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MOTION FOR A RESOLUTION

to wind up the debate on statements by the Council and Commission
pursuant to Rule 103(2) of the Rules of Procedure

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on the European interest: succeeding in the age of globalisation

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European Parliament resolution on the European interest: succeeding in the age of globalisation

The European Parliament,

- having regard to its preparatory report of 26 January 2007 on the broad economic policy guidelines for 2007 (A6-0012/2007),
- having regard to the Commission communication, 'the European Interest: Succeeding in the age of globalisation' (COM(2007)0581),
- having regard to the Commission communication, 'Time to move up a gear: the new partnership for growth and jobs' (COM(2006)0030),
- having regard to the Council Decisions of 4 October 2004, 12 July 2005, 18 July 2006 and 10 July 2007 on guidelines for the employment policies of the Member States,
- having regard to its legislative resolution on the Guidelines for the Employment Policies of the Member States¹,
- having regard to the European Youth Pact adopted by the European Council on 23 and 24 March 2005,
- having regard to the European Pact for Gender Equality adopted by the European Council on 23 and 24 March 2006,
- having regard to the Commission communication, 'Education and Training 2010: the success of the Lisbon Strategy hinges on urgent reforms' (COM(2003)0685),
- having regard to its resolution on the situation of people with disabilities in the enlarged European Union: the European Action Plan 2006-2007²,
- having regard to the conclusions of the informal meeting of Ministers for Employment and Social Affairs in Guimarães on '12 key points to face the challenges ahead' on 5 and 6 July 2007,
- having regard to Rule 103(2) of its Rules of Procedure,

A. whereas economic policy refers to the actions that governments have to take in the economic field to deliver sustainable, long-term economic growth in order to meet the needs of EU citizens,

B. whereas whether public policies do or do not, in fact, foster growth depends on the

¹ Texts adopted, P6_TA(2007)0048.

² OJ C 316 E, 22.12.2006, p. 370.

sources of, and impediments to, growth prevailing in the economy and the wider constellation of constraints and opportunities posed by the global economic setting,

- C. whereas there is ample evidence suggesting that high rates of inflation, excessive macroeconomic imbalances, under-investment in human capital and high rates of trade protection do not inspire sustained, efficient economic growth,
- D. whereas the current financial instability is creating uncertainty and could aggravate a slowdown of growth and whereas the slight revision of the autumn forecasts by the Commission could also mark a turning point in the economic cycle unless transparency of markets and appropriate reactions by policy-makers restore consumers' confidence,
- E. whereas the new EU is a unique mixture of advanced economies and converging low-cost economies, making it possible to cut costs, employ internal and external economies of scale and resist deflationary and inflationary pressures from developing economies,
- F. whereas the enlarged EU, which represents one of the biggest markets in the world, with 500 million citizens, has become a global player and a main setter of global standards,
- G. whereas the rising profile and attractiveness of the EU single market encourages economic immigration, demand for political and financial assistance in solving problems all around the world and inflows of funds from private investors and from sovereign wealth funds,
- H. whereas the enlarged EU and its impact on the economy as well as the political and socio-cultural development of its Member States require reforms and improved cooperation within the system for political decision-making,
- I. whereas interdependence within the euro area is stronger than in the EU as a whole, and whereas this does not yet translate into effective and coherent policy processes - in particular regarding the link between sound public finances, high-quality spending and investment in productivity growth strategies,
- J. whereas, when defining the EU's broad economic policy guidelines, policy-makers have to identify, clearly state and address the common challenges which EU economies are facing and will face in the years ahead,
- K. whereas the European economy achieved better results in 2006 than in previous years; whereas, however, after the financial volatility and due to the increased risks, the Commission has revised the economic growth forecast for 2007 slightly downwards, to 2.5% for the euro area and 2.8% for the EU,
- L. whereas awareness on the part of, and active support by, EU citizens are preconditions for successful implementation of economic policy measures,
- M. whereas the opportunity to review the Lisbon toolkit should be used to adapt the Integrated Guidelines in order to reflect new challenges and deal with deficiencies and the lack of coherence between the current commitments,
- N. whereas the European Employment Strategy (EES) needs more visibility, monitoring

capacity and participatory impetus under the renewed Lisbon Strategy, in particular in the National Reform Programmes (NRP) and the NRP implementation reports,

- O. whereas implementation reports on the NRPs show that the sectors in which policy implementation is weakest are those of improving the adaptability of workers and enterprises and stepping up investment in education and training,
- P. whereas there is a strong interrelationship between economic growth, employment, the fight against poverty and social inclusion; whereas working poverty is increasingly highlighted as a key challenge in both employment and social inclusion policies; whereas it is therefore essential to re-balance the Integrated Guidelines to deliver on their social and environmental targets and consider the synergies between the different areas,
- Q. whereas the above-mentioned informal meeting of Ministers for Employment and Social Affairs in Guimarães concluded that social inclusion is a fundamental dimension of sustainable development strategies in Europe as it provides the tools to create opportunities for all and has positive effects on employment, skills and human development,
- R. whereas many measures in the NRP process have clear effects on social inclusion policies, especially measures targeting employment, while social inclusion objectives and policies are still often absent in the NRP process,

