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REPORT

on European Semester for economic policy coordination: implementation of
2015 priorities
(2015/2210(INI))

Committee on Economic and Monetary Affairs

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(*) Associated committees – Rule 54 of the Rules of Procedure

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(*) Associated committees – Rule 54 of the Rules of Procedure	

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on European Semester for economic policy coordination: implementation of 2015 priorities (2015/2210(INI))

The European Parliament,

- having regard to the Treaty on the Functioning of the European Union (TFEU), and in particular Articles 121(2) and 136 thereof,
- having regard to the Commission communication of 15 May 2015 on the 2015 Country-Specific Recommendations (COM(2015)0251),
- having regard to the European Council conclusions of 25 and 26 June 2015 (EUCO 22/15),
- having regard to its resolution of 11 March 2015 on the European Semester for economic policy coordination: Annual Growth Survey 2015¹,
- having regard to the Commission communication of 28 November 2014 on the Alert Mechanism report 2015 (COM(2014)0904),
- having regard to the Five Presidents' report of 22 June 2015 entitled 'Completing Europe's Economic and Monetary Union',
- having regard to its resolution of 24 June 2015 on 'The review of the economic governance framework: stocktaking and challenges'²,
- having regard to its resolution of 1 December 2011 on the European Semester for Economic Policy Coordination³,
- having regard to the Commission communication of 13 January 2015 entitled 'Making the best use of the flexibility within the existing rules of the Stability and Growth Pact' (COM(2015)0012),
- having regard to Regulation (EU) 2015/1017 of the European Parliament and of the Council on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Projects Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013, – the European Fund for Strategic Investments,
- having regard to the Commission communication of 26 November 2014 entitled 'An Investment plan for Europe' (COM (2014)0903),
- having regard to the Commission Green Paper of 18 February 2015 entitled 'Building a

¹ Texts adopted, P8_TA(2015)0067.

² Texts adopted, P8_TA (2015)0238.

³ OJ C 165 E, 11.6.2013, p. 24.

Capital Markets Union' (COM(2015)0063),

- having regard to the Commission communication of 17 June 2015 entitled 'A Fair and Efficient Corporate Tax System in the European Union: 5 Key Areas for Action' (COM(2015)0302),
 - having regard to its resolution of 5 February 2013 on improving access to finance for SMEs¹,
 - having regard to the communication from the Commission to the European Parliament and the Council of 2 October 2013 on 'Strengthening the social dimension of the economic and monetary union' (COM(2013)0690),
 - having regard to the Commission communications of 3 March 2010, 'Europe 2020 - a strategy for smart, sustainable and inclusive growth' (COM (2010)2020), and of 13 March 2014, 'Taking Stock of the Europe 2020 strategy for smart, sustainable and inclusive growth' (COM(2014)0130),
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on Budgets, the Committee on Employment and Social Affairs, the Committee on the Internal Market and Consumer Protection, the Committee on Regional Development and the Committee on Women's Rights and Gender Equality (A8-0307/2015),
- A. whereas the Commission's spring 2015 economic forecast indicates growth rates of 2.1 % in the EU and of 1.9 % in the euro area for 2016;
- B. whereas the annual growth survey presented by the Commission on 28 November 2014 outlined three main pillars for 2015 (a coordinated boost to private investment, a renewed commitment to structural reforms, and the pursuance of fiscal responsibility), and emphasises for the first time the contribution that the EU budget should make to achieving those aims;
- C. whereas annual consumer price inflation in both the EU and the euro area is expected to rise from 0.1 % in 2015 to 1.1 % in 2016, which does not reflect the risk of deflation anticipated by the European Central Bank;
- D. whereas over the last six months a whole series of budgetary measures - the adoption of the regulation on the European Fund for Strategic Investments (EFSI), the launch of operational programmes linked to the cohesion funds, the carry-over of commitment appropriations from the 2007-2013 period which were unused in 2014 to 2015, 2016 and 2017, and the decision to increase pre-financing for the European Youth Initiative - have been taken in the service of the objectives set out in the annual growth survey;
- E. whereas unemployment in the EU remains at unacceptably high levels, but is on a declining path and is expected to fall to 9.2 % in the EU and 10.5 % in the euro area in

¹ Texts adopted, P7_TA(2013)0036.

2016;

- F. whereas these measures demonstrate the added value which the EU budget provides, but also highlight the restrictions on EU political action imposed by a budget which does not consist of genuine own resources, which amounts to less than 1 % of EU GDP, and which is constrained by a seven-year multiannual framework;
- G. whereas the fiscal outlook in the EU and the euro area continues to improve, with a broadly neutral fiscal stance on aggregate;
- 1. Appreciates the fact that economic recovery is slowly gaining ground, with GDP expected to rise by 1.9% in the euro area and 2.1% in the EU in 2016; notes with concern, however, that the foundations of the recovery are fragile, owing to, among other factors, the EU's underlying structural weaknesses and regional economic divergences, resulting in uneven growth and low international competitiveness;
- 2. Notes that major policy initiatives which included policy recommendations were based on economic forecasts that had not anticipated the low growth and inflation experienced as a consequence of frontloaded austerity measures, and largely underestimated the size of the fiscal multiplier in a context characterised by severe financial turmoil as well as by the importance of spillover effects across Member States, in a period of synchronised consolidation combined with the deflationary impact of cumulative and fast-tracked structural reforms;
- 3. Welcomes the Commission's focus in the 2015 Country-Specific Recommendations (CSRs) on the four main priorities for economic growth: boosting investment, implementation of structural reforms in product, service and labour markets, fiscal responsibility and improving employment policy; stresses the importance of these growth drivers, also in the context of achieving the goals set out in the Europe 2020 strategy and the overall objective of making the EU globally more competitive; notes that this should be done without weakening workers' protection or undermining the European social model;

Economic prospects and challenges for the EU

- 4. Takes note of the Commission's new approach to streamlining the European Semester process, i.e. through placing a stronger focus on a limited number of most important priorities and challenges and publishing its country-specific and euro area analysis three months earlier than in previous years; in this respect, taking into account the new timeline of the European Semester, calls on Member States to involve national parliaments as well as local and regional authorities and other relevant stakeholders in a more structured manner; recommends that major structural reforms and changes promoted by the CSRs should be accompanied by a social impact assessment regarding their effects, both short-term and long-term;
- 5. Notes with concern the varying degrees of commitment demonstrated by Member States to implementing last year's CSRs and the generally poor implementation record; reiterates the need for coordinated policy within the Union and stresses the importance of implementing the CSRs in order to ensure consistent and fair implementation of the economic governance framework across Member States; underlines that insufficient

implementation of CSRs in some Member States is an obstacle to creating a growth- and investment-friendly environment; calls on the Commission to consider, taking note of Parliament's resolution of 24 June 2015 entitled 'The review of the economic governance framework: stocktaking and challenges'¹, the possibility of introducing a mechanism encouraging Member States to implement the CSRs, especially in areas with the most considerable spillover effects, and proposing ways of ensuring that the recommendations of the European Semester are implemented and followed more effectively and consistently; asks the Commission, in this respect, to publish a document providing a comprehensive assessment of the state of implementation of CSRs in every Member State, as well as explicitly identifying recommendations aimed at fulfilling updated Europe 2020 national targets; recommends that an analysis be conducted of the relevance of past CSRs for different Member States, in order to assess on an ex post basis whether they were valid in terms of their scope, timing, phasing, sequencing and social impact and of reducing economic divergences between regions of the Union and between Member States; notes the Commission's intention to move three of the current so-called auxiliary indicators to the headline scoreboard;

6. Stresses that many Member States, in particular in the euro area, are faced with similar macroeconomic challenges, including, most importantly, high debt ratios (both public and private), lack of competitiveness and excessively low investment, and that a coordinated approach is therefore required in tackling these issues; stresses that unsustainable levels of debt have a discouraging effect on investment;
7. Deplores the persistently high unemployment rates across most Member States, and is concerned by, in particular, the youth and long-term unemployment rates; stresses the need for increased investment alongside reform of national labour markets, and the importance of taking measures to boost the economy in order to increase job creation rates; as well as concentrate on creating quality workplaces; stresses in particular the need to improve national education systems and adapt them to the new skill and knowledge demands on the EU labour market, in particular by adapting the dual-track training model which has proved particularly valuable in combating youth unemployment and including entrepreneurship and skills in school curricula; highlights that this necessitates a specific approach and actions for some population groups, such as younger people, low-skilled unemployed, long-term unemployed, older unemployed and women, who still face constraints as regards their full participation in the labour market; stresses, however, the need to take care to ensure that such an approach does not merely amount in practice to reductions in labour rights and social protection, or to the promotion of precarious forms of employment; calls on the Commission to examine the systems of minimum income mechanisms for the unemployed in Member States;
8. Welcomes the entry into force of the regulation on the European Fund for Strategic Investment (EFSI), aimed at boosting private and public investment, through, inter alia, National Promotional Banks in the EU, as a step in the right direction, and calls on all relevant stakeholders and institutions to ensure its swift and effective implementation, so as to facilitate access to financing for enterprises and for SMEs in particular; takes the view that one of the main aims of projects receiving EFSI support should be decent job creation leading to quality employment and achieving social, economic and

¹ Texts adopted, P8_TA(2015)0238.

territorial cohesion; notes the need where possible to encourage social investment with the aim of promoting a positive social impact and reducing inequality by, inter alia, improving public services and supporting the creation of jobs for categories of disadvantaged people; calls on the Member States to closely involve their local and regional authorities in promoting project pipelines and investment platforms; regards it as essential that this plan should succeed, and will therefore monitor its implementation very closely, in particular any move to shift investment expenditure and public debt off Member States' balance-sheets; emphasises the role Parliament has played in minimising redeployment from Horizon 2020 and the Connecting Europe Facility in the context of EFSI; reiterates its commitment to reducing cuts during the annual budgetary procedure;

