

# EUROPEAN PARLIAMENT

1999



2004

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*Session document*

4 February 2003

B5-0104/2003

## MOTION FOR A RESOLUTION

further to the Council and Commission statements

pursuant to Rule 37(2) of the Rules of Procedure

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on behalf of the PPE-DE Group

on preparation for the Spring European Council, 21 March 2003

**European Parliament resolution on preparation for the Spring European Council, 21 March 2003**

*The European Parliament,*

- having regard to the Commission's Report to the Spring European Council on the Lisbon strategy of economic, social and environmental renewal<sup>1</sup>, and the supporting Staff Paper, and to the accompanying 'Implementation Package' for the Internal Market<sup>2</sup>, the European Employment Strategy<sup>3</sup> and the Broad Economic Guidelines<sup>4</sup>, on which it is also reporting,
- having regard to forthcoming submissions to the Spring European Council, including the Commission and Council joint reports on pension reforms and on health care and care for the elderly, the EcoFin Council's report on the follow-up to the World Summit on Sustainable Development, and EcoFin's 'key issues' paper,
- whereas 2003 will be a key year in the transition to an enlarged EU comprising 25 Member States,

**KEY POLITICAL CONSIDERATIONS**

1. Recognises that the Spring European Council will be taking place against a background of sluggish growth, uncertainty in financial markets and deteriorating industrial and consumer confidence; considers that, at this critical juncture for the European economy, the situation is exacerbated by the Iraqi Government's continuous and serious non-compliance with UN Security Council Resolutions and in particular Resolution 1441, and by the humanitarian, political and economic consequences if war in Iraq cannot be avoided;
2. Believes that these considerations reinforce the underlying message of the Commission's recent Spring Report, that the European Council and the Member States must act decisively to restore credibility to the Lisbon objectives, especially in the eyes of those in the business, educational and research spheres on whom success ultimately depends;
3. While strongly confirming the *strategic goal* set at Lisbon, considers that now is the moment for
  - (i) a review of whether the *overall strategy* being pursued is still appropriate and can be executed satisfactorily;

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<sup>1</sup> COM(2003)5

<sup>2</sup> SEC(2003)43

<sup>3</sup> COM(2003)6

<sup>4</sup> COM(2003)4

- (ii) a more detailed road-map from the Commission indicating how the agreed objectives will be reached by 2010, together with a chronological scorecard to check that steady progress in all areas is maintained;
  - (iii) more determination from the European Council in eliminating the delivery gaps in transposing EC legislative commitments into national provisions;
  - (iv) bringing the European Parliament into the review, thereby supporting its role as co-legislator;
4. Calls upon the European Council, when it addresses issues where there is no EC legislative competence, such as fighting poverty and social exclusion, pension systems, health systems, care for the elderly, and education, to specify that the method of 'open coordination' is carried out in a way which respects the responsibilities of the Member States, by concentrating on closer cooperation and learning from best practice; stresses that in any event there must be no bypassing of the European Parliament and of national parliaments;
5. Calls upon the European Council to ensure that every single Member State complies with the budgetary and economic reform recommendations of the EcoFin Council, including those on pension systems and labour markets; considers that demands for public spending must be reconciled with budgetary restraint, in order to ensure the credibility of the stability-oriented framework;
6. Given the unacceptably high levels of unemployment, and the difficulties for Member States in reaching the Lisbon and Stockholm targets for employment, and participation rates for older workers and for women, considers that the new European Employment Strategy must be designed to encourage Member States, in their own way, to adapt tax and social security systems, and to increase childcare facilities, in order to achieve these targets;
7. Insists that the job-creating potential of small and medium-sized enterprises be fully recognised in all policy initiatives; demands that the commitments made in the European Charter for Small Enterprises, to simplify and cut the costs of business start-ups, be met without delay; and calls on the European Council to address forthwith the recommendations made in the Commission's recent Green Paper on Entrepreneurship;
8. Calls upon the European Council to implement and strengthen a European education and training area, in order to promote and improve cooperation in the fields of:
- mobility;
  - transferability and recognition of competences and qualifications;
  - quality in vocational education and training;
  - harmonisation of certificates and diplomas;
9. Re-emphasises the crucial importance of a thriving, competitive information and communications sector in delivering a 'knowledge-based' EU economy at the service of individuals and of industry; considers it vital that the EU should not lose its leading position in research and development in these technologies to rivals such as China and Japan;