External policies

1. Notes that globalisation of the economy creates new opportunities for EU economies that are bound to play a more important role in the decades to come and gain additional benefits by exploiting economies of scale, capacity, urbanisation, networks and a positive reputation;
2. Stresses that the EU can only achieve its Lisbon objectives internally by being active and united on the global stage; welcomes therefore the intention to develop a coherent external dimension of the Lisbon Strategy; considers that a comprehensive external policy approach focusing on regulatory cooperation, convergence of standards and equivalence of rules has to promote both fair competition and trade; warns in this context, however, against underestimating the importance of further improvements in internal cooperation and reform processes;
3. Emphasises the emerging importance of the EU as a global player and one of the major beneficiaries of the open world economy, as the world's largest exporter and importer of goods, the world's largest exporter of services and the second largest destination and origin of Foreign Direct Investment; considers that, as such, it has a strong responsibility to tackle global issues and create common external economic policy tools to adequately manage the external impact of the EU single market;
4. Considers that global consolidation of industries and acquisitions of EU companies by third-country investors and vice versa lowers the effective cost of capital; calls for measures to be taken to combat protectionism both inside and outside the European Union; points out, however, that without appropriate coordination in creating the EU

supervisory framework and vigorous enforcement of EU competition rules the advantages of the single market and the benefits of scale which are gained due to EU participation in a global market as a single entity could potentially be diminished;

5. Advocates the independence of the ECB in setting monetary policy and in managing volatility of global financial markets; emphasises that the appreciation of the euro exchange rate is the result of mounting imbalances in third countries and sluggish demand in the EU, which raises competitive pressure on EU companies, and identifies the need for an EU response through sound economic policies, international agreements and cooperation;
6. Is of the opinion that surges in demand for natural resources, basic products and services driven by the growth of developing economies may exert inflationary pressure on EU Member States' economies which until now was offset by their contribution to the increase in global supply; considers that anti-inflationary economic policy tools with strategies of technological growth and a framework for possible macroeconomic adjustment and improved coordination should be prepared by the EU Member States to address this problem;
7. Welcomes the Commission's intention further to develop regulatory cooperation, convergence of standards and equivalence of rules in its discussions with third countries; calls on the Commission to promote decent work and quality of working life, combat social dumping, systematically include a chapter on sustainable development in its trade and cooperation agreements with third countries, requiring ratification and enforcement of core International Labour Organisation standards and decent work principles, and systematically apply its social values and principles when concluding agreements with third countries;

Internal policies

Bridge between Strategies for Social Protection and Social Inclusion and Integrated Guidelines

8. Welcomes the Commission's statement that more attention will be given to active inclusion and equal opportunities, that adequate social protection should be promoted and the fight against poverty reinforced and that more effective means of ensuring citizens' existing rights of access to employment, education, social services, health care and other forms of social protection are needed across Europe;
9. Stresses the need to ensure and improve the integration and visibility of the social dimension in the next cycle of the Lisbon Strategy, and, in particular, in the Integrated Guidelines; considers that there is an urgent need to overcome the existing imbalance in the Employment Guidelines, which fail to give weight to certain basic social objectives, such as those that aim to reduce the number of working poor and increase access to high-quality employment, education, health care and other forms of social protection for all; calls on the Commission to adapt the Integrated Guidelines in order to face up to the new challenges and overcome those shortcomings;
10. Calls on the Commission and Member States to adopt a systematic approach ensuring

effective coherence between the NRP process geared to growth and more and better jobs on the one hand and the social protection and social inclusion process on the other;

Implementation of Employment Guidelines

11. Calls on the Commission to address the wide divergence among the Member States in implementation and effectiveness of the Employment Guidelines by ensuring that Member States more comprehensively apply the EES indicators and targets, lifelong learning instruments and measures set out in the European Youth Pact, the European Pact for Gender Equality and the EU Disability Action Plan 2006-2007; calls for all those commitments, targets and benchmarks to be fully incorporated in the Integrated Guidelines to improve the coherence and efficiency of the EES;
12. Underlines the great importance of enhancing the strategic capacities of employment policies; calls on the Commission and Member States to pay particular attention in their coordination processes to the quality of jobs, the reconciliation of work, family and personal life, the quality and availability of education and training for all, the implementation of anti-discrimination legislation, the strengthening of equal opportunities policies for women and men, and immigration issues;
13. Supports the adoption of a balanced set of common principles regarding flexicurity, combining flexibility and security for employees and employers on the labour market; encourages Member States to mainstream those common principles in their NRP consultation with the social partners and highlights the central role of training and retraining, active labour market policies, adequate social protection and the breakdown of labour market segmentation by ensuring employment rights for all workers;

