic and budgetary decisions, in line with the EU's country-specific recommendations;

Or. en

**Amendment 23**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 4**

*Motion for a resolution*

4. **Agrees** that the AGS should continue to lay the basis for building the necessary common understanding about the priorities for action at national and EU level for the next twelve months, which should then feed into national economic and budgetary decisions, in line with the EU's country-specific recommendations;

*Amendment*

4. **Recalls** that the AGS should continue to lay the basis for building the necessary common understanding about the priorities for action at national and EU level for the next twelve months **for the achievement of the EU 2020 targets**, which should then feed into national economic and budgetary decisions, in line with the EU's country-specific recommendations;

Or. en

**Amendment 24**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 5 – introductory part**

*Motion for a resolution*

5. **Agrees with the Commission's analysis** that efforts at national and EU level should concentrate on the following five priorities:

*Amendment*

5. **Asks** that efforts at national and EU level should concentrate on the following five priorities:

Or. en

**Amendment 25**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 5 – point 1**

*Motion for a resolution*

· Pursuing differentiated growth-friendly fiscal consolidation;

*Amendment*

Pursuing differentiated growth-friendly fiscal consolidation **while ensuring**

*economic recovery and job creation;*

Or. en

**Amendment 26**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 5 – point 2**

*Motion for a resolution*

· *Restoring normal lending to* the economy;

*Amendment*

· *Ensuring long-term financing of* the real economy;

Or. en

**Amendment 27**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 5 – point 3**

*Motion for a resolution*

· Promoting growth *and* competitiveness *for today and tomorrow*;

*Amendment*

· Promoting *sustainable* growth *through more* competitiveness and *investments*;

Or. en

**Amendment 28**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 5 – point 5**

*Motion for a resolution*

· Modernising public administration;

*Amendment*

· Modernising *EU* public administration *and services of general interest*;

Or. en

**Amendment 29**  
**Nikolaos Chountis**

**Motion for a resolution**  
**Paragraph 5 a (new)**

*Motion for a resolution*

*Amendment*

***5 a. Believes that the dominant economic and growth model promoted by the Annual Growth Survey 2012 is wrong; The priorities of the Annual Survey of 2012 that Commission sets, are dramatically far from the targets of economic efficiency, social and environmental justice, real economic convergence, solidarity and sustainable development;***

Or. en

**Amendment 30**  
**Sylvie Goulard**

**Motion for a resolution**  
**Paragraph 5 a (new)**

*Motion for a resolution*

*Amendment*

***5 a. Welcomes the evaluation of the progress of the flagship initiatives of the EU 2020 strategy, but underlines that the fight against social exclusion and poverty should remain at the centre of every policy;***

Or. en

**Amendment 31**  
**Sylvie Goulard**

**Motion for a resolution**  
**Paragraph 5 b (new)**

*Motion for a resolution*

*Amendment*

***5 b. Believes that access to basic banking services remains a key factor for social inclusion and therefore encourages the Commission to take bolder actions to guarantee this access;***

Or. en

**Amendment 32**  
**Pervenche Berès**

**Motion for a resolution**  
**Subheading 2 (new)**

*Motion for a resolution*

*Amendment*

***I- Pursuing differentiated growth-friendly fiscal consolidation while ensuring economic recovery and job creation***

Or. en

**Amendment 33**  
**Nikolaos Chountis**

**Motion for a resolution**  
**Paragraph 6**

*Motion for a resolution*

*Amendment*

6. Acknowledges the interdependence between Member State economies and fiscal policies; stresses that the growth prospects of all Member States, whether they are currently in the ***Euro*** area or not, are ***highly dependent on how decisively the sovereign debt crisis is dealt with; urges Member States to correct their excessive deficits by the deadlines set by the Council;***

6. Acknowledges the interdependence between Member State economies and fiscal policies; stresses that the ***debt crisis is a product of unregulated financial markets operate; emphasizes that the pursuit of zero deficits and balanced budgets, essentially institutionalizes the continuing austerity, recession, poverty and unemployment; stresses that the*** growth prospects of all Member States, whether they are currently in the ***euro*** area



or not, are *significantly different. In particular, the economies of the EMU member countries are adversely affected by the structural weaknesses of the eurozone;*

Or. en

#### **Amendment 34**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

#### **Motion for a resolution**

##### **Paragraph 6**

###### *Motion for a resolution*

6. Acknowledges the interdependence between Member State economies and fiscal policies; stresses that the growth prospects of all Member States, whether they are currently in the Euro area or not, are highly dependent on how decisively the sovereign debt crisis is dealt with; urges Member States to correct their excessive deficits by the deadlines set by the Council;

###### *Amendment*

6. Acknowledges the interdependence *and therefore spill-over effects* between Member State economies and fiscal policies; stresses that the growth prospects of all Member States, whether they are currently in the Euro area or not, are highly dependent on how decisively the *private and the* sovereign debt crisis is dealt with; urges Member States to correct their excessive deficits by the deadlines set by the Council *provided that neither additional exceptional circumstances nor a renewed economic downturn could be invoked; urges Member States to implement with due diligence and as soon as possible the recapitalisation of their banking systems;*

Or. en

#### **Amendment 35**

**Iliana Ivanova**

#### **Motion for a resolution**

##### **Paragraph 6**

*Motion for a resolution*

6. Acknowledges the interdependence between Member State economies and fiscal policies; stresses that the growth prospects of all Member States, whether they are currently in the Euro area or not, are highly dependent on how decisively the sovereign debt crisis is dealt with; urges Member States to correct their excessive deficits by the deadlines set by the Council;

*Amendment*

6. Acknowledges the interdependence between Member State economies and fiscal policies; stresses that the growth prospects of all Member States, whether they are currently in the Euro area or not, are highly dependent on how decisively the sovereign debt crisis is dealt with; urges Member States ***experiencing financial problems to take the appropriate steps to*** correct their excessive deficits by the deadlines set by the Council ***and to reduce their sovereign debts to a sustainable level according to the stipulations in the "6 pack"***;

Or. en

**Amendment 36**  
**Derk Jan Eppink**

**Motion for a resolution**  
**Paragraph 6**

*Motion for a resolution*

6. ***Acknowledges*** the interdependence between Member State economies and fiscal policies; stresses that the growth prospects of all Member States, whether they are currently in the Euro area or not, are highly dependent on how decisively the sovereign debt crisis is dealt with; urges Member States to correct their excessive deficits by the deadlines set by the Council;

*Amendment*

6. ***Highlights that taxation is still a matter of national sovereignty; acknowledges*** the interdependence between Member State economies and fiscal policies; stresses that the growth prospects of all Member States, whether they are currently in the Euro area or not, are highly dependent on how decisively the sovereign debt crisis is dealt with; urges Member States to ***implement austerity measures and, for those concerned,*** correct their excessive deficits by the deadlines set by the Council;

Or. en

**Amendment 37**  
**Sylvie Goulard**

**Motion for a resolution**  
**Paragraph 6**

*Motion for a resolution*

6. Acknowledges the interdependence between Member State economies and fiscal policies; stresses that the growth prospects of all Member States, whether they are currently in the Euro area or not, are highly dependent on how decisively the sovereign debt crisis is dealt with; urges Member States to correct their excessive deficits by the deadlines set by the Council;

*Amendment*

6. Acknowledges the interdependence between Member State economies and fiscal policies; stresses that the growth prospects of all Member States, whether they are currently in the Euro area or not, are highly dependent on how decisively the sovereign debt crisis is dealt with; urges Member States to correct their excessive deficits by the deadlines set by the Council ***and to better focus on investment and growth orientated expenditure;***

Or. en

**Amendment 38**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 6**

*Motion for a resolution*

6. Acknowledges the interdependence between Member State economies and fiscal policies; stresses that the growth prospects of all Member States, whether they are currently in the Euro area or not, are highly dependent on how decisively the sovereign debt crisis is dealt with; ***urges Member States to correct their excessive deficits by the deadlines set by the Council;***

*Amendment*

6. Acknowledges the interdependence between Member State economies and fiscal policies; stresses that the growth prospects of all Member States, whether they are currently in the Euro area or not, are highly dependent on how decisively the sovereign debt crisis is dealt with ***and how coordinated fiscal policies effectively ensure sustainable growth and job creation;***

Or. en

**Amendment 39**  
**Nikolaos Chountis**

**Motion for a resolution**  
**Paragraph 6 a (new)**

*Motion for a resolution*

*Amendment*

***6 a. Emphasises that because of structural weaknesses in the eurozone, it is extremely doubtful that relatively small economies will manage successfully to follow adjustment procedures in times of turbulence and crisis; stresses also that because of its inherent characteristics, the single currency has served the interests of the economically strong countries at the expense of the weaker economies;***

Or. en

**Amendment 40**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Motion for a resolution**  
**Paragraph 6 a (new)**

*Motion for a resolution*

*Amendment*

***6 a. Takes note of the new legislative proposals on economic governance, believes that such proposals offer the opportunity to enhance the role of the European Parliament regarding the definition and implementation of economic policy surveillance procedures within the European Semester framework in conformity with the provisions of article 121 and 136 of the Treaty;***

Or. en

**Amendment 41**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Motion for a resolution**  
**Paragraph 6 b (new)**

*Motion for a resolution*

*Amendment*

*6 b. Recalls that in the current context where several Members States are confronted with stringent and difficult choices in terms of allocation of public resources it is urgent to ensure the consistency of different economic policy instruments and in particular policies conducive to the respect of EU 2020 objectives and headline targets on an equal basis; deems that specific economic surveillance procedures could be created or enhanced with that purpose;*