9. Notes that growth-friendly fiscal consolidation, leading to job creation, sustainable growth and lower debt levels, is needed in some Member States in order to comply with the conditions of the Stability and Growth Pact (SGP); notes the Commission's interpretative communication on flexibility in the SGP, aimed at clarifying the scope of the investment clause and allowing for a certain degree of temporary flexibility in the preventive arm of the SGP;
10. Is concerned at the persisting macroeconomic imbalances in some Member States, in particular the high public and private debt levels and large current account gaps, as well as the excessive risks in the financial sector and more precisely in the banking systems, not least stemming from institutions that are too big to fail; highlights that the sovereign bank loop has not been fully resolved yet and continues to pose threats to financial and fiscal stability; notes that current account surpluses present different risks than do deficits, and stresses the widening economic divergences within the Union and the euro area, which are threatening the coherence of European sectorial policies;
11. Recalls that poverty and widening income inequality are a threat to growth and its sustainability; calls on the Commission to coordinate and support the Member States in their actions to combat them, by facilitating the exchange of best practice and accurate data collection; considers that these responsibilities should be explicitly part of the European Semester for economic policy coordination;

CSRs - priorities and objectives

12. Stresses the importance of access to finance for enterprises, in particular for small and medium-sized enterprises (SMEs), which constitute the backbone of the EU economy; notes the accommodative monetary policy aimed at boosting investment, and calls for a swift implementation of recent measures, such as the Investment Plan for Europe; notes, in this context, that the currently low interest rates have not been sufficient to boost investment to the extent needed; welcomes at the same time the gradual easing of credit standards on loans to enterprises in the first half of 2015 and the first signs of a pick-up in private investment; underlines the potential of the Capital Markets Union (CMU) project to address these issues, and calls on the Commission to duly take the needs of SMEs into account in the design of the future CMU; calls on the Commission to carry out studies to establish how the regulatory practices rightly introduced as part of the Banking Union process have affected the access of SMEs to banking finance. and, if necessary, to correct the actions concerned;

13. Underlines the need to improve the EU's business environment as well as to raise productivity levels, through a balanced mix of public and private education and innovation policies; stresses that the EU's single market is still fragmented and that the Union economy is suffering from a lack of innovation, while innovation is key to growth and productivity and fostering it is therefore crucial to improve the international competitiveness of the EU; takes note, in this context, of the proposal contained in the Five Presidents' Report; recalls the importance of sound business regulation for the success of the EFSI; calls, therefore, for the development of the capital market, the removal of administrative barriers (where doing so would not undermine essential protection for workers and consumers), cutting red tape, strengthening the quality and efficiency of Member States' judicial systems, action against tax avoidance, tax evasion and tax havens, and the reform of Member States' tax and legal systems; stresses the importance of avoiding 'one size fits all' policies; stresses that the qualitative improvement of administrative capacity at all levels of government is a key priority in many Member States; recalls the need to tackle undeclared work, which is damaging the EU economy and leading to unfair competition and market distortions with a consequent increasing lack of social and employment protection for workers; calls, therefore, for the swift entry into force of the European platform against undeclared work;
14. Agrees with the Commission that many Member States need to be more ambitious in implementing socially sustainable structural reforms and removing barriers in order to improve competitiveness and efficiency in their product and services markets, taking into account the employment impact of such reforms; welcomes, in this context, the Commission's communication on the roadmap for completing the Digital Single Market, including building up a comprehensive framework enabling companies to boost investment in new technologies, as well as the communication on the roadmap for the Energy Union; underlines that CSRs and country reports often address issues linked to territorial differences in terms of both economic performance and administrative capacity, and stresses that policy objectives should systematically take these differences into account; recalls that regions which suffer from severe and permanent natural or demographic handicaps usually have higher unemployment rates and less economic growth; considers, therefore, that investment is needed to improve their growth potential and to attract people to live there, in order to ensure their sustainability;
15. Stresses the need for Member States to adapt their public finances by conducting a counter-cyclical policy when necessary and making full use of the existing flexibility clauses foreseen in the legislation, while at the same time respecting the rules of the Stability and Growth Pact (SGP); stresses the importance of a counter-cyclical policy involving flexibility within the margins agreed in the SGP in times of economic downturn, as well as of budget surpluses in times of economic upturn; considers that Member States with high debt levels in particular must continue with growth-friendly fiscal consolidation and urgently implement the recommended structural reforms, taking into account social aspects, while those with more fiscal space are encouraged to use it to accelerate investment, reduce existing national debts and lower the tax burden;

Recommendations

16. Welcomes the fall in the number of Member States subject to the Excessive Deficit Procedure (EDP), from 11 in 2014 to 9 in 2015; notes, however, that this number is still too high, and reiterates its call for the CSRs to be, where relevant, better aligned with the EDP recommendations so as to ensure consistency between surveillance of the fiscal position and economic policy recommendations; calls on the Commission to support the Member States' exchange of best practices and accurate data collection; stresses the need for increasing, equally for all Member States, transparency in the application of the SGP and MIP procedures, including the CSRs, thereby ensuring equal treatment for all Member States;
17. Stresses the role of flexible labour markets in combating unemployment while preserving a quality workforce and not undermining the fundamental right of workers to secure and adequately paid employment in the EU; notes, in particular, the negative impact on job creation rates of, for example, wage levels out of line with productivity developments and of abuses involving the circumvention of labour market regulations by too often unwantedly offering civil law contracts instead of employment contracts; calls for a shift away from labour taxes to other sources of taxation, as well as for a real plan to combat unemployment without leading to a lowering of quality standards; calls, in this respect, for fairer labour markets ensuring freedom of movement of workers in Europe and redistributive policies, taking into account the specific features of the individual Member States, in order to boost economic growth, competitiveness and productivity as well as to facilitate greater upward economic and social convergence;
18. Deplores the fact that the CSRs suffer from lack of ownership at national level, making it difficult to coordinate democratically legitimate national economic policies with European recommendations, as well as from an insufficient democratic accountability mechanism; calls, in this context, for an increased role for national parliaments and local and regional authorities, and also for relevant national and European stakeholders, such as representatives of civil society, in the preparation and drawing-up of the National Reform Programmes (NRPs); welcomes the existing cooperation, and calls for more ambitious cooperation, between national parliaments and the European Parliament in discussing the CSRs, sharing best practices and improving the European Semester process; underlines that the implementation of CSRs in political, legal and economic terms could be enhanced by a transparent cooperation between the Commission and the Member State concerned, which should start during the preparatory phase of the Annual Growth Survey and should continue until the recommendations for specific countries are officially approved; stresses that increased ownership, higher transparency and democratic accountability are crucial factors for the approval and successful implementation of the CSRs and, in the longer term, for the success of the Europe 2020 strategy;
19. Calls on the Commission to further streamline the European Semester and its current timetable in order to harmonise the mutual impact of national documents (NRPs and Convergence/Stability Programmes) and documents prepared by the Commission (CSRs and country reports), so as to strengthen synergy and facilitate coordination of national policies while not disregarding the original goals posed by a Member State; calls on the Commission and the Council to make methodological improvements to the underlying procedures of the Semester and to pay sufficient attention to the social and employment indicators in the European Semester, as well as to discuss the full range of

available policy options in order to lessen the effects of fiscal adjustment policies on economically weaker social groups; requests that all underlying analysis regarding the implementation of the SGP and MIP should be made public; takes note of the call to give intergovernmental solutions such as the Treaty on Stability, Coordination and Governance full democratic legitimacy by incorporating them into EU primary law;

20. Underlines the negative impact of high debt levels and a low-investment environment on economic growth in the EU; calls on the Commission to explore, with due regard for the principle of liability and while taking account of the social aspects, innovative ways of speeding up and lessening the negative impact of deleveraging in the banking, private and public sectors; calls, in this respect, on the Member States to swiftly transpose the Bank Recovery and Resolution Directive; calls for the establishment of an appropriate fiscal backstop in order to ensure adequate financing of and credibility for the Single Resolution Fund;
21. Underlines the destructive impact of an overvalued currency on exports, production, employment, wages, incomes, government revenue and social security systems; calls on the Commission to explore innovative ways of lessening the need for a painful internal devaluation;
22. Emphasises that a currency union - in a currency area which is far from optimal - necessarily leaves some of its members trapped with a currency which is overvalued vis-à-vis other members of the currency union; deplores the fact that no easy remedy for the disadvantaged members of the currency union exists, recalling that internal devaluation implies great and long-lasting sacrifices for the inhabitants of those Member States;
23. Recognises the need for independent analysis of Member States' economic perspectives at the EU level; in this context, urges the further development of the Commission's Chief Economic Analyst Unit with a view to providing objective, independent and transparent analysis of the relevant data, which should be made public and should serve as a basis for well-informed debate and decision-making in the Commission, the Council and Parliament; demands that the Chief Economic Analyst Unit be forwarded all relevant documents in time to be able to carry out its tasks; stresses the useful role of national fiscal councils at both national and at EU level, and encourages the setting-up of a European network of independent national fiscal councils;
24. Recalls that better economic governance in the euro area is crucial, and that, according to the Five Presidents' Report, 'a complete EMU is not an end in itself'; underlines, in this respect, that all EU Member States should be engaged in each stage of completing EMU, so that the openness and transparency of the EMU reform process is guaranteed; welcomes, in this respect, the Five Presidents' Report and the fact that the roadmap towards a 'more integrated European Semester' is one of the main parts of that document; recognises that the increasing interdependence among euro area Member States requires more coordination of national policies;
25. Points out that the International Monetary Fund (IMF) and the Organisation for Economic Cooperation and Development (OECD) have warned of the problems, both social (in-work poverty) and economic (depressed internal demand), related to the wage devaluation that has occurred in recent years; stresses in this regard that an adequate

wage policy is vital for maintaining internal demand, and that wage increases should therefore be better adapted to changes in productivity; maintains the need to stress the importance of increasing wages, especially in countries where wages are below the poverty threshold, but believes this must be done without undermining the subsidiarity principle; recalls that minimum wages differ substantially between Member States, and reiterates its request for a study on this issue; encourages the Member States to set minimum wages in accordance with national legislation and practices; calls for a comprehensive strategy for fighting poverty based on, among other things, access to decent jobs leading to quality employment and services; points out the role of education, and hence of empowerment for employment, as one of the main anti-poverty tools;