Economic policies

14. Notes that the EU must make an effort to explain the benefits of the internal market to citizens who are worried that enhanced competition driven by enlargement, integration and labour mobility shifts traditional working patterns towards flexicurity models, and believes that these worries should be addressed through policy actions to expand the supply and improve the quality of those public goods and services that, over time, can help to augment productivity growth and active labour market policies;
15. Is concerned about the extent to which European growth will be strong enough to offset the volatility of global financial markets and exchange rates; believes that sound economic policies would help to strengthen confidence and reduce uncertainty in the context of the current financial volatility; points out that one of the fundamental problems facing the European economy in recent years has been insufficient domestic demand;
16. Underlines that there are significant spill-over effects among Member States' economies; stresses in this context that improved coordination on both sound fiscal policies and high-quality public finances, including essential 'Lisbon investments', is of crucial importance;
17. Is of the opinion that financial market transparency, effective competition rules and appropriate regulation and supervision will continue to be crucial, bearing in mind the globalisation of financial markets and the need to ensure consumer rights; calls therefore on the Commission to elaborate the financial market issues into respective Europe-wide initiatives in the framework of the Community Lisbon Programme;

18. Stresses that the slowdown in productivity growth is a matter for concern for economic policy and differs throughout the EU, which, however, has an overall common pattern indicating weaknesses in markets, distribution and financial services;
19. Points out that the structural rigidities prevent efficient use of new technologies and accessibility of networks in industries which are lagging behind; believes that economic policy guidelines should include supply-side actions defined to create a favourable environment for cross-border operations by business and to speed up the appearance of a single financial market;
20. Acknowledges that Europe needs a faster transformation of innovation into new products and services; supports therefore the Commission's demand for a 'knowledge triangle' of research, education and innovation; expects more effective investments in new skills, lifelong learning and modern education/training systems;
21. Advocates support for restructuring of the economy driven by innovation in managerial processes, procedures and organisational structures; is of the opinion that new companies in this field need more access to capital and more creativity and that they offer numerous opportunities to small businesses and the younger generation;
22. Notes that competition policy should be complementary to structural policies, prevent the emergence of cartels and ensure that conditions do not make it possible to crowd out small business;
23. Believes that improvements in the operation of markets, distribution and financial services could be achieved by broadening coordination of economic reforms in different Member States, in particular within the euro area, and modernisation of the economy by increasing efforts to invest in technology; supports an integrated economic governance approach based on the added value of integration;

Institutional arrangements

24. Is of the opinion that the influence of the economic setting on long-term growth is not an automatic one and that the development of institutions responsive to markets determines whether or not the economy is able to realise its structural growth potential; urges the Commission therefore to present genuinely up-dated Integrated Guidelines 2008-2010;
25. Believes that EU institutional developments should facilitate efficient coordination of economic policies and ensure consistency between the integrated guidelines and national reform programmes; calls therefore on the Commission to ensure that national reform programmes draw more on the integrated guidelines and to issue country-specific recommendations to Member States based on indicators to measure the performance of Member States;
26. Points out that transparency of the work performed by the Eurogroup, the Economic and Financial Committee (EFC), the Financial Services Committee (FSC) and the Economic Policy Committee (EPC) is vital for efficient coordination and implementation of EU economic policy actions;

27. Is convinced that improved ownership and better understanding of the Europe-wide reform programme is necessary and that the role of the European Parliament and of national parliaments needs to be strengthened, as must that of the relevant formations of the Council of Ministers, in deciding the economic strategy;
28. Is of the opinion that the EU's 'Lisbon governance' still needs to be improved, in particular regarding the following aspects: closer coordination amongst relevant formations of the Council of Ministers, in particular regarding properly coordinated National Reform Programmes, sufficient time for Member States to draw up their National Reform Programmes by finally updating/confirming Integrated Guidelines already at the yearly EU Spring Council, and full consultation rights for the EP;
29. Regrets once again that a clear plan and code of practice have still not been agreed between Parliament, the Council and the Commission, which would guarantee appropriate cooperation and the full involvement of the three EU institutions concerned in the appropriate further handling of the integrated policy guidelines as key instruments of the Lisbon Strategy; calls in this connection on the Council and the Commission to submit forthwith proposals for close cooperation between the three EU institutions with a view to the impending revision of the integrated policy guidelines;

Stakeholder involvement

30. Calls on the Commission and the Member States to promote ownership and enhance the involvement of national parliaments, regional and local authorities, the social partners, organisations representing the unemployed, and those groups in society most distant from the labour market in the framework of the Lisbon Strategy and, in particular, within the NRP process;
31. Welcomes the proposed Commission consultation with SMEs and their representatives and the subsequent design of 'The Small Businesses Act' for Europe; hopes that the voice of small businesses will be heard in the social dialogue and that the principle of 'think small first' will be fully integrated into policy-making;

Timing

32. Looks forward to fulfilling its consultative role, as defined in Article 128(2) of the Treaty, with a view to the revision of the Employment Guidelines; urges the Commission and the Council to allow Parliament the necessary time, and, in any event, no less than five months, to carry out its duty;
33. Instructs its President to forward this resolution to the Council, the Commission and the parliaments and governments of the Member States.