10. Expects a positive outcome of the European Council's review of the EU's fulfilment of the commitments made at the Johannesburg Summit on Sustainable Development; as regards the EU's own sustainable development strategy, which has already achieved significant results through stricter environmental policy measures, combined with EU industry's own innovation and investment in technology, believes that the European Council should encourage further ways of creating opportunities for mutual support between its environmental, economic and social (including employment) components;

#### THE INTERNAL MARKET; NECESSARY REFORMS

11. Calls upon the European Council to ensure that all Councils, and not just the Competitiveness Council, address competitiveness across a broad front, notably by completing the existing Internal Market, developing the Internal Market for services, completing the risk capital market by the end of 2003 and the Financial Services Action Plan by the end of 2005, and by transposing legislation to improve the performance of the telecommunications, energy and transport markets;
12. In pointing to its own record in delivering on its legislative responsibility and in working quickly, calls on the European Council to bring a sense of urgency to the consideration of important internal market proposals which are currently in, or will be returning to, the relevant Council, notably the directives on the Community patent, public procurement, public service obligations for local and regional transportation, the Second Railway Package, the regulation on sales promotions, the prospectus directive and the directive on pension funds, which is also important for cross-frontier mobility;
13. In the context of financial services, reiterates that the Lamfalussy procedure will only deliver if all institutions speed up their decision-making procedures and the European Parliament is given a formal right of call-back, which would enable it to devolve more easily some of its competences to levels 2 and 3 of this procedure;
14. Strongly endorses the Commission's strategy for 'simplifying and improving the regulatory environment', and looks forward to playing a central role following the conclusion of a satisfactory interinstitutional agreement; while welcoming the commitment to apply regulatory impact assessment to new legislative proposals introduced in 2003, calls upon the Commission to extend assessments to existing legislation and to provide a detailed timetable for achieving its goal of a 25 per cent reduction in 'red tape';
15. Stresses the importance of the financing needs of European businesses being taken into account in the new capital adequacy rules for banks ('Basle II') ; recalls that 'Basle II' can essentially only enter into force through a legislative act of the EU, which must respect in equivalent measure the interests of lenders and of borrowers, especially SMEs and start-ups;
16. Calls upon the Council, together with the Commission, to develop as a matter of

urgency strategies for comprehensive reform of pensions, to ensure adequate pensions in the long term, with the combination of three 'pillars', namely public systems, occupational schemes and personal provision; considers that pension funds and supplementary capital-sum schemes may be useful for combining with public systems based on sharing;

17. Calls also for the Commission to be charged with identifying appropriate measures for submission to the Member States, the Council and Parliament, with common indicators and guidelines, particularly with regard to raising the actual retirement age (by five years by 2010), extending working life, action plans, information and recommendations, as well as initiatives relating to the exchange of data, experiences and models;
18. Stresses the relevance of the environmental dimension when reviewing progress in integrating energy, transport and communications networks, through interconnections and interoperability, as set out at Barcelona in spring 2002;
19. While calling for the gradual elimination of environmentally-damaging subsidies, reminds the European Council of its previous commitments to reduce and redirect state aids, and points out that new investment in research and technology is an important element in promoting sustainable production and consumption;
20. Calls for the use of environmental taxes which genuinely promote both sustainable production and consumption; such taxes should not increase the total tax burden, be competition-neutral, and be coordinated and harmonised on a Europe-wide basis;
21. Insists on the early formal adoption, without recourse to the European Council, of the welcome political agreement in the EcoFin Council on the 'tax package', which includes the directive on savings, a code of conduct on business taxation and a directive on royalties and interest; in the same vein, expects EcoFin finally to agree the energy tax package, in parallel with the establishment of a genuine European energy market;
22. More generally in tax matters, calls on the European Council to recognise the benefits of tax competition between Member States, and for Member States to retain freedom of manoeuvre, except where directly related to the proper functioning of the internal market, such as in the harmonisation of the tax base (but not the tax rate) in the field of company taxation;

#### EMPLOYMENT AND SOCIAL COHESION

23. Considers that, under the new employment strategy, national and regional labour market policies must be adapted to local conditions and to more flexible methods of working and that, moreover, pay bargaining systems, industrial relations and legislation should be redesigned, where necessary;
24. Considers that, also in the interests of people who are affected by structural change,

and of people who want to be able to develop their lives according to their own ambitions, the new strategy must facilitate the attainment of higher qualifications and promote the knowledge-based society in a targeted way, while at the same time inculcating basic skills in, for example, the provision of personal services such as care for the elderly;