Or. en

**Amendment 42**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Motion for a resolution**  
**Paragraph 6 c (new)**

*Motion for a resolution*

*Amendment*

*6 c. Recalls in that perspective the need to explicitly identify assess and address spill-over effects of Member States economic policies as well as to carry on social impact assessments of economic policy instruments included in the EU Semester framework;*

Or. en

**Amendment 43**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 7**

*Motion for a resolution*

7. Underlines the fact that Member States should pursue differentiated strategies according to their budgetary situations and insists that Member States must keep their **public expenditure growth below the rate of medium-term trend GDP growth**; invites the Member States to prioritise growth-friendly expenditure, such as education, research, innovation, infrastructure and energy, and to ensure **the efficiency of such spending**; urges the pursuit of **the reform and modernisation of the pension systems and** movement towards growth-friendly tax policies in the Member States and better tax coordination in the EU; encourages the Member States to improve their domestic fiscal frameworks with a view to promoting efficient and sustainable fiscal policies<sup>4</sup> ;

*Amendment*

7. Underlines the fact that Member States should pursue differentiated strategies according to their budgetary **and macroeconomic** situations and insists that Member States must keep their **budgetary resources for** growth; invites the Member States to prioritise **sustainable** growth-friendly expenditure, such as education, research, innovation, **services of general economic interest**, infrastructure and energy, and to ensure **sufficient efficient resources to these priorities** ; urges the pursuit of movement towards growth-friendly tax policies in the Member States and better tax coordination in the EU **through a system of common issuance of European sovereign bonds (eurosecurities), a compulsory Common Consolidated Corporate Tax Base with a minimum tax rate, a financial transaction tax and energy taxation**; **calls on the Commission to ensure the European coordination against tax evasion**; encourages the Member States to improve their domestic fiscal frameworks with a view to promoting efficient and sustainable fiscal policies;

Or. en

**Amendment 44**  
**Iliana Ivanova**

**Motion for a resolution**  
**Paragraph 7**

*Motion for a resolution*

7. Underlines the fact that Member States should pursue differentiated strategies

*Amendment*

7. Underlines the fact that Member States should pursue differentiated strategies

according to their budgetary situations and insists that Member States must keep their public expenditure growth below the rate of medium-term trend GDP growth; invites the Member States to prioritise growth-friendly expenditure, such as education, research, innovation, infrastructure and energy, and to ensure the efficiency of such spending; urges the pursuit of the reform and modernisation of the pension systems and movement towards growth-friendly tax policies in the Member States and better tax coordination in the EU; encourages the Member States to improve their domestic fiscal frameworks with a view to promoting efficient and sustainable fiscal policies<sup>4</sup> ;

according to their budgetary situations and insists that Member States must keep their public expenditure growth below the rate of medium-term trend GDP growth; invites the Member States to prioritise growth-friendly expenditure, such as education, research, innovation, infrastructure and energy, and to ensure the efficiency of such spending; urges the pursuit of the reform and modernisation of the pension systems and movement towards growth-friendly tax policies in the Member States and better tax coordination in the EU; ***stresses on the fact that tax competition between Member States is beneficial for the Union and therefore should be preserved***; encourages the Member States to improve their domestic fiscal frameworks with a view to promoting efficient and sustainable fiscal policies<sup>4</sup>;

Or. en

#### **Amendment 45** **Derk Jan Eppink**

#### **Motion for a resolution** **Paragraph 7**

##### *Motion for a resolution*

7. Underlines ***the fact*** that Member States should pursue differentiated strategies according to their budgetary situations and insists that Member States must keep their public expenditure growth below the rate of medium-term trend GDP growth; invites the Member States to prioritise growth-friendly ***expenditure***, such as education, research, innovation, infrastructure and energy, and to ensure the efficiency of such spending; urges the pursuit of the reform and modernisation of the pension systems and movement towards growth-friendly tax policies in the Member States and better tax coordination in the EU; encourages the

##### *Amendment*

7. Underlines that Member States should pursue differentiated strategies according to their budgetary situations and insists that Member States must keep their public expenditure growth below the rate of medium-term trend GDP growth; invites the Member States, ***at the expenditure side of the fiscal account***, to prioritise growth-friendly ***policies***, such as education, research, innovation, infrastructure and energy, and to ensure the efficiency of such spending; urges the pursuit of the reform and modernisation of the pension ***and social security*** systems and movement towards growth-friendly tax policies in the

Member States to improve their domestic fiscal frameworks with a view to promoting efficient and sustainable fiscal policies<sup>4</sup> ;

Member States and better tax coordination in the EU; encourages the Member States to improve their domestic fiscal frameworks with a view to promoting efficient and sustainable fiscal policies<sup>4</sup>;

Or. en

#### **Amendment 46**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

#### **Motion for a resolution**

##### **Paragraph 7**

###### *Motion for a resolution*

7. Underlines the fact that Member States should pursue differentiated strategies according to their budgetary situations and insists that Member States must keep their public expenditure growth below the rate of medium-term trend GDP growth; invites the Member States to prioritise growth-friendly expenditure, such as education, research, innovation, infrastructure and energy, and to ensure the efficiency of such spending; urges the pursuit of the reform and modernisation of the pension systems and movement towards growth-friendly tax policies in the Member States and better tax coordination in the EU; encourages the Member States to improve their domestic fiscal frameworks with a view to promoting efficient and sustainable fiscal policies<sup>4</sup> ;

###### *Amendment*

7. Underlines the fact that Member States should pursue differentiated strategies according to their budgetary situations and insists that Member States must keep their public expenditure growth below ***or equal to*** the rate of medium-term trend GDP growth ***provided that increased expenditure is not matched by additional discretionary revenue measures*** ; invites the Member States to ***explicitly identify and*** prioritise growth-friendly expenditure, such as education, research, innovation, infrastructure and energy, and to ensure the efficiency of such spending; urges the pursuit of the reform and modernisation of the pension systems ***with the close consultation of social partners*** and movement towards ***progressive and sustainable*** growth-friendly tax policies ***according to the polluter pays principle*** in the Member States and better tax coordination ***and harmonization*** in the EU; encourages the Member States to improve their domestic fiscal frameworks with a view to promoting efficient and sustainable fiscal policies<sup>4</sup>;

Or. en



**Amendment 47**  
**Nikolaos Chountis**

**Motion for a resolution**  
**Paragraph 7 a (new)**

*Motion for a resolution*

*Amendment*

***7 a. Underlines that fiscal policy is an important tool in the management of economic and development policy; EU Member States must have the capability and the flexibility to pursue an effective, and counter-cyclical stabilization policy, geared to redistribution and sustainable development. EU Member States should provide an adequate level of social goods, public services and infrastructure for EU citizens;***

Or. en

**Amendment 48**  
**Nikolaos Chountis**

**Motion for a resolution**  
**Paragraph 7 b (new)**

*Motion for a resolution*

*Amendment*

***7 b. Stresses that the taxation policy promoted by the EU is far from a fair and socially acceptable, common European taxation policy. Such policy would have a growth-oriented and redistributive role and would be able to address the serious problem of tax competition, of the effective control and the booming of the tax havens. Believes that the dominant political choice of the EU is the reduction of direct taxes on higher incomes, businesses and all sources of wealth. Moreover, Member States adopt fiscal measures to further facilitate the growth***

*of multinationals companies while at the same time put the burden further on workers who have to face and increases in indirect taxes combined with austerity programs and cuts in wages and pensions;*

Or. en

**Amendment 49**  
**Pervenche Berès**

**Motion for a resolution**  
**Subheading 3 (new)**

*Motion for a resolution*

*Amendment*

*II- Ensuring long-term financing of the real economy*

Or. en

**Amendment 50**  
**Sylvie Goulard**

**Motion for a resolution**  
**Paragraph 8**

*Motion for a resolution*

*Amendment*

*8. Welcomes the fact that a major overhaul of regulation and supervision of the financial sector is underway;*

*deleted*

Or. en

**Amendment 51**  
**Nikolaos Chountis**

**Motion for a resolution**  
**Paragraph 8**

*Motion for a resolution*

8. ***Welcomes the fact that a major overhaul of regulation and supervision*** of the financial sector is ***underway***;

*Amendment*

8. ***Expresses its strong disapproval for the proven reluctance and delay of the EU to regulate and supervise the*** financial sector; ***it is indisputable that it is impossible solely by imposing restrictive measures or strict rules of a temporary nature to change the structures that created the crisis and are geared to the rampant pursuit of profitability by financial institutions***;

Or. en

**Amendment 52**  
**Krišjānis Kariņš**

**Motion for a resolution**  
**Paragraph 8**

*Motion for a resolution*

8. Welcomes the fact that a major overhaul of regulation and supervision of the financial sector is underway;

*Amendment*

8. Welcomes the fact that a major overhaul of regulation and supervision of the financial sector is underway, ***stresses that this should not hinder the competitiveness of the European Union***;

Or. en

**Amendment 53**  
**Derk Jan Eppink**

**Motion for a resolution**  
**Paragraph 8**

*Motion for a resolution*

8. Welcomes the fact that a major overhaul of regulation and supervision of the financial sector is underway;

*Amendment*

8. Welcomes the fact that a major overhaul of regulation and supervision of the financial sector is underway; ***stresses that this must be undertaken in a way that***

*discourages regulatory arbitrage and which does not encourage capital flight or the relocation of financial activity from the EU;*

Or. en

#### **Amendment 54**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

#### **Motion for a resolution**

##### **Paragraph 8**

###### *Motion for a resolution*

8. Welcomes the fact that a major overhaul of regulation and supervision of the financial sector is underway;

###### *Amendment*

8. Welcomes the fact that a major overhaul of regulation and supervision of the financial sector is underway; ***believes that more diligent and ambitious measures are required in order to enhance the resilience of the EU financial system;***