26. Recalls the need to support investment in early intervention and prevention and in high-quality, accessible and inclusive services, including in education from an early age, family and community support, social services and sustainable healthcare systems; highlights the fact that increased demand for services could also lead to important job creation in the social sector, if addressed effectively, and that the health and social care sectors represent crucial areas for investment in pursuit of sustainable economies;
27. Considers, in the context of various pension reform recommendations made by the Commission, that linking retirement age to life expectancy is not the only way of tackling the challenge of ageing and other demographic challenges faced by Europe, and that pension system reforms should also reflect, inter alia, labour market trends, birth rates, the demographic situation, the health and wealth situation, working conditions and the economic dependency ratio, while aiming at ensuring a decent retirement income that is at least above poverty levels; recalls that the best way to tackle the challenge of ageing is to increase the overall employment rate; takes note, in the context of ageing populations, of the Commission's recommendation that healthcare systems be reformed in order to meet their objectives of providing universal access to high-quality care – including affordable access to medicines, especially those that are life-saving – and secure respect for the rights of health staff;
28. Calls for the CSRs to include the Commission's recommendation¹ on preventive restructuring of businesses at risk of insolvency and discharge of debts of bankrupt entrepreneurs, whether natural or legal persons, with the aim of creating second chances for enterprises; also calls on the Commission to investigate the possibility of extending such programmes to families at risk of eviction in order to ensure greater social cohesion by reducing the risk of homelessness; notes the rapid increase in extreme forms of poverty such as homelessness in many Member States; calls for CSRs to be addressed to all Member States on social inclusion strategies, including on combating extreme forms of poverty such as homelessness; calls for improvements in the transnational exchange of best practices concerning combating homelessness and mutual learning, and acknowledges the role of the Employment and Social Innovation (EASI) programme in this context;
29. Reiterates the need for a new own resources system which would pave the way for a genuine overhaul of the EU financing arrangements without requiring EU citizens to pay more tax and would create a real connection between the citizens and the European

¹ Recommendation of 12 March 2014 on a new approach to business failure and insolvency

authorities; looks forward, in this sense, to analysing and discussing the proposals that the High Level Working Group on Own Resources will put forward next year;

Sectoral contributions to the European Semester 2015

Budgetary policies

30. Points out that the publication of a white paper on a euro area budgetary stability mechanism in spring 2017 will coincide with the mid-term review of the MFF; reiterates, in that connection, its demand that any additional funding or instrument should fall within the scope of Parliament's budgetary oversight and should be financed over and above the MFF ceiling for 2014-2020;
31. Recalls that payment shortages, largely due to insufficient payment ceilings and under-budgeting, remain acute in 2015; fears that this will continue to jeopardise the proper implementation of the new 2014-2020 MFF programmes, and to penalise the beneficiaries, especially local, regional and national authorities, who are facing economic and social constraints;

Employment and social policies

32. Takes note of the recommendations on the need to move forward with new labour reforms, and calls for those reforms, if carried out, to guarantee social protection and social dialogue (in accordance with national practices) and to ensure the political consensus needed for them to be sustainable and effective; considers that labour reforms should strike the requisite balance between flexibility and security for both employees and employers, and should not result in, for example, the exclusion of workers from collective bargaining, lower productivity rates or lower employment levels; calls for ambitious labour reforms in the Member States where they are still necessary, taking advantage of the fact that we have now reached a turning-point in the cycle; believes that these reforms should be capable of reducing fragmentation, encouraging job creation, reducing insecurity and fighting poverty, in order to increase the productivity and competitiveness of our economy while ensuring more jobs and decent wages through investment in human capital; stresses that other structural reforms such as reindustrialisation are as important in order to establish a sustainable labour market;
33. Calls on the Commission to ensure that in its policy guidance labour market reforms are aimed at, inter alia, reducing segmentation, ensuring better anticipation and matching of skills and jobs, advancing the inclusion of vulnerable groups, reducing in-work poverty, promoting gender equality, strengthening the rights of workers with atypical contracts, and providing more social protection for self-employed workers;
34. Recognises that setting minimum wages is a Member State competence which must be respected in line with the principle of subsidiarity;
35. Notes that some labour reforms have introduced new contractual formulas and that, according to the Commission, some of these have increased precariousness in the labour markets, demanding in many instances unfair flexibility from younger generations; notes with concern the figures from some Member States whose rates of temporary employment are over 90 % for new contracts, which particularly affects young people

and women, and which, according to the OECD¹, is one of the direct causes of increasing inequality, although, on occasion, such employment arrangements are specifically sought by workers with the aim of having a better work-life balance or additional earnings; calls on the Member States to establish synergies between national policies and the European cohesion policy in order to reinforce the effect on these priority groups; raises a particular concern about the expansion of ‘zero-hour contracts’; believes that all types of contractual arrangements should give workers access to a core set of rights and adequate social protection;

36. Notes that high rates of long-term unemployment in the Union, especially in some Member States, are resulting in an increasing number of workers losing their benefits before finding a new job; notes that some Member States have limited access to such benefits or have reduced the amount available and/or the eligibility period for them; calls on the Member States, in the framework of their competences, to maintain a balance between adequate social protection and adequate incentives for active job-searching which provide personalised support without a punitive conditionality that undermines social rights; calls on the Member States to establish strong activation measures in order to achieve more effective results; recognises that improving employment policy and social protection with the aim of activating support and protecting people, thereby ensuring stronger social cohesion, are key components of sustainable economic growth; calls for a specific study to be carried out on such incentives at EU level, and calls on the Member States to introduce, in accordance with national practices, minimum income schemes aimed at tackling pockets of social exclusion and ensuring a minimum income for households;
37. Welcomes the reduction in youth unemployment rates, but points out that they are still at alarming levels in many Member States and regions, and do not necessarily reflect net job creation; stresses that job insecurity and underemployment have also risen, and that in 2014 43 % of young people were in temporary employment while 32 % were in part-time employment; welcomes the Commission’s decision to release EUR 1 billion as advance funding for the Youth Guarantee Scheme; calls on the Member States to use all available funds swiftly and efficiently in order to implement the Youth Employment Initiative with minimum quality standards; calls, moreover, for those funds to be carefully and continuously monitored so as to ensure that they help young people gain a long-term foothold in the job market; calls on the Member States to prioritise language learning and to facilitate mobility through programmes such as ERASMUS+ or ERASMUS for Young Entrepreneurs, and also to take part in the EURES employment network; also stresses the importance of promoting and encouraging apprenticeships as a way for young people to gain the professional qualifications which will facilitate their access to the job market;
38. Notes that there is significant disparity in the success of the implementation of the Youth Guarantee and Youth Employment Initiative between Member States to date; notes that the International Labour Organisation has estimated that resolving youth unemployment in the Union would require a budget of EUR 21 billion, and that the Commission’s current financial commitment is wholly inadequate and needs to be raised to a sufficient level; calls on the Commission to work with the Member States

¹ OECD report ‘In it together: Why less inequality benefits all’, 21 May 2015.

and representative youth organisations to propose minimum standards and best practices in the implementation of the Youth Guarantee;

39. Calls on the Commission and the Member States to intensify their efforts to tackle social and wage dumping in the Union, since it is causing serious damage to the workers affected and to the social protection systems in Member States; calls also for the involvement of social partners in these efforts at all levels;
40. Underlines the fact that job insecurity among young people adversely affects decisions about having children and, as a result, negatively influences the demographic prospects of Member States;
41. Calls on the Commission to provide guidance to Member States on addressing the low participation of women in the labour market by tackling labour market segregation, the gender pay gap and the unequal distribution of care responsibilities; stresses that a broader gender equality approach going beyond employment rates is needed;
42. Stresses that employment is the best means of fighting poverty and social exclusion, and that Member States should focus on facilitating access to the labour market, in particular for young people and the long-term unemployed;

The internal market

43. Welcomes the Commission's new approach to streamlining the European Semester process; appreciates, in this context, the Commission's work on defining CSRs relating to the single market, but considers it to be insufficient; calls for more determined efforts to guide and coordinate economic policies in order to ensure consistent and fair implementation of the economic governance framework across the Member States and to measure the effects of economic governance in all the Member States;
44. Supports the emphasis in the 2015 CSRs on the importance of removing unjustified restrictions on and barriers to entry in key sectors; asks the Member States concerned, furthermore, to give those recommendations their utmost consideration and, as a matter of urgent priority, to remove these obstacles to the growth of the single market;
45. Instructs its President to forward this resolution to the Presidents of the Council, the Commission, the Eurogroup and the European Central Bank, and to the national parliaments.

EXPLANATORY STATEMENT

The European Semester process aims to ensure integrated economic policy coordination at EU level through a combination of macro-economic and fiscal surveillance tools, which is necessary for steering convergence and managing the interdependence of Member States,

As part of the annual European Semester cycle, Country-Specific Recommendations (CSRs) provide advice to individual Member States on measures necessary for boosting growth, while at the same time maintaining sound public finances. The 2015 CSRs are based on the policy priorities identified in the Commission's last Annual Growth Survey and have been endorsed by the European Council in July 2015.

Economic forecasts for the upcoming year indicate signs of economic recovery, with positive growth rates, rising inflation and improving fiscal outlook, in part owing to the significant fiscal efforts and structural reforms undertaken by many Member States. However, it must be noted that the foundations of economic growth still remain fragile.

In this context, the Rapporteur welcomes the four main policy priorities identified in this year's cycle: the boosting of investment, the implementation of necessary structural reforms, fiscal responsibility as well as the improvement of Member States' employment policies.

Taking into account the very low implementation rate of CSRs in most Member States, the rapporteur perceives that it is only if conducting ambitious structural reforms that the economic, financial and employment situation in the EU will improve. Moreover, the rapporteur emphasizes that structural reforms are a serious condition for the EU initiatives such as EFSI to bring more concrete results.

The rapporteur notes with concern the high unemployment rates across most Member States. He stresses that flexible labour markets have a crucial role in combatting unemployment. The rapporteur believes that in order to increase employment rates there should be a shift away from labour taxes to other sources of taxation.

2015 has seen the number of CSRs significantly reduced in order to focus on key priority issues, reflecting the Commission's effort to streamline the whole European Semester process. The Rapporteur welcomes this initiative, however, also believes that further efforts are needed in order to reinforce the process and thus to increase the implementation rates and the effectiveness of CSRs. As an example of that the rapporteur names further increase of the national ownership of CSRs by involving national parliaments throughout the European Semester process.

In this context, on 15 September 2015, the Committee on Economic and Monetary Affairs (ECON) organized an exchange of views with representatives of National Parliaments, which allowed the sharing of experience on the European Semester process. In particular, it demonstrated the vital role National Parliaments should play in the preparation of the National Reform Programmes (NRPs), thereby increasing the ownership of CSRs at national level and adding democratic accountability to the whole European Semester process. A

summary containing the main conclusions drawn from this exchange is to be found below.