25. Calls upon the European Council now to recognise that combating undeclared work must be an important element of the new strategy in many Member States; takes the view that work must be made more attractive for employees and employers alike, not only by reducing their tax burden, but by providing specific incentives to promote declared employment, so that the burden of social insurance contributions is substantially reduced, thereby making the creation of new jobs, including in start-ups, less costly;
26. Emphasises the importance of the social partners at European level, and considers that a social dialogue, in which all representative bodies at European level participate, is a decisive factor in implementing the Lisbon strategy;

#### EDUCATION AND TRAINING

27. Considers that education and training systems should be strengthened, by making them more responsive to individual needs, and that it is desirable for there to be a wide range of public and private establishments competing with each other in order to facilitate the access of all to education and training systems;
28. Calls on the European Council to ensure that the Education, Youth and Culture Council moves forward on the action plan for education systems in a way that ties in with the employment strategy, and thus respects subsidiarity; suggests that, in improving school and vocational training policies, governments could learn from the Programme for International Student Assessment (PISA) study that all participants in the labour market must have access to lifelong learning through framework agreements on employment conditions between the social partners;
29. Calls for scientific career development to be advanced within Europe, starting with the encouragement of pupils interested in mathematics and science, to promote the training of a sufficient number of qualified European researchers;

#### KNOWLEDGE AND INNOVATION

30. While calling for Member States to give higher priority to the e-Europe 2005 action plan, alongside the liberalising of markets for telecommunications, calls for
  - timely and consistent implementation of the European telecoms package, to create a Europe-wide level playing field;
  - more flexibility in the 3G mobile sector by allowing smooth consolidation of market players, together with a package of measures to encourage trust and investment in this sector, including secondary trading of 3G spectrum;
  - encouragement of open standards for all relevant platforms, including digital

- TV, 3G and end-user devices, as a step towards the interoperability necessary for consumers' freedom of choice;
- an inclusive approach to e-government, e-learning and e-health;
31. Calls upon the European Council to give much-needed momentum to the establishment of a European Research Area in order to overcome the existing fragmentation between public and private researchers, exploiters and financiers; notes that, in particular, national implementation plans are needed, including indications as to how the Barcelona target of research spending equivalent to 3% of GDP by 2010 is to be achieved, both by the public sector (one third) and by the private sector (two thirds);
32. Insists that the Competitiveness Council reach a political agreement on the Community Patent before the European Council; observes that European business urgently needs an efficient and flexible patent instrument, obtainable under shorter procedures at an affordable cost;

### SUSTAINABLE DEVELOPMENT

33. Believes that the environmental indicators developed by the Commission and included in the list of structural indicators are a good basis for future assessments of sustainable development, but that this list needs to be further elaborated and developed, notably in the field of biodiversity, water, soil and chemical pollution;
34. While regretting that the majority of Member States remain well outside their Kyoto Protocol target paths, considers positive the implementation of the EU emissions trading system by 2005 involving more than 5000 companies from industry and the energy sector; underlines the importance of an integrated approach when implementing different measures under the EU's climate change policy, in order to safeguard the international competitiveness of energy-intensive industry in Europe; considers that comparable targets need to be set and instruments developed at both national and Community level for other sectors, such as non-energy-intensive manufacturing, small and medium-sized enterprises and the transport, services, agricultural, public and domestic sectors;
35. Calls upon the European Council to set up detailed and permanent mechanisms to evaluate internal and global implementation of the outcomes of the Johannesburg Summit on Sustainable Development, notably the Implementation Plan, where targets were agreed for safe drinking water, sanitation, extreme poverty eradication, fish stocks, chemical pollution and biodiversity, and 'type-2' partnership agreements;
36. Emphasises that addressing the structural causes of poverty in developing countries must be accompanied by the phasing-out of trade barriers towards these countries;

### IMPROVING WORKING METHODS

37. Urges the forthcoming European Council, in its review of the path laid down for the

Lisbon and Göteborg objectives, also to address the interaction between the strategy and macroeconomic policy;

38. Stresses its determination to play a major role in the Internal Market, and in the preparation and assessment of the Broad Economic Policy Guidelines and the European Employment Strategy, but points to the extremely tight calendar between approval of the Guideline package at the Spring meeting and the final adoption in June, which precludes any substantive contribution from the European Parliament; reiterates its call for an interinstitutional agreement guaranteeing its full involvement in this procedure;
39. Points also to the need to build on the existing level of cooperation between the institutions, so that the Lisbon strategy, the Council's forthcoming multiannual strategic programme and the Commission's annual policy strategy are dovetailed together;
40. Instructs its President to forward this resolution to the European Council, the Commission, the Council and the governments and parliaments of the Member States and accession countries.