Or. en

#### **Amendment 55**

**Krišjānis Kariņš**

#### **Motion for a resolution**

##### **Paragraph 9**

###### *Motion for a resolution*

9. Underlines the fact that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding; a major overhaul of regulation and supervision of the financial sector will be necessary, which includes a strengthening of the capital positions of systemic banks; stresses that banks should not unduly restrict lending to the real economy;

###### *Amendment*

9. Underlines the fact that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding; a major overhaul of regulation and supervision of the financial sector will be necessary, which includes a strengthening of the capital positions of systemic banks; stresses that banks should not unduly restrict lending to the real economy ***and therefore the regulatory***

*actions should lay the basis for the increase of their lending capacity;*

Or. en

## **Amendment 56**

**Iliana Ivanova**

### **Motion for a resolution**

#### **Paragraph 9**

##### *Motion for a resolution*

9. Underlines the fact that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding; a major overhaul of regulation and supervision of the financial sector will be necessary, which includes a strengthening of the capital positions of systemic banks; stresses that banks should not unduly restrict lending to the real economy;

##### *Amendment*

9. Underlines the fact that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding; a major overhaul of regulation and supervision of the financial sector will be necessary, which includes a strengthening of the capital positions of systemic banks; stresses that banks should not unduly restrict lending to the real economy; ***underlines the important role of the EIB group in supporting the real economy and SMEs in particular; encourages the EIB to preserve its "AAA" credit rating;***

Or. en

## **Amendment 57**

**Derk Jan Eppink**

### **Motion for a resolution**

#### **Paragraph 9**

##### *Motion for a resolution*

9. Underlines ***the fact*** that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding; a ***major overhaul*** of

##### *Amendment*

9. Underlines that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding; ***believes that a reform*** of regulation and supervision

regulation and supervision of the financial sector ***will be necessary, which includes*** a strengthening of the capital positions of systemic banks; stresses that banks should not unduly restrict lending to the real economy;

of the financial sector ***should include*** a strengthening of the capital positions of systemic banks ***although this must not undermine the competitive position of non-systemic financial institutions***; stresses that banks should not unduly restrict lending to the real economy;

Or. en

## **Amendment 58**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

### **Motion for a resolution**

#### **Paragraph 9**

##### *Motion for a resolution*

9. Underlines the fact that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding; a major overhaul of regulation and supervision of the financial sector will be necessary, which includes a strengthening of the capital positions of ***systemic banks***; ***stresses that banks should not unduly restrict*** lending to the real economy;

##### *Amendment*

9. Underlines the fact that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding; ***deems that*** a major overhaul of regulation and supervision of the financial sector will be necessary, which includes a strengthening of the capital positions of ***the EU banking system***; ***invites the Commission to monitor bank lending and in particular of those institutions that benefited from crisis-related State aid and the support of ECB liquidity lines to the real economy, notably SMEs and make specific proposals in order to improve the lending capacity*** to the real economy;

Or. en

## **Amendment 59**

**Ildikó Gáll-Pelcz**

### **Motion for a resolution**

#### **Paragraph 9**

*Motion for a resolution*

9. Underlines the fact that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding; a major overhaul of regulation and supervision of the financial sector will be necessary, which includes a strengthening of the capital positions of systemic banks; stresses that banks should not unduly restrict lending to the real economy;

*Amendment*

9. Underlines the fact that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding; a major overhaul of regulation and supervision of the financial sector will be necessary ***in order to reflect heightened risks in the sovereign debt markets***, which includes a strengthening of the capital positions of systemic banks; stresses that banks should not unduly restrict lending to the real economy;

Or. en

**Amendment 60**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 9**

*Motion for a resolution*

9. Underlines the fact that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding; a major overhaul of regulation and supervision of the financial sector will be necessary, which includes a strengthening of the capital positions of systemic banks; stresses that banks should not unduly restrict lending to the real economy;

*Amendment*

9. Underlines the fact that restoring investor confidence will require a strengthening of the banks' capital positions and measures to support their access to funding ***in a way that prohibits short term featured remuneration systems and inadequate business models***; a major overhaul of regulation and supervision of the financial sector will be necessary, which includes a strengthening of the capital positions of systemic banks; stresses that banks should not unduly restrict lending to the real economy;

Or. en

**Amendment 61**  
**Nikolaos Chountis**

**Motion for a resolution**  
**Paragraph 9 a (new)**

*Motion for a resolution*

*Amendment*

***9 a. Notes that the main reasons for the huge deficits and the subsequent steep increase in borrowing costs are phenomena such as tax competition that has reduced the tax burden of capital at the expense of labour, the socialization of private losses through injections of liquidity in the banking sector and the speculative behaviour of rating agencies and international financial centres;***

Or. en

**Amendment 62**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 9 a (new)**

*Motion for a resolution*

*Amendment*

***9 a. Supports the creation of project bonds designed to contribute to the financing of key infrastructures projects in order to promote sustainable growth and jobs;***

Or. en

**Amendment 63**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 9 b (new)**

*Motion for a resolution*

*Amendment*

***9 b. Underlines the key role of the EIB to maintain and increase the loan to SME***



*and to ensure investments in the long-term infrastructure project in line with the EU 2020 strategy;*

Or. en

**Amendment 64**  
**Pervenche Berès**

**Motion for a resolution**  
**Subheading 4 (new)**

*Motion for a resolution*

*Amendment*

***III- Promoting sustainable growth through more competitiveness and investments***

Or. en

**Amendment 65**  
**Derk Jan Eppink**

**Motion for a resolution**  
**Paragraph 10**

*Motion for a resolution*

*Amendment*

10. Is worried by the fact that many Member States, in particular those under market pressure, are falling behind in terms of productivity; insists on the role of structural reforms in tackling this problem; is worried by the fact that the bulk of global growth is expected to come from outside the EU in the coming years, which will necessitate a strengthening of the export capacity of Member States;

10. Is worried by the fact that many Member States, in particular those under market pressure, are falling behind in terms of productivity; insists on the role of structural reforms ***and the liberalisation of services*** in tackling this problem; is worried by the fact that the bulk of global growth is expected to come from outside the EU in the coming years, which will necessitate a strengthening of the export capacity of Member States;

Or. en

**Amendment 66**  
**Sylvie Goulard**

**Motion for a resolution**  
**Paragraph 10**

*Motion for a resolution*

10. Is worried by the fact that many Member States, in particular those under market pressure, are falling behind in terms of productivity; insists on the role of structural reforms in tackling this problem; is worried by the fact that the bulk of global growth is expected to come from outside the EU in the coming years, which will necessitate a strengthening of the export capacity of Member States;

*Amendment*

10. Is worried by the fact that many Member States, in particular those under market pressure, are falling behind in terms of productivity; insists on the role of structural reforms in tackling this problem; is worried by the fact that the bulk of global growth is expected to come from outside the EU in the coming years, which will necessitate a strengthening of the export capacity of Member States, ***as well as providing a stable framework for direct foreign investment;***

Or. en

**Amendment 67**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Motion for a resolution**  
**Paragraph 10**

*Motion for a resolution*

10. Is worried by the fact that many Member States, in particular those under market pressure, are falling behind in terms of productivity; insists on the role of structural reforms in tackling this problem; is worried by the fact that the bulk of global growth is expected to come from outside the EU in the coming years, ***which will necessitate a strengthening of the export capacity of Member States;***

*Amendment*

10. Is worried by the fact that many Member States, in particular those under market pressure, are falling behind in terms of productivity; insists on the role of structural reforms in tackling this problem ***in both deficit and surplus countries;*** is worried by the fact that the bulk of global growth is expected to come from outside the EU in the coming years;

Or. en

**Amendment 68**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 10**

*Motion for a resolution*

10. Is worried by the **fact** that many Member States, in particular those under market pressure, are falling behind in terms of productivity; insists on the role of structural reforms in tackling **this problem**; is worried by the fact that the bulk of global growth is expected to come from outside the EU in the coming years, **which will necessitate a strengthening of the export capacity of Member States**;

*Amendment*

10. Is worried by the **macroeconomic imbalances within the EU and the fact** that many Member States, in particular those under market pressure, are falling behind in terms of productivity; insists on the role of **enhanced coordination of economic policies and** structural reforms in tackling **theses problems**; is worried by the fact that the bulk of global growth is expected to come from outside the EU in the coming years;

Or. en

**Amendment 69**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 10 a (new)**

*Motion for a resolution*

**10 a. Believes that the EU should use the existing resources and create innovative financing instruments for the Member States with limited room for a fiscal stimulus**;

*Amendment*

Or. en

**Amendment 70**  
**Pervenche Berès**

**Motion for a resolution**  
**Subheading 5 (new)**

*Motion for a resolution*

*Amendment*

***IV- Tackling unemployment and the  
social consequences of the crisis  
(Competence of the EMPL Committee)***

Or. en

**Amendment 71  
Pervenche Berès**

**Motion for a resolution  
Paragraph 11**

*Motion for a resolution*

*Amendment*

***11. Believes that the structural mismatch  
between supply and demand for labour  
will hinder recovery and long-term growth  
and therefore calls for structural reforms  
in the labour market, which would  
include revising the wage-setting  
mechanism in order to better reflect  
productivity developments; draws  
attention to the role and responsibilities of  
the social partners in the design and  
implementation of structural reforms;***

***deleted***

Or. en

**Amendment 72  
Nikolaos Chountis**

**Motion for a resolution  
Paragraph 11**

*Motion for a resolution*

*Amendment*

**11. Believes that the structural mismatch  
between supply and demand for labour *will  
hinder recovery and long-term growth  
and therefore* calls for structural reforms  
in the *labour market, which would include  
revising the wage-setting mechanism in  
order to better reflect productivity***