Exchange of Views on the European Semester for Economic Policy Coordination: Implementation of 2015 Priorities

On 15 September 2015, the ECON Committee held an Exchange of Views with the representatives of EU national Parliaments on the European Semester for policy coordination: implementation of 2015 priorities. The meeting was attended by delegates from Belgium, Czech Republic, Germany, Estonia, Ireland, France, Croatia, Italy, Cyprus, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Finland and Sweden.

The European Semester was considered by a vast majority of participants as an appropriate framework for policy coordination within the EU. The latest modifications aiming at streamlining its design, including more targeted formulation and earlier publication of Country Specific Recommendations (CSRs), were largely welcome. However, several areas for improvement have been identified:

Implementation of CSRs - the current experience has shown that CSRs are implemented in an unsatisfactory manner, mainly reflecting the lack of ownership among Member States as National Parliaments are typically involved only at very late stages of the Semester (i.e. drafting of the budget in autumn). Therefore, an earlier involvement of National Parliaments, as from spring (i.e. preparation of National Reform Programmes and Stability/Convergence Programmes, parliamentary debate on draft Commission's CSRs), could help to improve not only the rate of implementation of recommendations as such but also democratic accountability of the whole process. As far as the euro area is concerned, a greater consistency between recommendations to the euro area as a whole and to individual Member States was also considered as a factor in increasing countries' progress on CSRs (in particular in relation to the optimal euro area fiscal stance or current account adjustment within the euro area);

Scope of the framework - Some participants considered that the current design does not take sufficiently into account the social dimension of the whole process, with CSRs resting on oversimplified foundations as more structural reforms will not automatically lead to stronger growth and better jobs. Consequently, more welfare-friendly and country-focused approach to structural reforms was advocated for;

Flexibility of the framework - Several delegates called for a greater flexibility as regards Member States' decision on means for CSRs implementation in general and assessment of fiscal targets on the back of the refugee crisis in particular. Furthermore, the framework should allow for a sufficient degree of flexibility so as to accommodate national electoral calendars that could result, for instance, in delays in the preparation of Draft Budgetary Plans (i.e. general elections in Portugal and Poland this autumn);

Application of the framework - This element was brought to the fore in the context of discussion on Germany's current account surplus as some participants considered that recommendations aiming at reducing current account imbalances lacked symmetry across deficit and surplus countries, not only as regards their formulation but also application.

Furthermore, the framework as such should be applied irrespective of the size of a Member State. On the other hand, some members objected that Germany's current account surplus reflects the country's successful economic model and consequently the criticism was unjustified on both political and economic grounds. In this regard, it is important to remind that the Macroeconomic Imbalances Procedure (MIP) is articulated around indicative thresholds (including for current account balance) rather than legal ceilings as is the case of public deficit under the Excessive Deficit Procedure (EDP). Finally, all other things being equal, a country running a current account surplus remains in an economically safer position;

The role of the Eurogroup - The question of the Eurogroup's institutional framework and its role within the European Semester has been intensively discussed in view of the fact that it lacks a formal background support of the Treaties and democratic legitimacy, while taking sovereign decisions. In this regard, it is important to know to what extent the Eurogroup has a right to take a decision when not all euro area Member States are represented;

Other issues - Participants also briefly discussed possible ways to improve EU Member States' competitiveness, the need of establishing common rules for corporate taxation as well as Europe's representation, or lack of it, at multinational fora. The issue of harmonising methodology used for calculating structural fiscal adjustment was also brought forward.

To conclude, the vast majority of participants welcomed the possibility to discuss issues related to the European Semester with the European Parliament, while highlighting the need for more regular exchanges, including between national Parliaments, and on wider issues (such as a dialog on the Five Presidents report). Finally, ECON Chair Gualtieri remarked that, in terms of economic policy, a mainstream consensus is emerging between the European Parliament and the Commission on the way to address the common fiscal stance at the euro area level so as to define policy mix that would help to promote sustainable growth. As regards procedural aspects, he called representatives of both the European and national Parliaments to identify ways to give a positive input to the Commission and enhance the democratic dimension of the European Semester.

29.9.2015

OPINION OF THE COMMITTEE ON BUDGETS(*)

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination: implementation of 2015 priorities
2015/2210(INI)

Rapporteur (*): Jean Arthuis

(*) Associated committee – Rule 54 of the Rules of Procedure

SUGGESTIONS

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

- A. whereas the annual growth survey presented by the Commission on 28 November 2014 outlined three main pillars for 2015 (a coordinated boost to private investment, a renewed commitment to structural reforms, and the pursuance of fiscal responsibility), and emphasises for the first time the contribution that the EU budget should make to achieving these aims;
- B. whereas over the last six months a whole series of budgetary measures - the adoption of the regulation on the European Fund for Strategic Investments (EFSI), the launch of operational programmes linked to the cohesion funds, the carry-over of commitment appropriations from the 2007-2013 period which were unused in 2014 to 2015, 2016 and 2017, and the decision to increase pre-financing for the European Youth Initiative - have been taken in the service of the objectives set out in the annual growth survey;
- C. whereas these measures demonstrate the added value which the EU budget provides, but also highlight the restrictions on EU political action imposed by a budget which does not consist of genuine own resources, which amounts to less than 1 % of EU GDP, and which is constrained by a seven-year multiannual framework;
- D. whereas the Council's position with regard to the 2016 budget has been to reduce commitments by EUR 563.6 million and payments by EUR 1.4 billion, once again underestimating the EU's real payment needs and thus running counter to the plan put

forward by the Commission to settle unpaid bills;

1. Welcomes the presentation of the five presidents' report, 'Completing Europe's Economic and Monetary Union', but criticises the fact that the timetable for its implementation is too slow and is out of step with the reform demand triggered by the Greek crisis;
2. Welcomes the steps which have been taken to simplify and strengthen the European Semester, namely a greater focus on priorities, fewer documents and more time to discuss them, greater outreach at political level, and engagement with national authorities;
3. Welcomes the ideas proposed to help strengthen parliamentary oversight, in particular the proposal to adapt Parliament's structures to the specific nature of the single currency, which is vital for building a genuine economic and monetary union;
4. Highlights the Commission's understanding of the crucial role that national and regional authorities play in promoting necessary structural reforms, exercising fiscal responsibility and boosting investment in support of jobs and growth;
5. Welcomes the call to give intergovernmental solutions such as the Treaty on Stability, Coordination and Governance full democratic legitimacy by incorporating them into EU primary law;
6. Stresses the need to apply all existing rules of the Stability and Growth Pact in order to achieve stability of public finances;
7. Welcomes the ideas put forward for a eurozone budgetary stability mechanism, which would be the first step towards establishing a European treasury; points out that the publication of a white paper in spring 2017 will coincide with the mid-term review of the MFF; reiterates, in that connection, its call that any additional funding or instrument should fall within the scope of Parliament's budgetary oversight and should be financed over and above the MFF ceiling for 2014-2020;
8. Reiterates the need for a new own resources system which would pave the way for a genuine overhaul of the EU financing arrangements without requiring EU citizens to pay more tax and would create a real connection between the citizens and the European authorities; looks forward, in this sense, to analysing and discussing the proposals that the High Level Working Group on Own Resources will put forward next year;
9. Recalls that payment shortages, largely due to insufficient payment ceilings and under-budgeting, remain acute in 2015; fears that this will continue to jeopardise the proper implementation of the new 2014-2020 MFF programmes, and to penalise the beneficiaries, especially local, regional and national authorities, who are facing economic and social constraints;
10. Welcomes the adoption of the regulation on the EFSI as a means to boost private investment, and emphasises the role Parliament has played in minimising redeployment from Horizon 2020 and the Connecting Europe Facility; reiterates its commitment to reducing cuts during the annual budgetary procedure;
11. Regards it as essential that the plan should succeed, and will therefore monitor its implementation very closely, in particular any move to shift investment expenditure and

public debt off Member State balance-sheets.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	28.9.2015
Result of final vote	+ : 21 - : 13 0 : 0
Members present for the final vote	Nedzhmi Ali, Jonathan Arnott, Jean Arthuis, Jean Arthuis, Reimer Böge, Lefteris Christoforou, Gérard Deprez, José Manuel Fernandes, Eider Gardiazabal Rubial, Jens Geier, Ingeborg Gräßle, Iris Hoffmann, Monika Hohlmeier, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Ernest Maragall, Siegfried Mureşan, Victor Negrescu, Jan Olbrycht, Paul Rübig, Petri Sarvamaa, Patricija Šulin, Eleftherios Synadinos, Paul Tang, Indrek Tarand, Isabelle Thomas, Monika Vana, Daniele Viotti, Marco Zanni, Auke Zijlstra
Substitutes present for the final vote	Michał Marusik, Andrej Plenković, Nils Torvalds, Anders Primdahl Vistisen

24.9.2015

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS(*)

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination: implementation of 2015 priorities
(2015/2210(INI))

Rapporteur for the opinion (*): Sergio Gutiérrez Prieto

(*) Associated committees – Rule 54 of the Rules of Procedure

SUGGESTIONS

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

1. Notes that many Member States still have large deficits, while others are accumulating current account surpluses, and that there is a need to develop and coordinate fiscal responsibility programmes which take account of these differences and are compatible with decent job creation leading to quality employment, economic growth and, consequently, a sustainable welfare state for future generations; calls on the Commission, which has already received the national budget proposals for 2016, and within the framework of the fiscal policy defined in the Stability and Growth Pact (SGP), to make full use of its existing flexibility¹ to provide, where appropriate, a flexible national responsibility process which better reflects the cyclical situations in Member States and enables the adoption of socially responsible and economically efficient policies aimed at creating decent jobs leading to quality employment and social investment in quality services;
2. Considers that, while Member States with high deficits or debt levels need to continue their efforts to achieve fiscal sustainability, those that have fiscal space should use that space to encourage domestic demand and growth-friendly investment;
3. Regrets that no overall reference is made to the Europe 2020 goal of smart, sustainable and inclusive growth; stresses that social and employment policies should not be looked at

¹ COM(2015)0012, 'Making the best use of the flexibility within the existing rules of the SGP'.

