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MOTION FOR A RESOLUTION

to wind up the debate on the European Council report and Commission statement

pursuant to Rule 103(2) of the Rules of Procedure

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on behalf of the UEN Group

on the outcome of the European Council meeting held in Brussels on 22-23 March 2005

European Parliament resolution on the outcome of the European Council meeting held in Brussels on 22-23 March 2005

The European Parliament,

- having regard to the Presidency Conclusions following the European Council meeting on 22-23 March 2005,
- having regard to Rule 103(2) of its Rules of Procedure,
- A. whereas at the Spring European Council on 22-23 March the EU Heads of State and Government endorsed the reforms of the Stability and Growth Pact agreed by the ECOFIN Ministers on 20 March,
- B. whereas the requirement to avoid deficits in excess of 3% of GDP and the 60% debt limit, as laid down in the Treaty, have been retained,
- C. whereas the pact is to be applied across countries in a fair and consistent way through a rules-based system, which is the best way to guarantee that all Member States are equally treated,
- D. whereas, however, a European Union of 25 countries is characterised by considerable heterogeneity and diversity and, on the basis of the experience of the last five years in EMU, needs an enriched common framework, allowing differences in economic situations across the European Union to be catered for more effectively,
- E. whereas the Council, following the Commission Communication of 3 September 2004 on the implementation of the Stability and Growth Pact, has reviewed the Stability and Growth Pact provisions by detecting areas where improvements could be made in order to make the rules more effective,
- F. whereas the European Council of March 2000 initiated the Lisbon Process, and the European Commission presented the mid-term review of the Lisbon Agenda (New Growth and Jobs Strategy for the EU) on 2 February 2005,
- G. having regard to the conclusions reached by the EU Heads of State and Government at the Spring European Council on 22-23 March on the draft directive on services in the internal market,

Stability and Growth Pact

1. Welcomes the political agreement on the major reforms of the pact and the continued commitment to fiscal discipline as the basis for economic growth and job creation;
2. Stresses the fact that, in order to enhance its growth-oriented nature, major structural reforms will be taken into account in defining an adjustment policy to meet the

commitments of the pact in the event of an excess deficit, in accordance with Article 104(1) of the Treaty;

3. Stresses also the importance of the clarification made by the Council to the concept of ‘all other relevant factors’ indicated in Article 104(3) and the new interpretation of the definition of a ‘severe economic downturn’ given in Article 2(2) of Regulation 1467/97, which had been considered too restrictive, while respecting the provisions of Article 104(2);
4. Acknowledges that any consideration of the ‘other relevant factors’ is made fully conditional on the ‘over-arching principle’ that the excess over the Treaty reference values must be temporary and that the deficit must remain close to the reference value. Welcomes the fact that this provision indicates the intention of facilitating a rounded, informed economic analysis in appropriate circumstances;
5. Welcomes the fact that this conditionality should allay concerns about possible abuse of the ‘relevant factors’ to undermine the primacy of the Treaty limits, to which all Member States remain fully committed;
6. Believes that the new arrangements should strengthen the credibility of Europe’s fiscal framework and align it more closely with the actual economic needs of the Member States. The ‘medium-term objective’ will allow countries with budgetary surpluses to maintain high levels of investment in infrastructure over the economic cycle and, conversely, highly indebted countries will be required to meet more demanding medium-term objectives;

Mid-term review of the Lisbon Process

7. Admits that the main reasons for the lack of success of the Lisbon Strategy are the following: an overloaded agenda, conflicting and competing priorities and a lack of determined political action;
8. Requests that national and European budgets, including the future Financial Perspectives 2007-2013, should be an expression of the goals pursued in the framework of the Lisbon Process;
9. Supports the strong emphasis on policies supporting economic growth and employment creation. Believes that strong economic growth underpins the provision of social cohesion and environmental protection;
10. Welcomes the Commission’s proposal to establish a European Research Council, since basic research is crucial to successful innovation;
11. Points out the need for the regulations on State aid to take into account the importance of investment in innovation and new technology as a key component in dealing with the challenges facing the EU in a globalising world;
12. Warns that those who want to launch an ideological debate on the equality of the pillars of the Lisbon Agenda (economic growth and competitiveness, social inclusion and

environmental issues) also threaten the implementation of the second phase of the Lisbon Process;