**11. *Underlines the failure of the  
neoliberal economic growth model.***  
Believes that the structural mismatch  
between supply and demand for labour  
***occurs due to the extensive accumulation  
of profits. Therefore*** calls for structural  
reforms in the ***taxation policy of capital***

*developments*; draws attention to the role *and responsibilities* of the social partners in the design and implementation of structural reforms;

*and profits*. draws attention to the role of the social partners in the design and implementation of structural reforms *geared at improving working conditions, social cohesion and European solidarity*;

Or. en

### **Amendment 73**

**Iliana Ivanova**

#### **Motion for a resolution**

##### **Paragraph 11**

###### *Motion for a resolution*

11. Believes that the structural mismatch between supply and demand for labour will hinder recovery and long-term growth and therefore calls for structural reforms in the labour market, which would include revising the wage-setting mechanism in order to better reflect productivity developments; draws attention to the role and responsibilities of the social partners in the design and implementation of structural reforms;

###### *Amendment*

11. Believes that the structural mismatch between supply and demand for labour will hinder recovery and long-term growth and therefore calls for structural reforms in the labour market, which would include revising the wage-setting mechanism in order to better reflect productivity developments; draws attention to the role and responsibilities of the social partners in the design and implementation of structural reforms; ***underlines the fact that the labour market in the EU is still fragmented and reiterates its call for lifting the existing labour restrictions in some Member States for Bulgarian and Romanian citizens***;

Or. en

### **Amendment 74**

**Derk Jan Eppink**

#### **Motion for a resolution**

##### **Paragraph 11**

###### *Motion for a resolution*

11. ***Believes*** that the structural mismatch

###### *Amendment*

11. ***Underlines*** that ***labour market***

between supply and demand for labour will hinder recovery and long-term growth and therefore calls for structural reforms in the labour market, **which would** include revising the wage-setting mechanism in order to better reflect productivity developments; draws attention to the role and responsibilities of the social partners in the design and implementation of structural reforms;

***flexibility is instrumental in creating job opportunities; believes that*** the structural mismatch between supply and demand for labour will hinder recovery and long-term growth and therefore calls for structural reforms ***to eliminate existing rigidities*** in the labour market; ***suggests that such structural reforms*** include revising the wage-setting mechanism in order to better reflect productivity developments, ***enhanced labour mobility and more flexible working patterns***; draws attention to the role and responsibilities of the social partners in the design and implementation of structural reforms;

Or. en

#### **Amendment 75**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

#### **Motion for a resolution**

##### **Paragraph 11**

###### *Motion for a resolution*

11. Believes that the structural mismatch between supply and demand for labour will hinder recovery and long-term growth and therefore calls for structural reforms in the labour market, which would include ***revising the wage-setting mechanism in order to better reflect productivity developments***; draws attention to the role and responsibilities of the social partners in the design and implementation of structural reforms;

###### *Amendment*

11. Believes that the structural mismatch between supply and demand for labour will hinder recovery and long-term growth and therefore calls for structural reforms in the labour market, which would include ***inter alia improving the lifelong learning participation rates***; draws attention to the role and responsibilities of the social partners in the design and implementation of structural reforms;

Or. en

#### **Amendment 76**

**Ildikó Gáll-Pelcz**

**Motion for a resolution**  
**Paragraph 11**

*Motion for a resolution*

11. Believes that the structural mismatch between supply and demand for labour will hinder recovery and long-term growth and therefore calls for structural reforms *in the* labour *market*, which would include revising the wage-setting mechanism in order to better reflect productivity developments; draws attention to the role and responsibilities of the social partners in the design and implementation of structural reforms;

*Amendment*

11. Believes that the structural mismatch between supply and demand for labour will hinder recovery and long-term growth and therefore calls for structural reforms *enhancing* labour *mobility by removing remaining legal obstacles, by facilitating the recognition of professional qualifications and experience*, which would include revising the wage-setting mechanism in order to better reflect productivity developments; *besides particular attention should also be paid to maintaining or reinforcing the coverage and effectiveness of employment services and active labour market policies*; draws attention to the role and responsibilities of the social partners in the design and implementation of structural reforms;

Or. en

**Amendment 77**  
**Pervenche Berès**

**Motion for a resolution**  
**Subheading 6 (new)**

*Motion for a resolution*

*Amendment*

***V- Modernising EU public administration and services of general interest***

Or. en

**Amendment 78**  
**Derk Jan Eppink**

**Motion for a resolution**  
**Paragraph 12**

*Motion for a resolution*

12. Recalls that the quality of public administration at EU, national, regional and local level is a determining element of competitiveness and an important productivity factor;

*Amendment*

12. Recalls that the quality of public administration at EU, national, regional and local level is a determining element of competitiveness and an important productivity factor; ***notes that market-oriented public sector reforms are an imperative part of restoring competitiveness;***

Or. en

**Amendment 79**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 12**

*Motion for a resolution*

12. Recalls that the quality of public administration at EU, national, regional and local level is a determining element of competitiveness and an important productivity factor;

*Amendment*

12. Recalls that the quality of public administration at EU, national, regional and local level is a determining element of ***sustainable growth and employment*** competitiveness and an important productivity factor; ***considers that a high quality of public administration needs adequate budgetary resources and reforms in respecting the subsidiary principle as stated in the protocol N°26 on Services of General Interest;***

Or. en

**Amendment 80**  
**Nikolaos Chountis**

**Motion for a resolution**  
**Paragraph 12**



*Motion for a resolution*

12. Recalls that the quality of public administration at EU, national, regional and local level is a determining element of ***competitiveness and an important productivity factor***;

*Amendment*

12. Recalls that the quality of public administration at EU, national, regional and local level is a determining element of ***quality of life of European citizens***;

Or. en

**Amendment 81**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 12 a (new)**

*Motion for a resolution*

*Amendment*

***12 a. Takes note of the Quality framework on Services of General Interest to enhance clarity and legal certainty on how EU rules apply to services of general interest (SGI), ensure access to essential services and promote quality; Considers that all these elements should be set in a EU regulation based on the article 14 TFEU;***

Or. en

**Amendment 82**  
**Iliana Ivanova**

**Motion for a resolution**  
**Paragraph 13**

*Motion for a resolution*

*Amendment*

13. Regrets the slow pace of the implementation of EU legislation by certain Member States and urges them to deliver the agreed results concerning the quality of statistics;

13. Regrets the slow pace of the implementation of EU legislation by certain Member States and urges them to deliver the agreed results concerning the quality of statistics; ***welcomes the efforts***

*of the European Commission for  
improving the reliability of the data  
provided by Eurostat;*

Or. en

**Amendment 83**  
**Sylvie Goulard**

**Motion for a resolution**  
**Paragraph 13**

*Motion for a resolution*

13. Regrets the slow pace of the implementation of EU legislation by certain Member States and urges them to deliver the agreed results concerning the quality of statistics;

*Amendment*

13. Regrets the slow pace of the implementation of EU legislation by certain Member States and urges them to deliver the agreed results concerning the quality of statistics; *is firmly convinced that the availability of reliable, accurate and up-to-date data provides a key element of the political decision making process; calls on the Member States to implement the recently adopted Council Directive on Requirements for the Budgetary Framework of the Member States as soon as possible;*

Or. en

**Amendment 84**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 14**

*Motion for a resolution*

*14. Calls for more efficiency in the delivery of public services as well as an increase in the transparency and quality of public administration and the judiciary, and further encourages reducing the administrative burden and red tape;*

*Amendment*

*deleted*

**Amendment 85**  
**Derk Jan Eppink**

**Motion for a resolution**  
**Paragraph 14**

*Motion for a resolution*

14. Calls for more efficiency in the delivery of public services as well as an increase in the transparency and quality of public administration and the judiciary, and further encourages reducing the administrative burden and red tape;

*Amendment*

14. Calls for more efficiency in the delivery of public services as well as an increase in the transparency and quality of public administration and the judiciary, and further encourages reducing the administrative burden and red tape;  
***underlines the importance of monitoring and evaluating civil service performance;***

Or. en

**Amendment 86**  
**Nikolaos Chountis**

**Motion for a resolution**  
**Paragraph 14**

*Motion for a resolution*

14. Calls for more efficiency in the delivery of public services as well as an increase in the transparency and quality of public administration and the judiciary, and further encourages ***reducing*** the administrative burden and red tape;

*Amendment*

14. Calls for more efficiency in the delivery of public services as well as an increase in the transparency and quality of public administration and the judiciary, and further encourages the ***treatment of the*** administrative burden and red tape;  
***believes that, particularly in times of crisis, the quality of public services plays an important role in welfare of citizens; calls for efficient staffing and funding of the public sector;***

Or. en

**Amendment 87**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Motion for a resolution**

**Paragraph 14**

*Motion for a resolution*

14. Calls for more efficiency in the delivery of public services as well as an increase in the transparency and quality of public administration and the judiciary, and further encourages reducing the administrative burden and red tape;

*Amendment*

14. Calls for more efficiency in the delivery of public services as well as an increase in the transparency and quality of public administration and the judiciary, and further encourages reducing the ***unnecessary*** administrative burden and red tape;

Or. en

**Amendment 88**

**Sylvie Goulard**

**Motion for a resolution**

**Paragraph 14 a (new)**

*Motion for a resolution*

*Amendment*

***14 a. Encourages the Commission, considering that the AGS covers much more than just economic elements, to develop programmes for specific policy sectors, such as defense, where joint management or joint ownership between multiple Member States would provide economies of scale, which would bring added-value and financial savings to the Member States involved;***

Or. en

**Amendment 89**

**Sylvie Goulard**

**Motion for a resolution**  
**Paragraph 14 b (new)**

*Motion for a resolution*

*Amendment*

***14 b. Underlines, in the current economic context, the even more crucial role played by community funded programs and encourages the Commission to put forward a proposal to fund EU 2020 strategy actions through the transfer of unused payment appropriations;***