merely from a cost perspective, but also from the long-term benefit perspective; calls therefore for the relevant social and environmental targets to be mainstreamed in the new assessment framework to ensure that Country-Specific Recommendations (CSRs) are proposed to all countries that are not making progress in combating poverty, providing decent jobs leading to quality employment, preventing early school leaving, fostering lifelong learning and resource efficiency and preventing climate change;

4. Calls for the CSRs to include the Commission's recommendation¹ on preventive restructuring of businesses at risk of insolvency and discharge of debts of bankrupt entrepreneurs, whether natural or legal persons, with the aim of creating second chances for enterprises; calls also on the Commission to investigate the possibility of extending such programmes to families at risk of eviction in order to ensure greater social cohesion by reducing the risk of homelessness; stresses that even if household financial distress has reduced, it is still well above the levels seen in the previous decade and, according to the Commission, a large gap remains between levels of financial distress in low-income households and those in the higher income quartile²;
5. Notes that, while deficits have been reduced in a number of countries, this process has also caused a fall in public investment in the Union; welcomes therefore the fostering of a European investment policy aimed at boosting growth and job creation, and calls for further efforts to ensure the financing of the real economy; takes the view that the main aims of projects receiving EFSI support should be decent job creation leading to quality employment and achieving social, economic and territorial cohesion; considers that there should be stronger measures in response to Parliament's call³ to promote social investment not only in pursuit of financial profit, but also with the aim of promoting a positive social impact and reducing inequality by, inter alia, improving public services and supporting the creation of jobs for categories of disadvantaged people; stresses, in this regard, the need to strengthen the Commission's regulatory tools (such as impact assessments, evaluations, etc.) and to implement forms of control and monitoring where investments are made;
6. Stresses that, while SMEs constitute the backbone of job creation in the Union, they continue to face difficulties as regards access to credit and unnecessary administrative burdens and bureaucracy, which hinder their growth and sustainability, as well as their job creation potential; notes the Commission's initiative to modernise the regulatory and administrative environment in order to improve the investment climate and conditions for SMEs, and supports recommendations leading to improvement while respecting social and labour standards; stresses the importance of investing in the development of innovative funding channels such as crowdfunding and microcredit, and of investments aimed at fostering the development of SMEs, microenterprises, innovative start-ups and business promoting green employment, for example;
7. Recalls that regions which suffer from severe and permanent natural or demographic handicaps usually have higher unemployment rates and less economic growth; considers therefore that investment is needed to improve their growth potential and to attract people to live in those areas, in order to ensure their sustainability;

¹ Recommendation of 12 March 2014 on a new approach to business failure and insolvency.

² EU Employment and Social situation in the EU quarterly review June 2015.

³ Resolution of 11 March 2015 (Texts adopted, P8_TA(2015)0068), paragraphs 10 and 18.

8. Takes note of the recommendations on the need to move forward with new labour reforms, and calls for these reforms, if carried out, to guarantee social protection and social dialogue (in accordance with national practices) and to ensure the political consensus needed for them to be sustainable and effective; considers that the labour reforms should strike the required balance between flexibility and security for both employees and employers, and should not result in, for example, the exclusion of workers from collective bargaining, lower productivity rates or lower employment levels; calls for ambitious labour reforms in the Member States where they are still necessary, taking advantage of the fact that we have now reached a turning point in the cycle; these reforms should be capable of reducing fragmentation, encouraging job creation, reducing insecurity and fighting poverty, in order to increase the productivity and competitiveness of our economy, while ensuring more jobs and decent wages through investment in human capital; stresses that other structural reforms such as reindustrialisation are as important in order to establish a sustainable labour market;
9. Calls on the Commission to ensure that, in their policy guidance, labour market reforms are aimed at, inter alia, reducing segmentation, ensuring better anticipation and matching of skills and jobs, advancing the inclusion of vulnerable groups, reducing in-work poverty, promoting gender equality, strengthening the rights of workers with atypical contracts and providing more social protection for self-employed workers;
10. Welcomes the reduction in unemployment rates in the Union; points out, however, that unemployment levels remain high, and asks the Member States to take a holistic approach in implementing effective active labour market policies, targeting both the employability of jobseekers and a more inclusive labour market, including additional support measures for both jobseekers and employers; stresses the need to address the problems of skills mismatch and skills obsolescence as a means of tackling long-term unemployment, and believes that greater coordination of these policies is necessary at national and European level; calls therefore for stronger measures to support and further develop effective vocational education and training, cooperation between educational institutions, businesses, employers' organisations and other relevant stakeholders, and the need to improve effectiveness of public and private employment services in order to tackle skills mismatches on the labour market and to facilitate job seeking in the Union;
11. Notes that the lack or slow pace of structural reforms is a well-known problem in certain Member States, and therefore believes that the Commission should look more intensively, as part of its objectives in the European Semester, at assessing the damage to medium-term job creation resulting from the lack of responsibility shown by certain Member States in failing to carry out structural reforms;
12. Recognises that setting minimum wages is a Member State competence which must be respected in line with the principle of subsidiarity;
13. Points out that the International Monetary Fund (IMF) and the Organisation for Economic Cooperation and Development (OECD) have warned of the social (in-work poverty) and economic (depressed internal demand) problems related to the wage devaluation that has occurred in recent years; stresses in this regard that an adequate wage policy is vital for maintaining internal demand, and that wage increases should therefore be better adapted to changes in productivity; maintains that there must be a reference to the importance of

increasing wages, especially in countries where wages are below the poverty threshold, but it must be made without undermining the subsidiarity principle; recalls that minimum wages differ substantially between Member States, and reiterates its request for a study¹ on this issue, including an analysis of the differences in purchasing powers between Member States; encourages the Member States to set minimum wages in accordance with national legislation and practices and to consider their impact on in-work poverty, household income, aggregate demand and job creation;

14. Notes that some labour reforms have introduced new contractual formulas and that, according to the Commission, some of these have increased precariousness in the labour markets, demanding in many instances unfair flexibility from younger generations; notes with concern the figures from some Member States whose rates of temporary employment are over 90 % for new contracts, which particularly affects young people and women, and which, according to the OECD², is one of the direct causes of increasing inequality, although, on occasion, such employment arrangements are specifically sought by workers with the aim of having a better work-life balance or additional earnings; calls on the Member States to establish synergies between national policies and the European cohesion policy in order to reinforce the effect on these priority groups; raises a particular concern about the expansion of 'zero-hour contracts'; believes that all types of contractual arrangements should give workers access to a core set of rights and adequate social protection;
15. Calls on the Commission and the Member States to take note of the IMF report³ on the causes and consequences of inequality, which states that the increase in the income gap may negatively affect economic growth and the potential for job creation; calls for enhanced efforts to shift the taxation burden from labour towards other sources, for effective action on labour taxation and for fairer labour markets ensuring freedom of movement of workers in Europe and redistributive policies, taking into account the specific features of the individual Member States, in order to boost economic growth, competitiveness and productivity as well as to facilitate greater and upward economic and social convergence;
16. Notes that high rates in long-term unemployment in the Union, especially in some Member States, are resulting in an increasing number of workers losing their benefits before finding a new job; notes that some Member States have limited access to such benefits or have reduced the amount available and/or the eligibility period for them; calls on the Member States, in the framework of their competences, to maintain a balance between adequate social protection and adequate incentives for active job searching which provide personalised support without punitive conditionality which undermines social rights; calls on the Member States to establish strong activation measures in order to achieve more effective results; recognises that improving employment policy and social protection with the aim of activating support and protecting people, thereby ensuring stronger social cohesion, are key components of sustainable economic growth; calls for a specific study on such incentives at EU level, and calls on the Member States to introduce, in accordance with national practices, minimum income schemes aimed at tackling pockets of social exclusion and ensuring a minimum income to households;

¹ Resolution of 11 March 2015 (Texts adopted, P8_TA(2015)0068), paragraph 46.

² OECD report 'In it together: Why less inequality benefits all', 21 May 2015.

³ IMF report 'Causes and Consequences of Income Inequality: A Global Perspective', June 2015.

17. Welcomes the reduction in youth unemployment rates, but points out that they are still at alarming levels in many Member States and regions, and are not necessarily based on net job creation; stresses that job insecurity and underemployment have also risen and that, in 2014, 43 % of young people were in temporary employment, while 32 % were in part-time employment; welcomes the Commission's decision to release EUR 1 billion as advance funding for the Youth Guarantee Scheme; calls on the Member States to use all available funds swiftly and efficiently to implement the Youth Employment Initiative with minimum quality standards; calls moreover for these funds to be carefully and continuously monitored to ensure that they help young people gain a long-term foothold in the job market; calls on the Member States to prioritise language learning and to facilitate mobility through programmes such as ERASMUS+ or ERASMUS for Young Entrepreneurs and also to take part in the EURES employment network; stresses also the importance of promoting and encouraging apprenticeships as a way for young people to gain the professional qualifications which will facilitate their access to the job market;
18. Notes that there is significant disparity in the success of the implementation of the Youth Guarantee and Youth Employment Initiative between Member States to date; notes that the International Labour Organisation has estimated that resolving youth unemployment in the Union would require a budget of EUR 21 billion, and that the Commission's current financial commitment is wholly inadequate and needs to be raised to a sufficient level; calls on the Commission to work with the Member States and representative youth organisations to propose minimum standards and best practices in the implementation of the Youth Guarantee;
19. Calls on the Commission and the Member States to intensify their efforts to tackle social and wage dumping in the Union, since it is causing serious damage to the workers affected and to the social protection systems in Member States; calls also for the involvement of social partners in these efforts at all levels;
20. Underlines the fact that job insecurity among young people adversely affects decisions about having children and, as a result, negatively influences the demographic prospects of Member States;
21. Recalls the need to tackle undeclared work, which is damaging the EU economy, leading to unfair competition and market distortions and resulting in an increasing lack of social and employment protection for workers; calls therefore for the swift entry into force of the European platform against undeclared work;
22. Considers that this year's recommendations have focused almost exclusively on the labour market, and have not addressed the challenges of reduced services and the quality of services offered to those in need; recalls the need to invest in early intervention and prevention and in high-quality, accessible and inclusive services, including in education from an early age, family and community support, social services and healthcare; highlights the fact that increased demand for services could also lead to important job creation in the social sector, if addressed effectively, and that the health and social care sectors represent crucial areas for investment in pursuit of sustainable economies; invites the Commission to report on progress in developing initiatives, as part of the Europe 2020 Strategy, for investment in the health and social care sectors with regard to quality employment;