13. Stresses the necessity to respect the principle of subsidiarity in implementing the Lisbon Strategy and underlines a danger of over-regulation at EU level;
14. Believes that the September Summit should focus the Lisbon Strategy on key objectives to create growth and jobs;
15. Considers that better connections between the worlds of research and industry, especially SMEs, should be pursued, in particular by supporting local networks linking the business community and academic institutions;
16. Welcomes the recognition that SMEs and their ability to innovate, and the need to promote the competitiveness of European industry are the key factors in the agreement on the REACH legislation;
17. Notes that research studies have indicated that European income as a whole could anticipate increases in the order of €47 billion per annum if we succeed in creating a truly open market in services; also notes that Europe could become a world leader for a wide range of internationally traded services by developing scale and expertise through greater trade within the Union in the first instance, which would subsequently afford it the opportunity to lead in external markets;
18. Welcomes, therefore, the conclusion of the Heads of State and Government that the internal market in services must be fully operational while preserving the European social model;
19. Stresses the importance of distinguishing in the directive between protecting the rights of Member States, citizens, consumers and workers, on the one hand, and protectionism on the other;
20. Believes that the country of origin principle must remain the key element of the directive;
21. Urges the European Parliament to complete its first reading of the draft directive as soon as possible;
22. Calls on the Council, the Commission and the European Parliament to work closely together, with the objective of reaching agreement on the draft directive as soon as possible;

Climate change

23. Expresses satisfaction with the ratification of the Kyoto Protocol by the Russian Federation;
24. Invites all Member States to pursue every effort and strategy for the reduction of carbon dioxide (CO₂);
25. Invites all the Member States to collaborate in producing a common strategy to contain

global warming at a value of 2°C above the pre-industrial level;

26. Believes it is necessary to intensify the efforts of the industrialised States to face the challenge of the medium- and long-term emission targets;
27. Invites the Commission and the Member States to consider future political strategies to combat climate change, and is in favour of an effective energy-saving policy, given that in facing these problems many opportunities and occupational incentives will be generated in accordance with the objectives of the Lisbon Agenda;

UN Summit

28. Is convinced that the European Union must play an active role in the UN reform. The principal objective of the reform must be the creation of a group of countries with semi-permanent seats on the Security Council for a period of two years. Believes that it is also of fundamental importance to achieve more transparency in the activities of the Secretariat, a more effective role for the Security Council in conflict prevention and resolution, a strengthening of measures to prevent WMD proliferation, and an increasing role for democratic countries within the UN Human Rights Commission;
29. Endorses the Council's undertaking to make a substantial contribution to the review of the Millennium Development Goals and to reinforcement of support for Africa as a priority for 2005;

Lebanon

30. Reiterates its endorsement of an independent and democratic Lebanon. Regards the implementation of UN Security Council Resolution 1559 demanding the full withdrawal of Syrian troops and intelligence as a precondition for achieving that goal;
31. Supports the conclusion of the report by the UN Secretary General's Special Envoy that the Lebanese investigations into Hariri's murder were flawed, is in favour of an international investigation into the case, and stresses the importance of cooperation by the Lebanese Government with his mission;
32. Is concerned at the prolonged delay in setting a date for the elections and forming a new government. Is likewise concerned at the inability of Prime Minister Omar Karami to disband all militias in Lebanon, and believes that from this point of view current conditions do not appear fully to guarantee free and fair elections;
33. Instructs its President to forward this resolution to the Council, the Commission and the governments of the Member States.