Or. en

**Amendment 90**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 15**

*Motion for a resolution*

*Amendment*

***15. Deplores the fact that the involvement of the European Parliament in the elaboration of the BEPG (Broad Economic Policy Guidelines)/AGS is not formally foreseen by the Treaty, whilst Parliament's contribution to the employment topics is made under the consultation procedure (Art. 148.2 TFEU); very much expects that its role in the economic field will be enhanced and duly codified in the next Treaty revision;***

***deleted***

Or. en

**Amendment 91**  
**Derk Jan Eppink**

**Motion for a resolution**  
**Paragraph 15**

*Motion for a resolution*

15. Deplores the fact that the involvement of the European Parliament in the elaboration of the BEPG (Broad Economic Policy Guidelines)/AGS is not formally foreseen by the Treaty, whilst Parliament's contribution to the employment topics is made under the consultation procedure (Art. 148.2 TFEU); ***very much expects that its role in the economic field will be enhanced and duly codified in the next Treaty revision;***

*Amendment*

15. Deplores the fact that the involvement of the European Parliament in the elaboration of the BEPG (Broad Economic Policy Guidelines)/AGS is not formally foreseen by the Treaty, whilst Parliament's contribution to the employment topics is made under the consultation procedure (Art. 148.2 TFEU); ***wishes to step up dialogue between EU and national institutions, in particular parliamentary institutions, where appropriate and with mutual respect and consent;***

Or. en

**Amendment 92**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Motion for a resolution**

**Paragraph 15**

*Motion for a resolution*

15. Deplores the fact that the involvement of the European Parliament in the elaboration of the BEPG (Broad Economic Policy Guidelines)/AGS is not formally foreseen by the Treaty, whilst Parliament's contribution to the employment topics is made under the consultation procedure (Art. 148.2 TFEU); ***very much*** expects that its role in the economic field will be enhanced and duly codified in the next Treaty revision;

*Amendment*

15. Deplores the fact that the involvement of the European Parliament in the elaboration of the BEPG (Broad Economic Policy Guidelines)/AGS is not formally foreseen by the Treaty, whilst Parliament's contribution to the employment topics is made under the consultation procedure (Art. 148.2 TFEU); expects that its role in the economic field will be enhanced and duly codified in the next Treaty revision;

Or. en

**Amendment 93**

**Derk Jan Eppink**

**Motion for a resolution**  
**Paragraph 15 a (new)**

*Motion for a resolution*

*Amendment*

***15 a. Recognises and respects the democratic process of national Parliaments including their national parliamentary calendars;***

Or. en

**Amendment 94**  
**Nikolaos Chountis**

**Motion for a resolution**  
**Paragraph 15 a (new)**

*Motion for a resolution*

*Amendment*

***15 a. Points out that the democratic deficit, as the Annual Growth Survey which sets the guidelines for employment, growth and Member States' economic policies and which provides the basis for the European Semester, is not subject to the usual parliamentary procedure; the European Parliament, the only EU institution elected directly by the people, has no power to amend the final text;***

Or. en

**Amendment 95**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 16**

*Motion for a resolution*

*Amendment*

***16. Recalls that the European Semester is now part of EU secondary legislation (see Article 2-a in Regulation (EU) No***

***deleted***

1175/2011)<sup>5</sup> ;

Or. en

**Amendment 96**  
**Sylvie Goulard**

**Motion for a resolution**  
**Paragraph 16 a (new)**

*Motion for a resolution*

*Amendment*

*16 a. Recalls that the economic governance legal framework ('the six pack') provides the tool of economic dialogue: "in order to enhance the dialogue between the Union institutions, in particular the European Parliament, the Council and the Commission, and to ensure greater transparency and accountability, the competent committee of the European Parliament may invite the President of the Council, the Commission and, where appropriate, the President of the European Council or the President of the Eurogroup to appear before the committee to discuss decisions taken... The competent committee of the European Parliament may offer the opportunity to the Member State concerned by such decisions to participate in an exchange of views"; calls on this tool, which enables economic co-operation and mutual understanding, to be utilised as much as possible;*

Or. en

**Amendment 97**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 17**



*Motion for a resolution*

*Amendment*

**17. Notes that the 2012 edition of the European Semester is the first under the agreed enhanced economic governance legal framework («the six pack»), which includes strengthened rules for the Stability and Growth Pact and national fiscal rules, as well as new procedures for monitoring and correcting macroeconomic imbalances;**

**deleted**

Or. en

**Amendment 98  
Nikolaos Chountis**

**Motion for a resolution  
Paragraph 17**

*Motion for a resolution*

*Amendment*

17. Notes that the 2012 edition of the European Semester is the first under the agreed enhanced economic governance legal framework («the six pack»), which includes strengthened rules for the Stability and Growth Pact and national fiscal rules, as well as new procedures for monitoring and correcting macroeconomic imbalances;

17. Notes that the 2012 edition of the European Semester is the first under the agreed enhanced economic governance legal framework ('the six pack'), which includes strengthened rules for the Stability and Growth Pact and national fiscal rules, as well as new procedures for monitoring and correcting macroeconomic imbalances;  
***The measures that are promoted through the European semester and which are totally in line with the dominant neo-liberal policies, are deeply anti-social, against people's rights, opposed to development and a threat to democracy;***

Or. en

**Amendment 99  
Pervenche Berès**

**Motion for a resolution  
Paragraph 17 a (new)**

*Motion for a resolution*

*Amendment*

***4 a. Invites the Commission to present the next exercises under the denomination "Annual Sustainable Growth Guidelines";***

Or. en

**Amendment 100**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 18 a (new)**

*Motion for a resolution*

*Amendment*

***18 a. Asks the Commission to work in close cooperation with the Council in order to develop a genuine and common budget and accounting nomenclature;***

Or. en

**Amendment 101**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Motion for a resolution**  
**Paragraph 19**

*Motion for a resolution*

*Amendment*

19. Underlines the fact that the Council ***is expected either to follow Commission recommendations and proposals under the new economic governance framework or to*** explain its position publicly as part of the economic dialogue in Parliament;

19. Underlines the fact that the Council ***should*** explain its position publicly as part of the economic dialogue in Parliament ***when it diverges significantly from Commission recommendations and proposals;***

Or. en

**Amendment 102**  
**Ildikó Gáll-Pelcz**

**Motion for a resolution**  
**Paragraph 19**

*Motion for a resolution*

19. Underlines the fact that the Council is expected *either* to follow Commission recommendations and proposals under the new economic governance framework *or to* explain its position publicly as part of the economic dialogue in Parliament;

*Amendment*

19. Underlines the fact that the Council is expected to follow Commission recommendations and proposals under the new economic governance framework, *otherwise it should* explain its position publicly as part of the economic dialogue in Parliament;

Or. en

**Amendment 103**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 19**

*Motion for a resolution*

19. *Underlines* the fact that the Council is expected either to follow Commission recommendations and proposals under the new economic governance framework or to explain its position publicly as part of the economic dialogue in Parliament;

*Amendment*

19. *Recalls* the fact that the Council is expected either to follow Commission recommendations and proposals under the new economic governance framework or to explain its position publicly as part of the economic dialogue in Parliament;

Or. en

**Amendment 104**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Motion for a resolution**  
**Paragraph 19 a (new)**

*Motion for a resolution*

*Amendment*

***19 a. Stresses in this regard that the Commission recommendations and proposals must respect and preserve Member State policy space required for implementation in conformity with the principle of subsidiary and the provisions of article 126 as several means can be conducive to the attainment of goals and target recommended;***

Or. en

**Amendment 105**

**Philippe Lamberts**

on behalf of the Verts/ALE Group

**Motion for a resolution**

**Paragraph 19 b (new)**

*Motion for a resolution*

*Amendment*

***19 b. Urges the Commission to explain thoroughly the reason why it assessed negatively the NRP or SCP and any other document the Member States have submitted in the economic governance framework; expects that by doing so, the Commission will provide the Member State concerned its detailed methodology and working hypothesis underpinning its assessment;***

Or. en

**Amendment 106**

**Pervenche Berès**

**Motion for a resolution**

**Paragraph 20**

*Motion for a resolution*

*Amendment*

**20. Recalls that the new legal framework stipulates that the European Parliament is to be duly involved in the European Semester in order to increase the transparency and accountability of the decisions taken, in particular by means of the economic dialogue as specified in the relevant secondary legislation;**

**deleted**

Or. en

**Amendment 107**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 21**

*Motion for a resolution*

*Amendment*

**21. Applauds the Commission for having published its Annual Growth Survey by the end of November and expects this schedule to be made permanent so that Parliament has time enough to express its views before annual orientations are decided upon by the spring European Council;**

**deleted**

Or. en

**Amendment 108**  
**Philippe Lamberts**  
on behalf of the Verts/ALE Group

**Motion for a resolution**  
**Paragraph 21**

*Motion for a resolution*

*Amendment*

21. Applauds the Commission for having published its Annual Growth Survey by the

21. Applauds the Commission for having published its Annual Growth Survey by the

end of November and expects this schedule to be made permanent so that Parliament has time enough to express its views before annual orientations are decided upon by the spring European Council;

end of November and expects this schedule to be made permanent so that Parliament has time enough to express its views ***and amend the text*** before annual orientations are decided upon by the spring European Council;

Or. en

**Amendment 109**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 22**

*Motion for a resolution*

***22. Underlines the fact that the President of the Council, the Commission, in accordance with Article 121 TFEU, and, where appropriate, the President of the Eurogroup, are to report annually to the European Parliament and the European Council on the results of multilateral surveillance;***