23. Underlines the fact that, according to an IMF report¹, the progressivity of tax systems has been weakened in some Member States in recent years, contributing to increasing inequality; considers that the tax wedge has been much higher for low-wage workers and SMEs with higher effective tax rates; recognises that, while taxation is a Member State competence, progressive tax systems help cushion the worst effects of economic crises, and recognises the importance of reducing taxes for labour and enterprises with a view to increasing demand and creating jobs, while ensuring adequate financing of social protection systems; insists that tax fraud and tax evasion must be dealt with within and between Member States;
24. Calls on the Commission to provide guidance to Member States on addressing the low participation of women in the labour market by tackling labour market segregation, the gender pay gap and the unequal distribution of care responsibilities; stresses that a broader gender equality approach going beyond employment rates is needed;
25. Takes note of the potential value of European automatic stabilisers; notes that the Commission has not included in the CSRs the importance of maintaining strong automatic stabilisers in Member States as a follow-up to its communication on strengthening the social dimension of the EMU, as called for by Parliament², and despite its important role in maintaining social cohesion and stimulating internal demand and economic growth; calls on the Commission, in order to allow more effective analysis and to encourage the identification and exchange of best practices between Member States, for a detailed overview of Member States' choices in different policy fields and the corresponding results;
26. Highlights that the social economy provides employment for over 14 million people, representing around 6.5 % of workers in the Union; regrets the fact that enterprises in the social economy, representing 10 % of European enterprises – primarily SMEs and micro-enterprises – find it even more difficult than traditional enterprises to obtain public or private financing; underlines the need to give them more support, by, for example, enabling them to access different forms of financing such as European funds, micro-credit and crowdfunding, or improving their access to the digital economy; considers, in this context, that the CSRs should place stronger emphasis on the role of social economy enterprises in promoting social and economic cohesion in Europe in line with the Europe 2020 Strategy;
27. Considers that, although the Commission has acknowledged that 'poverty and marginalisation have increased'³, with now 1 in 4 people experiencing poverty, it is regrettable that there is no reference in the CSRs to the poverty target of the Europe 2020 Strategy; calls for a comprehensive strategy for fighting poverty based on access to decent jobs leading to quality employment, services and the activation of minimum income and social protection, in accordance with the subsidiarity principle; points out that education, and hence empowerment for employment, is one of the main anti-poverty tools; stresses the need to recognise the growth in personal indebtedness as a situation increasing personal and general economic vulnerability;

¹ IMF report 'Causes and Consequences of Income Inequality: A Global Perspective', June 2015.

² Resolution of 11 March 2015 (Texts adopted, P8_TA(2015)0068).

³ COM(2015)0250 final.

28. Stresses that employment is the best way to fight against poverty and social exclusion, and that Member States should focus on facilitating access to the labour market, in particular for young people and the long-term unemployed;
29. Notes with concern the rapid increase in extreme forms of poverty such as homelessness in many Member States; calls for CSRs to be addressed to all Member States on social inclusion strategies, including on combating extreme forms of poverty such as homelessness; agrees with the Commission that the Member States must tackle homelessness and the risk of homelessness through comprehensive strategies based on prevention, housing-led approaches, the review of regulations and practices in relation to eviction and the availability of genuinely affordable housing offering stability, and an end to the criminalisation of homeless people; calls for improvements in the transnational exchange of best practices and mutual learning, and acknowledges the role of the Employment and Social Innovation (EASI) programme in this context;
30. Calls for pension reforms to be made taking into account Parliament's repeated recommendations¹ to ensure the sustainability, safety and adequacy of pensions for women and men by strengthening retirement schemes, aiming at a decent retirement income that is at least above the poverty level; considers that linking retirement age to life expectancy is not the only way of tackling the challenge of ageing, and that pension system reforms should also reflect, inter alia, labour market trends, birth rates, the demographic situation, the health and wealth situation, working conditions and the economic dependency ratio; recalls that the best way to tackle the challenge of ageing is to increase the overall employment rate, building, inter alia, on social investments in active ageing;
31. Is concerned by the limited role that national parliaments, social partners and civil society have played in the drafting of the national reform programme (NRP) and the convergence programme (CP) as well as in CSRs; notes however the changes to the running of the 2015 European Semester to increase ownership at national level, and stresses that reforms should essentially be a matter for Member States; calls on the Commission to favour, when streamlining the existing economic governance mechanisms, a reform that grants further democratic legitimacy to the European Semester by involving the European and national parliaments in the drafting and approval processes, while also consulting social partners and civil society;
32. Criticises the fact that not all Member States have involved their national parliaments, national social partners and civil society in the drafting of their NRPs; calls on the Member States to include a detailed overview in their NRPs explaining who was involved and in what manner; calls on the Commission to take stock of the different national practices of parliamentary procedures and stakeholder involvement in the European Semester with a view to improving participation;
33. Takes note of the Commission's recommendation to reform healthcare systems so that they meet their objectives of providing universal access to high-quality care – including affordable access to medicines, especially those that are life-saving – and to secure respect for the rights of health staff; observes that, as a consequence of the crisis, some Member

¹ Resolution of 11 March 2015 (Texts adopted, P8_TA(2015)0068); Resolution of 22 October 2014 (Texts adopted, P8_TA(2014)0038); Resolution of 25 February 2014 (Texts adopted, P7_TA(2014)0129); Resolution of 8 July 2015, P8_TA-PROV(2015)0261.

States have failed to ensure full coverage of public health;

34. Regrets that the Commission has not included in the CSRs the importance and the job potential of the green economy, which, according to the Commission estimates, could create five million jobs by 2020 in the energy-efficiency and renewable-energy sectors, provided that ambitious climate and energy policies are put in place.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	23.9.2015
Result of final vote	+: 36 -: 14 0: 1
Members present for the final vote	Laura Agea, Tiziana Beghin, Brando Benifei, Mara Bizzotto, Vilija Blinkevičiūtė, Enrique Calvet Chambon, David Casa, Ole Christensen, Jane Collins, Martina Dlabajová, Elena Gentile, Arne Gericke, Marian Harkin, Danuta Jazłowiecka, Agnes Jongerius, Jan Keller, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Zdzisław Krasnodębski, Jérôme Lavrilleux, Jeroen Lenaers, Javi López, Thomas Mann, Dominique Martin, Anthea McIntyre, Joëlle Mélin, Elisabeth Morin-Chartier, Georgi Pirinski, Sofia Ribeiro, Claude Rolin, Anne Sander, Sven Schulze, Siôn Simon, Jutta Steinruck, Yana Toom, Ulla Tørnæs, Marita Ulvskog, Renate Weber, Tatjana Ždanoka, Jana Žitňanská, Inês Cristina Zuber
Substitutes present for the final vote	Maria Arena, Georges Bach, Amjad Bashir, Tania González Peñas, Sergio Gutiérrez Prieto, Paloma López Bermejo, Edouard Martin, Michaela Šojdřová, Neoklis Sylikiotis
Substitutes under Rule 200(2) present for the final vote	Rosa Estaràs Ferragut

25.9.2015

OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination: implementation of 2015 priorities
(2015/2210(INI))

Rapporteur: Ildikó Gáll-Pelcz

SUGGESTIONS

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

- having regard to its resolution of 11 March 2015 on Single Market governance within the European Semester 2015¹,
 - having regard to the Commission communication of 13 May 2015 entitled ‘2015 European Semester: Country-specific recommendations’ (COM(2015)0250),
 - having regard to its resolution of 24 June 2015 on ‘the review of the economic governance framework: stocktaking and challenges’²,
1. Notes that the Single Market remains fragmented and insufficiently implemented, and that the great potential for smart, sustainable and inclusive growth, innovation and job creation is still untapped, in particular as regards services; calls on the Commission and the Member States to honour their commitments and to safeguard the revival of the Single Market as one of the Union’s main priorities; considers it essential that the great potential of the Single Market be exploited to the maximum extent possible, through a holistic approach, in order to boost growth and competitiveness; stresses that the European Semester should embrace the objectives of an overarching, long-term EU strategy for growth and jobs which looks to 2020 and beyond; reiterates, therefore, its call for the swift implementation of all relevant EU legislation and urges the Commission to ensure more effective use of infringement proceedings, and the European Council to continue the

¹ Texts adopted, P8_TA(2015)0069.

² Texts adopted, P8_TA(2015)0238.

further development of infringement proceedings in the framework of future revisions of the Treaty on the Functioning of the European Union;

2. Reiterates its call on the Commission to put forward proposals for classifying the Single Market as a specific pillar of the European Semester, including dedicated guidelines and country-specific recommendations (CSRs) thereon, in order to cover a clear set of priorities related to the real economy; asks the Commission to enhance the linkage between the pillars; recalls that good economic governance and the impact thereof can be effective only if those implementing and applying the rules are adequately involved; calls on the Commission, therefore, to integrate the completion of all dimensions of the Single Market – goods, services, capital, labour, energy, transport and the digital sector – as part of the European Semester and the CSRs;
3. Calls for the governance of the internal market to be strengthened through the European Semester by establishing a set of specific indicators to measure its performance, together with additional data; calls for a specific section to be included in the country reports which highlights barriers and progress in the internal market;
4. Stresses that, for the European Semester to have a Single Market dimension, the Annual Growth Survey should encourage Member States to involve their local and regional authorities in setting differentiated contributions to the Europe 2020 targets and in designing and implementing the National Reform Programmes (NRPs) on the basis of the principle of Single Market governance;
5. Asks the Commission to call on the Member States to introduce into their annual NRPs a specific and detailed section on the Single Market, specifying the development of its integration at national level and the measures to be adopted the following year; calls on the Commission to adopt the same structure for its CSRs;
6. Stresses the importance and added value of the Single Market integration reports of previous years, given their contribution to the overall priorities set in the Commission's Annual Growth Survey and to the identification of CSRs as part of the European Semester; finds it most deplorable, therefore, that the Single Market integration report has been omitted for 2015 and that Parliament's call has not been acted on;
7. Welcomes the Commission's new approach to streamlining the European Semester process; appreciates, in this context, the Commission's work on defining CSRs relating to the Single Market, but considers it to be insufficient; calls for more determined efforts to guide and coordinate economic policies in order to ensure consistent and fair implementation of the economic governance framework across the Member States and to measure the effects of economic governance in all the Member States;
8. Is concerned about the persistent macroeconomic imbalances in some Member States, in particular high levels of public debt, large current account deficits and excessive risk in banking systems;
9. Supports the emphasis in the 2015 CSRs on the importance of removing unjustified restrictions on, and barriers to, entry in key sectors; asks the Member States concerned, furthermore, to give those recommendations their utmost consideration and, as a matter of urgent priority, to remove these obstacles to the growth of the Single Market;

10. Notes that the Single Market is one of the most important elements of the European project, and recognises that, for the European Semester process to be inclusive, Parliament should take an active role in it; calls for those Member States that have not implemented the CSRs as regards the internal market to explain the reasons to the competent committee of Parliament (the Committee on the Internal Market and Consumer Protection); asks that Parliament use such explanations as a basis for giving input to the Commission in relation to the development of new CSRs in time for publication in May;
11. Considers it regrettable that there are many complaints about implementation deficits; asks the Commission for a better monitoring and feedback system in respect of legal implementation; asks the Commission to re-evaluate legal frameworks that have severe implementation deficits;
12. Stresses that in most Member States public and private investment is insufficient; urges the Commission to take additional measures to improve and facilitate access to finance for SMEs (particularly in respect of key sectors, including the emerging digital sector), to ensure an improved business environment, to simplify procedures, to reduce administrative burdens in the Single Market and to support investment; stresses the importance of competitive and highly integrated markets with sound business regulation for the success of the European Fund for Strategic Investments (EFSI);
13. Recalls the need to focus investments on the priorities set out in the Europe 2020 strategy, i.e. developing an economy based on knowledge and innovation, promoting a more resource-efficient, greener and more competitive economy and fostering a high-employment economy that delivers a high level of social and territorial cohesion; asks the Commission to respect the timetable for the launch of the EFSI in autumn 2015, so that it has the intended effect of stimulating the real economy and boosting recovery in the Member States; considers that these investments will serve to strengthen EU competitiveness in key growth sectors such as services, energy, transport and the digital Single Market;
14. Considers that greater support for SMEs from the Commission and the Member States is needed in order to expand their markets, foster innovation, promote their export capacity, stimulate job creation, help them to compete more effectively, particularly in domestic markets, and improve overall productivity; calls for the opportunities presented by the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) programme for 2014-2020 to be maximised in order to improve SMEs' access to financing in the domestic and international markets; calls for other forms of financing to be promoted as an alternative to financing via banks;
15. Stresses that better and stronger tax coordination and renewed efforts to combat fraud, tax evasion and tax avoidance, with due respect for national competences, are needed in order to ensure a level playing field and to avoid unfair competition and detrimental distortions within the Single Market;
16. Emphasises that the European Semester is an obvious opportunity to push for more progress in efforts towards the digital Single Market; welcomes, in this context, the Commission communication on the roadmap for completing the digital Single Market; considers it essential to remedy the current fragmentation of national rules on digital services and to build a more innovative and transparent digital Single Market based on fair

competition and providing a high level of accessibility and consumer protection; calls on the Commission to comply with the planned schedule and launch the 16 initiatives aimed at achieving a true digital Single Market for Europe, in order to contribute to the EU's economic recovery, improve its internal and external competitiveness and promote social cohesion;

17. Considers that the insufficient level of digital skills, uneven coverage and high costs limit the benefits of information and communications technology (ICT); urges the Commission and the Member States to give priority in the CSRs and the NRPs to digital training for individuals and companies and to securing access to network infrastructure for all citizens;
18. Believes that the Member States have to step up their efforts to modernise their public administrations by providing more, and better accessible, digital services for citizens and businesses, with a particular focus on SMEs, and to facilitate cross-border cooperation and interoperability between public administrations; supports the implementation of capacities for the evaluation and exchange of best practices in respect of digital services;
20. Recognises that there are several constraints that hinder the proper functioning of markets for products and services; supports the work done by the Commission on regulated professions;
21. Notes that most Member States are below the Europe 2020 targets for R&D; asks the Commission to honour its intention to publish the review of the Europe 2020 strategy at the end of 2015 at the latest, in order to strengthen the role of the Single Market and the digital Single Market as key instruments for reviving economic growth and quality job creation in the EU; calls on the Member States to guide their economies more decisively towards a focus on innovation and knowledge;
22. Stresses that the full and rapid implementation of EU legislation on public procurement and concessions would provide a great opportunity to enhance innovation and access for SMEs, to promote sustainable development and to modernise public administration, by improving the quality, effectiveness and transparency of public spending and investment;
23. Believes that the ownership of CSRs by national parliaments needs to be strengthened; encourages the Member States to give the Commission the opportunity to present the CSRs in the national parliaments; calls on the Member States, furthermore, to implement the CSRs and to rigorously transpose the EU targets into national targets; reiterates, furthermore, its request that the Commission report to the competent committee of Parliament on the measures taken to ensure progress in the implementation of the CSRs and on the progress achieved thus far.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	23.9.2015
Result of final vote	+: 30 -: 7 0: 2
Members present for the final vote	Dita Charanzová, Carlos Coelho, Anna Maria Corazza Bildt, Daniel Dalton, Nicola Danti, Dennis de Jong, Pascal Durand, Vicky Ford, Ildikó Gáll-Pelcz, Evelyne Gebhardt, Antanas Guoga, Robert Jarosław Iwaszkiewicz, Liisa Jaakonsaari, Philippe Juvin, Antonio López-Istúriz White, Jiří Maštálka, Marlene Mizzi, Eva Paunova, Jiří Pospíšil, Marcus Pretzell, Robert Rochefort, Virginie Rozière, Christel Schaldemose, Andreas Schwab, Olga Sehnalová, Ivan Štefanec, Catherine Stihler, Róza Gräfin von Thun und Hohenstein, Mihai Țurcanu, Anneleen Van Bossuyt, Marco Zullo
Substitutes present for the final vote	Jan Philipp Albrecht, Lucy Anderson, Pascal Arimont, Ulrike Trebesius
Substitutes under Rule 200(2) present for the final vote	Clara Eugenia Aguilera García, Mario Borghezio, Roger Helmer, Flavio Zanonato

18.9.2015

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination: implementation of 2015 priorities
(2015/2210(INI))

Rapporteur: Iskra Mihaylova

SUGGESTIONS

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

1. Acknowledges the new approach for a more streamlined European Semester 2015 to focus on the four key priorities for economic growth: boosting investment, implementation of structural reforms, fiscal responsibility and improving employment policy; notes the country-specific recommendations (CSRs) for 2015, which address the growth drivers that can allow sustainable recovery and through which progress can be achieved within a shorter timeframe (12-18 months);
2. Recalls that a sound macroeconomic framework is important in order to achieve the objective of reducing disparities in levels of development as defined in Article 174 of the Treaty on the Functioning of the European Union, and that cohesion policy can be a driving force for achieving this objective if accompanied by a sound macroeconomic framework; is deeply concerned that in Member States with high government debt levels and macroeconomic imbalances the absorption and effectiveness of the European Structural and Investment (ESI) Funds can be greatly diminished; calls on the Commission, therefore, to propose tailor-made measures which will support the timely implementation and achievement of cohesion policy and economic goals in these countries;
3. Notes the closer links between the objectives of the European Semester process and the programming of the ESI Funds for 2014-2020, and especially the systematic references to CSRs and National Reform Programmes (NRPs) in the programming exercise; takes note of the study entitled 'Strategic Coherence of Cohesion Policy: Comparison of the 2007-2013 and the 2014-2020 Programming Periods', which shows that CSRs are taken into

consideration to a very limited extent in Partnership Agreements and Operational Programmes; considers that cohesion policy investments could play a very important role in supporting structural reforms and the fulfilment of the EU's strategic goals by following up the relevant CSRs and NRPs; calls for steps to be taken to ensure complementarity and synergies between the ESI Funds, the European Fund for Strategic Investments (EFSI) and the other EU-subsidised programmes and initiatives, together with national public investments and private financial instruments, in order to obtain maximum added value and synergy by exploiting the full potential of such investments;

4. Calls on the Commission and the Member States to ensure the quality of the interventions co-financed under cohesion policy, and compliance with the most relevant CSRs and NRPs; notes that in the 2013 and 2014 financial years there were more CSRs with relevance for ESI Funds programming, and that medium-term structural reforms related to investments under the ESI Funds are still necessary and should be included in CSRs even though they are very often contained in the ex-ante conditionalities set out in the ESI Funds common framework;
5. Notes with great concern the persistently high unemployment rates in some Member States, especially as regards youth and long-term unemployment; stresses the need to implement structural reforms related to the labour market, education systems and financial services for SMEs, which should be strongly supported by cohesion policy financial instruments at regional, national and EU level in order to create employment opportunities and boost quality job creation;
6. Urges the Member States to ensure swift and effective implementation of the respective CSRs for 2015 in order to achieve sustainable growth and jobs; deplores, in this connection, the non-binding nature of the recommendations; recalls that the quality of ESI Funds intervention as a policy response to the challenges identified in the CSRs will depend on how Member States connect their structural reforms and smart fiscal consolidation with the use of the ESI Funds through the NRPs, and on how Member States ensure programme implementation;
7. Acknowledges the entry into force of the regulation on the European Fund for Strategic Investments (EFSI); underlines the strong combined potential of the Investment Plan for Europe and the ESI Funds in terms of boosting competitiveness, sustainable economic growth and job creation; urges the Commission and the Member States, therefore, to step up the structural reforms and to improve the regulatory and administrative environment in order to substantially improve the business and investment climate and achieve the maximum output / leverage effect from limited public finances;
8. Calls on the Commission and the Member States to consider innovative ways to encourage investment in the EU, and highlights the fact that the increased use of financial instruments under the 2014-2020 cohesion policy can help to produce leverage and a multiplier effect for the EU budget, and to enhance the effectiveness and efficiency of investment under the ESI Funds; emphasises, however, the need to ensure the transparency, accountability and scrutiny of financial instruments, including the EFSI.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	17.9.2015
Result of final vote	+: 30 -: 8 0: 0
Members present for the final vote	Pascal Arimont, José Blanco López, Franc Bogovič, Mercedes Bresso, Steeve Briois, Edward Czesak, Rosa D'Amato, Bill Etheridge, Michela Giuffrida, Krzysztof Hetman, Ivan Jakovčić, Constanze Krehl, Andrew Lewer, Louis-Joseph Manscour, Martina Michels, Andrey Novakov, Younous Omarjee, Demetris Papadakis, Mirosław Piotrowski, Stanislav Polčák, Julia Reid, Liliana Rodrigues, Fernando Ruas, Maria Spyrali, Ruža Tomašić, Ramón Luis Valcárcel Siso, Ángela Vallina, Monika Vana, Matthijs van Miltenburg, Lambert van Nistelrooij, Derek Vaughan, Joachim Zeller
Substitutes present for the final vote	Petras Auštrevičius, Jan Olbrycht, Maurice Ponga
Substitutes under Rule 200(2) present for the final vote	Brando Benifei, Andrejs Mamikins, Soraya Post