*Amendment*

***deleted***

Or. en

**Amendment 110**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 23 a (new)**

*Motion for a resolution*

*Amendment*

***23 a. Mandates its President to defend this position during the Spring European Council ( 1-2 March 2012);***

Or. en

**Amendment 111**  
**Pervenche Berès**

**Motion for a resolution**  
**Paragraph 24 a (new)**

*Motion for a resolution*

*Amendment*

**24 a. Annex:**

***Annual Growth Survey 2012***

***INTRODUCTION***

***The Autumn forecasts for 2011-2013 published by the Commission on 10 November 2011 show that economic recovery has come to a standstill and that low levels of confidence are adversely affecting investment and consumption. This lack of confidence is due to the negative feedback between the sovereign debt crisis and the situation in the financial sector together with a slowdown in the global economy. The impact has been particularly acute in the Euro area. As a result, GDP is likely to stagnate or even to decrease in many Member states in the coming year and overall growth in the EU is forecast to be as low as 0.6% for 2012. Unemployment levels are likely to remain high at around 10% in 2012 and into 2013, exacerbating the social impact of the crisis.***

***Without a convincing response to the crisis in the Euro area the economic outlook for the whole of the EU will deteriorate further rapidly. The growth prospects of all Member States, whether they are currently in the Euro area or not, depend on dealing decisively with the sovereign debt crisis and demonstrating that the Euro is a stable and strong currency whose members are determined and capable of implementing sound***

*economic policies and coordinated fiscal policies ensuring a sustainable and job creating recovery. Given the risk aversion in financial markets, these issues are not yet settled, even by the conclusions of the European Council on 8-9 December 2011. This prolonged period of uncertainty needs to come to an end. As the decisions of the European Council and the Euro area Summits have repeatedly shown, EU leaders have to take all the comprehensive required measures to resolve the current crisis – even to the point of considering the need for further Treaty change by respecting the procedure provided for by Article 48(3) of the Treaty on European Union. While understandable and necessary, too much political time and energy is being spent on emergency measures and not enough time is being devoted to implementing the policy changes that will bring our economies back to higher sustainable growth levels.*

*The upcoming European semester will be the first to be implemented as part of the recently strengthened economic governance of the Euro area and the wider EU. The "six pack" of legislation will significantly strengthen the Stability and Growth Pact and extend fiscal surveillance. For the first time there will be a procedure for monitoring and correcting macroeconomic imbalances: the Excessive Imbalance Procedure. The Commission has just tabled new proposals designed to strengthen further the surveillance of Euro area Member State budgetary policies, in particular for those Euro area Member States with serious difficulties with regard to financial stability or subject to an excessive deficit procedure. The new governance framework will only deliver stronger economic as social integration and discipline by ensuring a proper implementation of the EU 2020 strategy*



*for growth and jobs and strengthening the Economic and Monetary Union through innovative tools such as the creation of eurobonds and project bonds.*

*This year's Annual Growth Survey puts a strong emphasis on the need for implementation. Now that agreement has been reached on a new way of doing economic governance, further recognising the interdependence between Member State economies, the top priority must be to implement what has already been agreed with a clear emphasis on sustainable growth enhancing actions. The sequence and coherence of action – also across the EU – is crucial to success as is the capacity to exert leadership in the conduct of change and to demonstrate the fairness of what is being done.*

*In spite of the urgency of the situation, progress by Member States in implementing the guidance of the 2011 Annual Growth Survey is below expectations. There is not yet full ownership, at national level, of the radical changes which have been decided in terms of future economic governance. There is sometimes a disconnection between what is decided at EU level and the length of time it takes to come through in national policy decisions. To remedy this, a sense of urgency needs to accompany the next European semester, with rapid and demonstrable follow through by Member States of EU level guidance. An implementation gap also exists at EU level, where decisions already agreed are not fully or well implemented by Member States, even in areas of core importance like the Internal Market, and where proposals with an important growth impact are still awaiting co-decision, or where funds available to Member States under the EU structural funds are not used.*

*The focus needs to be simultaneously on reform measures having a short term*

*growth effect, and on the right sustainable growth model in the medium-term while ensuring the creation of decent jobs. Financial markets are assessing the sustainability of Member States' government debt on the basis of long-term growth prospects, on their ability to take far reaching decisions tackling macroeconomic imbalances and their commitment to improve competitiveness.*

*For 2012, the Commission and the European Parliament considers that efforts at national and EU level should concentrate*

*on the following five priorities:*

- *Pursuing differentiated growth-friendly fiscal consolidation*
- *Restoring normal lending to the real economy*
- *Promoting sustainable growth and competitiveness for today and tomorrow*
- *Tackling unemployment and the social consequences of the crisis*
- *Modernising public administration*

### ***1. PURSUING DIFFERENTIATED GROWTH-FRIENDLY FISCAL CONSOLIDATION***

*Determined fiscal consolidation is a means to an end: it is essential to restoring macrofinancial stability as a basis for growth and to securing the future of the European social model. As a consequence of the massive economic and social turmoil which originated in the unregulated financial sector, Government debt levels have increased markedly – by 20 percentage points on average over 2007-2010 as a result of the crisis – and are expected to reach 85% of GDP in the*

***EU and 90% in the Euro area by 2012.***

***In line with the agreed EU approach, significant steps have been taken to consolidate public finances, and, based on unchanged policies, public deficits are set to decline to just above 3% of GDP on average in the EU in 2013. The pace of consolidation is thus globally commensurate with the efforts required, provided commitments are followed through.***

***Member States are not all in the same situation so differentiated strategies should be pursued within the common framework, taking account of the existence of significant macroeconomic imbalances undermining the stability of the EMU and country-specific fiscal as macro-financial risks. In particular:***

- Member States benefitting from financial assistance programmes and those under close market scrutiny should continue to meet agreed budgetary targets while maintaining social protection for their citizens and appropriate budgetary resources for the full achievement of EU 2020 targets.***
- Member States with a significant adjustment gap under excessive deficit procedure, or a high deficit should step up their consolidation efforts while avoiding the implementation of measures which will dampen economic recovery, employment creation and social cohesion.***
- In Member States which do not have an excessive deficit, and that are on an appropriate adjustment path towards their medium-term objectives, budgetary policy can play its counter-cyclical and stabilising role, as long as mediumterm fiscal sustainability is not put at risk. Tackling persistent and significant macroeconomic imbalances within the EMU and the EU as a whole should be considered as one of the main current***

*priorities.*

- *While there is good progress on the overall objective of fiscal consolidation, the distributional impact of the reforms requires closer monitoring to avoid the procyclical effects which could push the European economy into a new period of recession and the risk of neglecting certain growth items and of compounding existing social difficulties.*

*On the expenditure side, Member States should keep public expenditure growth below the rate of medium-term trend GDP growth. The Commission considers that Member States should give particular attention to the following:*

- *Prioritising growth-friendly expenditure, such as education, research, innovation and energy which are an investment in future growth, and ensuring the efficiency of such spending. First evidence shows very different patterns across Member States. Particular attention should also be paid to maintaining or reinforcing the coverage and effectiveness of employment services and active labour market policies such as training schemes for unemployed persons.*

*To take better account of the need to integrate tax policy this year's Annual Growth Survey contains a new annex on growth-friendly tax policies in Member States and better tax coordination in the EU which is also of particular relevance to the Euro Plus Pact. In order to improve the contribution of the revenue side to fiscal consolidation, more attention is needed in the design and structure of the tax systems to make them more effective, efficient and fairer, while also taking into account that Member States may need to increase taxes. Tax reforms are already taking place in many Member States. They should take account of the following:*

*• There is scope for broadening the tax base of certain taxes and thus increasing revenue or reducing distortively high tax rates. For instance, deductions and exemptions from the standard tax base often create economic distortions and lower the efficiency of the tax system. This is particularly the case for VAT exemptions and reduced rates but it is also relevant for corporate and personal income tax. Phasing out some hidden tax subsidies could help to widen the tax base. In particular, environmentally harmful subsidies should be eliminated. In order to improve the achievement of the internal market and avoiding taxation dumping, a Common Consolidated Corporate Tax Base and a minimum tax rate referring to it should be introduced in all member States.*

*• Greater efforts should be made to shift taxation away from labour towards taxation which is less detrimental to growth: for example, increasing consumption, environmental, wealth (for example, high value property) taxation can help to alleviate the tax burden on labour thus making hiring more attractive. Particular attention should be paid to the needs of the most vulnerable groups in any tax shifts.*

*• In several Member States, improving the efficiency of tax collection is required while a coordinated fight against tax evasion should be undertaken as soon as possible by the European Commission with the full commitment of all EU member states in order to increase significantly government revenue. To this respect, bilateral tax agreements recently concluded by some member States with third countries clearly undermine the capacity of the EU as a whole to act efficiently against tax fraud and avoidance. A more effective application of tax rules in all areas of taxation will help in this respect.*

*Measures to encourage moves from informal or undeclared work to regular employment should be reinforced.*

- *New sources of national revenues such as the auctioning of CO2 emission allowances and spectrum auctioning will start to become available and could be used to support expenditure in growth-friendly areas<sup>5</sup> including green growth, given the commitment to devote a substantial share of these new resources to combating climate change.*

- *In order to maximise the impact of their tax reforms, Member States should coordinate their efforts through enhanced dialogue and tax harmonisation at EU level. Progress should be made on the proposals announced by the Commission in its last Annual Growth Survey – for a compulsory common consolidated corporate tax base, for a financial transaction tax and for energy taxation – which are now on the table of the European legislator.*

## **2. RESTORING NORMAL LENDING TO THE ECONOMY**

*A healthy financial system and, in particular, a robust banking sector is one of the crucial element for supporting sustainable growth. The bank excesses leading up to the crisis have resulted in a widespread fragility in the sector and now risk acting as a brake on economic recovery. Restoring investor confidence will require a strengthening of banks capital positions and measures to support banks access to funding, and will help to sever the link between the sovereign crisis and the financial sector.*

*A major overhaul of regulation and supervision of the financial sector is underway and some of the new decisions are already being implemented. The objective is to address the loopholes in the current regulatory and supervisory framework and enable more normal long-*

*term lending patterns to business, social economy and to private households, without the excessive risk taking of the pre-crisis period.*

*In a short-term perspective, the Commission considers that priority should be given to:*

- *Strengthening of the capital positions of systemic banks where required in order to reflect heightened risks in the sovereign debt markets. Measures in this regard will be based on the proposal of the European Banking Authority. It will be critical to ensure that banks strengthen their capital ratios primarily by increasing their capital positions, and not by unduly restricting lending to the real economy. In addition, banks should respect agreed rules on bonuses and pay.*

*legislative initiative designed to bring a clear separation between commercial and investment banking in order to ensure the full protection of households deposits while improving the stability of the financial system resulting from the existence of too big too fail financial institutions.*

- *Facilitating bank access to long term funding by implementing temporary measures (e.g. public guarantees) so as to limit the impact of banking sector reform on the flow of credit to the real economy, avoiding the risk of further tightening credit conditions. Both capitalisation (in cases where this can only be achieved through public resources) and the provision of public guarantees should be done in a way that prohibits short-term featured remuneration systems and inadequate business models while being fully consistent with state aid rules.*

- *Creating a specific regime adapted for SME growth markets allowing them to be more visible to investors and subjecting SMEs to proportionate listing requirements. Prudential rules should*

*also be reviewed to ensure that they do not unduly penalise lending to SMEs.*

- *Working with the European Investment Bank to maintain and increase its SME loan activity at a sustained pace, while developing synergies with the European Investment Fund through risk-sharing operations, and the establishment of a fund-of-funds to provide capital to funds that targets investments in more than one Member State in line with the EU 2020 Strategy for Growth and Jobs.*

- *Developing a new European venture capital regime that will enable EU venture capital funds to market their funds and raise capital on a pan-European basis for the promotion of long-term infrastructure projects.*

*This would consist of a collective investment vehicle at European level managed by the EIB to invest in other funds at national level rather than investing in shares, bonds, etc. across the Single Market. Passporting rights will be granted on the basis of a single registration in the home Member State, and conditioned on the respect of simplified reporting obligations and adapted organisation and conduct of business rules in line with corporate social and environmental responsibility.*

- *Completing the implementation of a new regulatory framework for EU financial markets in accordance with G20 commitments and strengthening the new EU-level arrangements for financial supervision.*

### **3. PROMOTING GROWTH AND COMPETITIVENESS FOR TODAY AND TOMORROW**

*Fiscal consolidation and financial repair are needed but are not sufficient in themselves to deliver sustainable growth. Full achievement of EU 2020 targets*



*must play a key role in enhancing the overall efficiency and adjustment capacity of the EU economy. While the growth enhancing effects of structural reforms deliver their results gradually over time, creating a perspective of improved sustainable growth can have a positive short term effect on growth by improving confidence and help all Member States, in particular those under market pressure.*

*Most of the growth levers are in the hands of the Member States, as highlighted in the recommendations made under the European semester. For instance, national reforms in the areas of services, network industries and the public sector should be accelerated to increase the EU's growth potential. An emphasis on resource efficiency, for example in areas such as energy efficiency and reducing waste, can improve competitiveness, create new jobs and help our environment. Reforms which improve the business environment and competitiveness should also be a priority.*

*Long before the current crisis overall EU performance has been weaker than key competitors.*

*In spite of some progress in terms of employment, the EU has been lagging behind notably in terms of productivity, and this productivity gap is widening. There are many factors to explain such a gap. But there are two specific obstacles for the EU in comparison to a number of other major competitors: first, the Europe-wide market is still too fragmented and does not allow firms to grow and enjoy the same economies of scale; second, several framework conditions – from access to finance to innovation capacities or regulatory obstacles – are less conducive for firms to create and invest.*

*Without the necessary structural reforms, medium term projections point to the EU*

*remaining stuck in slow growth. Specific priority areas for reform in each Member State have been identified in the EU country-specific recommendations. The EU level can support and complement national actions, for example, through the Single Market Act proposed by the Commission and endorsed by the European Parliament and the European Council. A number of growth levers could deliver rapid results during 2012, if pursued both individually by each Member State and as part of EU wide action.*

*Three examples of growth potential*

*• The EU digital single market can be built by:*

*– Developing an EU market for secure mobile and on-line payment systems, while improving data protection rules and promoting the use of public sector information.*

*– Making more radio spectrum available, in particular to the fast-growing mobile data market. At the same time, investments need to be encouraged in high-speed broadband connections.*

*– Reducing the costs and improving the quality of delivery of goods and services bought online including through delivering a sufficient level of consumer protection.*

*– Eliminating sales restrictions based on nationality or residence. The Commission will contribute to this by issuing guidelines on the implementation of Article 20 of the Service Directive.*

*– Developing on-line dispute resolution systems to provide fast and reliable arbitration to consumers and businesses in case of dispute.*

*– Using the power of ICT to deliver smart energy and transport systems linking all corners of the EU. Smart electricity grids,*

*high levels of energy efficiency and widespread use of renewable energy made possible through sophisticated use of ICTs and world-class logistics servicing the Internal Market are essential components of a modern, competitive economy and crucial for EU development in the coming years.*

- *A real internal market for services:*

- *In many Member States, awareness of economic operators about the possibilities offered by the Services Directive is limited. The "points of single contact", which help businesses to obtain relevant information and complete formalities, do not yet exist in some. The Commission is taking measures to ensure enforcement by those Member States which have not yet transposed the Directive. Sectoral performance tests will be conducted, and follow-up measures will be adopted by the end of 2012 to ensure full implementation.*

- *Enhancing competition and competitiveness in the retail sector, reducing barriers for the entry and exit of firms, and eliminating unjustified restrictions for business and professional services, legal professions, accounting or technical advice, health and social sectors.*

- *Removing technical, administrative and societal barriers to innovative technologies and production processes, including in the take up of key enabling technologies.*

- *The external growth dimension:*

- *Tapping into the potential of external trade: 90% of global growth in the coming years will come from outside the EU. A lot can be done to help EU firms, in particular SMEs, tap into this growth. Already during the crisis, trade helped cushion the shock: one quarter of EU growth in 2010 came through trade with*

*non-EU partners. Recently concluded trade agreements with Neighbourhood countries, and the recent free-trade agreement with South Korea offer many potential benefits that can come from exploiting the new opportunities it offers, and these should be adequately publicised to businesses. The European Union should aim at achieving a balanced, free and fair global trade agreement in order to reduce contrasts between emerging economies and developed ones by concluding agreements with third countries based on a transparent and reciprocal basis.*

*Mobilising the EU budget for growth and competitiveness*

- *In current circumstances of fiscal restraint the room for a fiscal stimulus is severely limited for some Member states. However, it is possible at the European to use existing resources to produce a stronger impact on sustainable and socially inclusive growth, the magnitude of job creation and competitiveness and to develop additional innovative financing tools such as the financial transaction tax, a European carbon tax or the creation of for such a purpose. For the period 2007-2013, a budget of € 347 billion is available for investments in the Member States under cohesion policy. In some, EU funds can represent as much as 4% of GDP. After a slow start, both commitments and payments are now picking up – but unevenly across the EU. Using the potential of the EU structural Funds can and must be part of a new growth focus:*

- *There is still considerable room for using or re-programming available funds to boost growth and competitiveness and to implement the country specific recommendations of the first European semester. There are many examples of successful schemes – for instance schemes to support apprenticeships for*

*young people with the help of the European Social Fund or energy efficiency investment programmes for households and firms – which have an immediate impact. Such programmes are a very effective and smart way to create local jobs, especially now the construction sector is struggling.*

*– For Member States receiving financial assistance programmes, the Commission has proposed to increase the co-financing rates in order to make sure that necessary investments take place now despite severely constrained national budgets. The Commission urges the European Parliament and the Council to adopt these proposals by the end of 2011.*

*– To help build the necessary infrastructure in terms of transport, energy and ICT, the Commission has also proposed the use of project bonds to stimulate private financing of key infrastructure projects which can generate income flows. A pilot phase of project bonds has been tabled to make a link between the current and future budgets of the EU and to bring forward in time the financing of some of these key projects.*

*A targeted programme to fast track inclusive and sustainable growth*

*To support these efforts, the Commission has identified a series of EU-level decisions which, if taken quickly, could give an immediate boost to growth. These involve:*

- Getting more out of what has already been agreed at EU level.*
- Accelerating adoption of what is pending before the European Parliament and the Council.*
- Fast tracking certain future proposals that the Commission will make in the coming months.*

*taking into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health as it is provided by the article 9 of the Treaty.*

*Details are set out in the attached annex and the Commission looks forward to discussing a fast tracked growth package with the European Parliament and the Council in the near future.*

#### **4. TACKLING UNEMPLOYMENT AND THE SOCIAL CONSEQUENCES OF THE CRISIS**

*The social impact of the crisis is far-reaching. While the EU was able to create millions of jobs and increase the number of people in work since the mid-1990s, progress has stopped since 2008.*

*Unemployment has increased significantly as a result, with 23 million people unemployed in the EU today.*