21.9.2015

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination: implementation of 2015 priorities
(2015/2210(INI))

Rapporteur: Ernest Urtasun

SUGGESTIONS

The Committee on Women's Rights and Gender Equality calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas equality is a founding value of the EU and a necessary condition for achieving the Europe 2020 employment and poverty reduction targets, to which compliance with national gender equality legislation and proper implementation of the EU gender equality directives can substantially contribute;
- B. whereas women's access to the labour market is a factor in skill diversity on the job market, the direct consequence of which is accessibility to better resources for enterprises and hence to greater competitiveness, employment and growth within the internal market;
- C. whereas women are affected by cuts to public services including health, education and housing, both directly as users and employees, and indirectly through their support for family members who rely on core public services; whereas reductions in spending on health personnel has increased the care burden on women in many Member States who often work in conditions of precariousness and exploitation;
- D. whereas the employment rate, and incidentally the growth rate in the EU's internal market, is in part reliant on the ability of men and women to achieve a good work-life balance;
- E. whereas the economic crisis and fiscal consolidation policies have disproportionately affected women, particularly those from marginalised communities, young women, and women suffering from multiple discrimination;
- F. whereas sustainability of public finances is one of the goals of the Europe 2020 strategy, and whereas investment by Member States in education in general, and that of young

women more specifically, is an integral part of their national budgets;

- G. whereas labour market and job creation policies must strive for the creation of high-quality jobs in line with the ILO's Decent Work Agenda;
- H. whereas persistent high rates of youth unemployment and social exclusion across the EU in recent years have led to a destruction of human capital, and have affected women and girls disproportionately; whereas these long-term impacts of the economic crisis must be addressed in a gender-sensitive manner;
- I. whereas the current economic situation has demonstrated the need for closer coordination of the Member States' macroeconomic and budgetary policies if a more integrated and balanced economic union is to be achieved;
1. Regrets the absence of gender mainstreaming in the Europe 2020 strategy, and calls on the Commission and the Council to introduce into the strategy a gender equality pillar and an overarching gender equality objective;
 2. Reiterates that the goal of coordinating economic and fiscal policies in the Member States can only be achieved if policies on equality are also coordinated;
 3. Welcomes those country-specific recommendations (CSRs) intended to advance gender equality, but calls for greater inclusion of the gender mainstreaming perspective in the formulation of CSRs, specifically as regards labour market reforms and work-life balance in particular; calls on the Commission to ensure that the CSRs of the European Semester on strengthening the principle of equal pay between men and women through transparency and addressing the gender pay gap are implemented by the Member States; also calls for specific equality policy guidance on reducing other gender inequalities to be included in the annual growth survey;
 4. Calls on the Member States and the Commission to remove the constraints on women participating in the labour market, notably by establishing mechanisms, especially appropriate periods of maternity, paternity and parental leave, to be standardised across the EU, in order to enable women to achieve a good work-life balance;
 5. Reiterates its call on the Member States to incorporate the gender dimension into their stability and convergence programmes and national reform programmes, through the setting of qualitative targets and measures that address persisting gender gaps which often result in women finding themselves below the poverty line at a later stage of their lives, as well as to systematically apply the principles of gender budgeting with a view to examining the current action programmes and policies, their effects on resource allocation, and their contribution to equality between women and men;
 6. Reminds the Member States and the Commission that barriers preventing women from accessing the labour market have a direct impact on the potential return on Member States' investment in education;
 7. Reiterates its call on the Commission to facilitate the monitoring of the employment and poverty reduction headline targets by requesting that the Member States use gender-disaggregated data, and to define additional gender-specific indicators; 8. Stresses

that Member States should improve the participation rate of children and young adults in educational systems and should put more focus on the problem of early school leaving, especially by collecting information on its main causes with a view to adopting and implementing policies for its prevention;

9. Calls on the Commission to support the Member States in making greater use of structural funds for investment in public care structures and services for children, the elderly and other dependents; notes the disproportionate impact that lack of investment in public care structures and services has on single parents, the vast majority of whom are women;
10. Stresses the need to prioritise action to tackle unemployment, poverty and social exclusion, which affect women above all, and to give priority to sustainable employment/quality jobs, investment, and quality public services which ensure social inclusion, especially in the areas of education, health, childcare, care of dependent persons, public transport and social services;
11. Calls on the Commission and the Member States to formulate and implement CSRs on subjects specifically affecting the position of women in labour markets, including, among others:
 - i) removing the structural barriers women face in entering and advancing in male-dominated sectors, such as science, technology, entrepreneurship, finance, and the green economy;
 - ii) tackling the gender pay and gender pension gap across sectors;
 - iii) striving to increase the representation of women in economic decision-making across sectors;
 - iv) addressing the need for the empowerment of women and girls through formal and informal education, especially in the fields of science, technology, engineering, mathematics, entrepreneurship, economics and business studies, as well as the need to improve skills matching, training and lifelong learning facilities for women at work across sectors;
12. Notes that the financial and economic crisis has had serious implications for the demographic challenges facing Europe, including the ageing population; notes that the gender pensions gap in Europe stands at 39 %; emphasises that employment policies and the design of social transfer systems have profound implications for women's ability to pay pension contributions, and that CSRs should take account of this; believes that the gender implications of longer working lives need to be examined;
13. Invites the Commissioner(s) responsible to discuss the gender aspects of the Annual Growth Survey with the Committee on Women's Rights and Gender Equality each year;
14. Emphasises the need for the Commission and the Member States to assess the impact of structural reform policies on women in marginalised communities suffering from multiple discrimination; calls on the Commission to formulate CSRs specifically to address the obstacles faced by these women;
15. Is deeply concerned at the fact that cuts in the financing of women's organisations,

institutions and equality bodies have led to closures and a significant scaling-back of operations;

16. Calls for specific guidelines and procedures to be included in the European Semester to ensure accountability, consultation and dialogue with national stakeholders, civil society organisations and trade unions;
17. Stresses that labour market flexibility must not come at the cost of forms of social protection such as minimum wages, collective bargaining rights or maternity and paternity rights, or of the preservation of secure quality jobs in line with the Decent Work Agenda; highlights the important role of civil society engagement, social dialogue, trade unions and employee representation in the formulation and implementation of labour market policies;
18. Expresses its concern that the deregulation and flexibilisation of employment relations in many Member States has led to violations of employment laws, including direct and indirect discrimination against women;
19. Suggests involving the European Institute for Gender Equality more closely in the European Semester;
20. Calls on the Commission and the Member States to do more to use the recovery from the economic crisis as an opportunity to promote a more socially and environmentally sustainable economic model, by, among other means, accelerating green job creation and promoting social enterprise and alternative business models, such as mutuals and cooperatives;
21. Highlights that women in Europe are over-represented in part-time, temporary, low-paid and undeclared employment, and that precarious forms of employment have spread in recent years as a result of austerity measures including the deregulation of the labour market and reform of labour rights and bargaining practices; is deeply concerned that levels of in-work poverty have increased.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	15.9.2015
Result of final vote	+: 21 -: 6 0: 1
Members present for the final vote	Daniela Aiuto, Maria Arena, Catherine Bearder, Malin Björk, Iratxe García Pérez, Anna Hedh, Mary Honeyball, Teresa Jiménez-Becerril Barrio, Elisabeth Köstinger, Agnieszka Kozłowska-Rajewicz, Barbara Matera, Krisztina Morvai, Angelika Niebler, Maria Noichl, Margot Parker, Marijana Petir, Terry Reintke, Liliana Rodrigues, Jordi Sebastià, Michaela Šojdrová, Ángela Vallina, Beatrix von Storch, Jadwiga Wiśniewska, Anna Záborská, Jana Žitňanská
Substitutes present for the final vote	Biljana Borzan, Ildikó Gáll-Pelcz, Sylvie Goddyn, Constance Le Grip
Substitutes under Rule 200(2) present for the final vote	Michel Reimon

RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

Date adopted	13.10.2015
Result of final vote	+: 31 -: 16 0: 4
Members present for the final vote	Gerolf Annemans, Burkhard Balz, Hugues Bayet, Udo Bullmann, Esther de Lange, Fabio De Masi, Anneliese Dodds, Markus Ferber, Jonás Fernández, Elisa Ferreira, Sven Giegold, Sylvie Goulard, Roberto Gualtieri, Brian Hayes, Petr Ježek, Othmar Karas, Georgios Kyrtos, Philippe Lamberts, Bernd Lucke, Olle Ludvigsson, Fulvio Martusciello, Marisa Matias, Costas Mavrides, Bernard Monot, Luděk Niedermayer, Stanisław Ożóg, Dimitrios Papadimoulis, Dariusz Rosati, Alfred Sant, Molly Scott Cato, Peter Simon, Renato Soru, Theodor Dumitru Stolojan, Kay Swinburne, Paul Tang, Ramon Tremosa i Balcells, Marco Valli, Tom Vandenkendelaere, Cora van Nieuwenhuizen, Miguel Viegas, Pablo Zalba Bidegain, Marco Zanni
Substitutes present for the final vote	David Coburn, Bas Eickhout, Ramón Jáuregui Atondo, Danuta Jazłowiecka, Thomas Mann, Siegfried Mureşan, Nils Torvalds, Beatrix von Storch
Substitutes under Rule 200(2) present for the final vote	Mark Demesmaeker