*The crisis is precipitating major shifts across the economy, with business undergoing fast restructuring, many persons moving in and out of employment and working conditions being adjusted to changing environments. With job prospects deteriorating, a significant share of the population may not manage such transitions. The share of long-term unemployed has increased, with risks of falling permanently outside the labour force. The implementation of balanced flexicurity policies can help workers to move across jobs and labour market situations. At the same time, the effect of demographic ageing is now accelerating the withdrawal of experienced workers from the labour market and the prospect of a stagnating/diminishing working age population is imminent in several Member States.*

*The scope and pace of these changes create the risk of a structural mismatch between the supply and demand for labour which will hinder recovery and long-term growth. While unemployment has been reaching high levels, the number of unfilled vacancies has also been increasing since mid-2009. This situation results from inadequate wage conditions, lack of adequate skills or limited geographic mobility.*

*Already before the crisis, performance of Member States in terms of participation of all age groups in employment, as well as in terms of education, training and lifelong learning, varied widely and the overall EU average was falling behind in international comparison.*

*Mobilising labour for growth:*

*To create jobs and ensure a job-rich recovery, the Commission considers that Member States should give particular priority to the following:*

- Moving forward with the agreed recommendations on revising wage-setting mechanisms, in conformity with national social dialogue practices, to better reflect productivity developments, and adapting unemployment benefits further, combined with more effective activation and appropriate training and support schemes, to facilitate the return to work.*
- Enhancing labour mobility by removing remaining legal obstacles, by facilitating the recognition of professional qualifications and experience, by strengthening cooperation between public employment services, and by reviewing the functioning of housing markets and the provision of transport infrastructure.*
- Restricting access to early retirement schemes and other early exit pathways while supporting longer working lives by providing better access to life-long*

*learning, adapting work places to a more diverse workforce, and developing employment opportunities for older workers, including through incentives.*

- *Promoting business creation and self-employment, including social entrepreneurship, by improving the quality of support systems, and promoting entrepreneurial skills.*

- *Developing initiatives that facilitate the development of sectors with the highest employment potential, including in the low-carbon, resource-efficient economy ("green jobs"), health and social sectors ("white jobs") and in the digital economy.*

*Supporting employment especially of young people:*

*A particular focus is needed on young people. Between 2008 and 2010, the total number of young (under 25) unemployed in the EU increased by one million – making it one of the groups that have been worst affected by the crisis. EU-wide unemployment rate has increased to over 20%, with peaks of more than 40% in some Member States. This group also faces other structural challenges, hindering their integration into the labour market. For instance, 40% of young employed persons work on temporary contracts. Moreover, one out of seven (14.4%) currently leaves the education system with no more than lower secondary education and participates in no further education and training. In these circumstances, the Commission considers that Member States should give priority to:*

- *Identifying the most urgent needs and proposing concrete actions, targeting in particular young people who are not in employment, education or training, as well as commitments to promote quality*



*apprenticeships and traineeship contracts and entrepreneurial skills. Particular attention should be paid to a vocational training dimension in tertiary education systems and getting work experience.*

- *Engaging with social partners to implement commitments to promote quality apprenticeships and traineeship contracts, especially in sectors with bottlenecks in filling vacancies, so that young people gain real work experience and quickly enter the job market.*

- *Reforming employment protection legislation in consultation with social partners, reducing the excessive rigidities of permanent contracts and providing protection and easier access to the labour market to those left outside, in particular young people.*

- *Further adapting education and training systems to reflect labour market conditions and skills demand, while reinforcing their efficiency and quality, and focusing on sectors and occupations that experience the most pronounced skills or labour shortages – for instance, the number of IT graduates has not increased since 2008 and if this persists, the EU may lack 700 000 IT professionals by 2015.*

- *Reviewing the quality and funding of the universities and considering measures such as the introduction of tuition fees for tertiary education, accompanied by student loan and scholarship schemes, or alternative sources of funding, including the use of public funds to leverage private investment.*

*Protecting the vulnerable:*

*In addition to economic realities, the social tissue of the EU is being put to the test. The crisis has disproportionately hit those who were already vulnerable and has created new categories of people at*

*risk of poverty. There are also clear signs of increases in the number of people at risk of income poverty, notably child poverty, and social exclusion, with acute health problems and homelessness in the most extreme cases. People with no or limited links to the labour market – such as pensioners or vulnerable people dependent on social benefits, for instance single parents – are also exposed to changes affecting the calculation and eligibility of their source of income.*

*The Commission considers that Member States should give priority to:*

- Further improving the effectiveness of social protection systems and making sure that social automatic stabilisers can play their role as appropriate, avoiding precipitate withdrawals of past extensions of coverage and eligibility until jobs growth substantially resume.*
- The implementation of active inclusion strategies encompassing labour market activation measures, and adequate and affordable social services to prevent marginalisation of vulnerable groups.*
- Ensuring access to services supporting integration in the labour market and in society, including by ensuring access to a basic payment account, electricity supply to vulnerable customers and access to affordable housing.*

## **5. MODERNISING PUBLIC ADMINISTRATION**

*The quality of public administration at EU, national, regional and local level is a determining element of competitiveness, and an important productivity factor. The on-going pressure on public finances is driving major changes and restructuring of the public sector. What is a challenge must be turned into an opportunity. Although public sector reform cannot be achieved overnight there is a need to give it a new impetus under current*

*circumstances.*

*The interdependence and complexity of administering the EU's multilevel governance*

*structures has shown, particularly under the pressure of the crisis, that there is room for improvement. Member States need well-performing administrations to be able to play their full role in the EU, to meet their obligations and to ensure that their citizens can benefit fully from the advantages of EU membership. The successful implementation of EU policies in important areas from customs control to the quality of statistics relies on the capacity of each Member State to deliver agreed results. The persistent implementation gap in the application of EU legislation, or in the use of structural funds, is in many cases the result of a poor administrative capacity.*

*In many Member States, there is scope for increasing the efficiency in the delivery of public services as well as the transparency and quality of public administration and the judiciary. In particular, there is a need to enhance the performance of the civil justice system so that claims can be settled in a reasonable time frame – undue delay is detrimental to European citizens and costly for businesses and often means they are unable to take advantage of new business opportunities. In this context the Commission has indicated its intention to propose to improve the effectiveness of cross border insolvency rules. Another area where different policy objectives need to be reconciled is the issuance of planning permits – here the Commission has recently proposed a new Regulation on Guidelines for Trans-European Energy Infrastructure. These are just a few examples – it is clear that addressing these and other existing problems would allow reconciling the aims of fiscal consolidation and improving*

*competitiveness and growth prospects.*

*The Commission has been promoting a smart regulation agenda, designed to ensure that the EU has high quality regulation where it needs it, and only takes action where the EU level delivers better results than at national level in full respect of the subsidiarity principle. An integral part of this agenda is the drive to simplify existing EU legislation and to keep it under constant review so that it is always up to date and fit for purpose. Equally important is the Commission's programme to reduce administrative burden and red tape – the Commission has already surpassed the 25% reduction target by delivering proposals to reduce administrative burden by 31% if the co legislator adopts its proposals. The Commission has just proposed a new regime for micro and small enterprises, basically exempting them from new EU regulations unless a convincing case can be made for including them. Even where SMEs are covered by new regulation the possibility of lighter regimes will be explored while ensuring the promotion of social dialogue between all relevant stakeholders of the company. The constant improvement in consultation of stakeholders, evidence-based impact assessments and a focus on implementation on the ground of EU legislation will continue to be central to the Commission's agenda. The Commission considers that Member States should give priority to:*

- Where absorption rates of EU structural funds is low, building administrative capacity, including the necessary expertise and continuity of management, to ensure speedier disbursement of unused funds on sustainable growth-enhancing projects and using available technical assistance for this purpose. Distribution of EU structural funds to Member states should not be linked to*

*their respective budgetary situation and ability to respect their commitments under the provisions resulting from the economic governance package.*

- *Improving their business environments by minimising administrative burdens, including by avoiding "gold plating" when transposing EU legislation and by reducing unnecessary regulations and permits, and introducing simpler and quicker procedures, in particular in their judicial systems. In its proposal on exempting micro enterprises from new regulations, the Commission has announced it will keep a scoreboard of its proposals to reduce administrative burden as they go through co-decision and national transposition so that it can highlight cases where the legislator adds burdens during the process.*

- *Ensuring that exchanges between administrations and enterprises as well as citizens can be done digitally, in order to increase administrative efficiency, transparency and the quality of service. Online public services can be particularly beneficial for SMEs and should be adapted to their needs.*

- *Facilitating the creation of new businesses by implementing the commitment in the Small Business Act to reduce the time for starting up of a company to 3 days. The twenty five Member States that have not already done so should make the changes needed to meet this target by the end of 2012.*

## **6. CONCLUSION**

*The EU economy is now going through the most challenging times in its history. The focus of the 2012 Annual Growth Survey is on implementation of the priorities agreed as part of the new economic governance and the Europe 2020 strategy. It takes account of the need*

*to adjust the level of ambition and priorities to a worsening economic context.*

*The Commission invites:*

- *The European Council to take note of this Annual Growth Survey and to task Council formations to consider it and report to the Spring European Council so that the March European Council can adopt appropriate guidance for the 2012 European semester as the need for concrete specific and differentiated measures among Member states designed to tackle the internal macroeconomic imbalances undermining the stability of the Economic and Monetary Union.*

- *The Member States to reflect the guidance agreed by the Spring European Council in their next Stability and Convergence Programmes and their National Reform Programmes in the spring 2012. These will be examined by the Commission when it issues new or updated country-specific recommendations next year, taking into account the degree of implementation of the 2011 recommendations.*

*The Member States to step up implementation of their Stability and Convergence Programmes, their National Reform Programmes and the 2011 country-specific recommendations. The European Parliament and the European Council to agree to fast track the list of proposals attached to this Communication with a view to adopting them by the end of 2012.*

Or. en