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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 behalf of the GUE/NGL Group

on the European Interest: succeeding in the age of globalisation

**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 States<sup>1</sup>,
  - 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 the conclusions of the informal meeting of Ministers for Employment and Social Affairs in Berlin on 'Good Work' on 18, 19 and 20 January 2007,
  - having regard to its resolution on the situation of people with disabilities in the enlarged European Union: the European Action Plan 2006-2007<sup>2</sup>,
  - 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 long-term sustainable development in its environmental,

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<sup>1</sup> Texts adopted, P6\_TA(2007)0048.

<sup>2</sup> OJ C 316 E, 22.12.2006, p. 370.

economic and social dimensions, overcoming poverty and unemployment, in order to meet the needs of the EU citizens,

- B. whereas the European economy achieved better results in 2006 and exceeded those of previous years; whereas, however, the current financial upsets are 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 the markets and appropriate reactions of policy makers reaffirm consumers' trust,
- C. 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; whereas the way in which the EU fulfils this role as a global player - promoting a more aggressive external strategy to open markets and conquer market shares in the world - needs to be abandoned;
- D. whereas the 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;
- E. whereas increased levels of employment are not in themselves sufficient to tackle poverty and social exclusion unless they are accompanied by job security, good working conditions, a living wage, and minimum social standards;
- F. whereas the opportunity to review the Lisbon tool kit should be used to revamp the Integrated Guidelines in order to reflect new challenges and deal with deficiencies and the lack of coherence between the current commitments,
- G. whereas the European Employment Strategy (EES) needs more visibility, monitoring capacity and participatory impetus under the revised Integrated Guidelines, in particular in the National Reform Programmes (NRP) and the NRP implementation reports,
- H. whereas implementation reports on the NRPs show that the sectors in which policy implementation is weakest are those of improving the situation of precarious employment and stepping up investment in education and training,
- I. 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,
- J. whereas the above-mentioned informal meeting of Ministers for Employment and Social Affairs in Berlin concluded that 'Good Work means employee rights and participation, fair wages, protection of safety and health at work as well as a family-friendly work organisation. Good and fair working conditions as well as an appropriate social protection are indispensable for the acceptance of the European Union by its citizens',
- K. 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,

- L. whereas many measures in the National Reform Programme process have clear negative effects on social inclusion policies, especially measures targeting quality and well-paid employment, while social inclusion objectives and policies are still often absent in the National Reform Programme process,

## **External policies**

1. Stresses that the EU can only achieve its objective of sustainable development internally by being active and united on the global stage; insists therefore that the current 'Global Europe' approach pushing for market opening and liberalisation worldwide must be abandoned; emphasises the need to develop a coherent external dimension of EU policies promoting a fundamental transition towards a model of sustainable global development; considers that a comprehensive external policy approach focusing on fair cooperation has to embark on a fair trade agenda for cooperation and sustainable development;
2. 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 larger exporter and importer of goods, the world's largest exporter of services 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 foreign economic policy tools to adequately promote environmentally, socially and economically sustainable development;
3. Points out that in 2006 the EU expanded its leading role as a world champion exporter, with an 8 % growth in exports, but underlines the fact that the export surplus only accounts for about 0.3 percentage points of the current GDP growth in the euro area;
4. Considers that growing EU export surpluses in both goods and services are aggravating worldwide imbalances and that measures should therefore be taken to rein in foreign trade imbalances and boost domestic demand, especially in those countries with particularly large export surpluses; notes in this connection that neither of the central problems facing the EU - the disparities in living standards and mass unemployment - can be solved by increasing export surpluses;
5. Notes that corporation tax rates have fallen more sharply in the EU than in other OECD countries; regards it as necessary, in order to foster sustainable development and employment, that Member States curb tax competition between them, reduce the tax burden on employees and consumers and ensure that businesses and those deriving income from capital once again make a greater contribution to financing public services and transfers;
6. Criticises the upward trend of VAT rates in the EU, which has a regressive effect and reduces demand; calls instead on Member States for higher taxes to be imposed on luxury goods; stresses that higher taxes on wealth could help to bring public budgets under control;

7. Advocates a more relaxed monetary policy of the ECB and its institutional reform, based on democratic accountability, political control and economic and social concerns; emphasises that the appreciation in the euro exchange rate is the result of mounting imbalances in the global economy and sluggish internal demand in the EU, which identifies the need for an EU initiative at global level on exchange rate policy in order to control the Euro exchange rate vis à vis the US dollar, the yen and the Chinese renminbi;
8. 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**

9. Expresses its concern about the constantly high level of poverty in the EU which, following a fall from 17% to 15% in the mid-1990s, has recently risen again to 17% in 2005; considers it as unacceptable in this connection that, in the EU-27, around 80 million people have a disposable income of below 60% of the national equalised median income;
10. Doubts the genuineness of 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 we will need more effective means of ensuring citizens' existing rights of access to quality and well-paid employment, minimum social standards, education, social services, health care and other forms of social protection across Europe;
11. Stresses the need to ensure a genuine commitment to the social dimension in the next cycle of the Integrated Guidelines; considers that there is an urgent need to overcome the existing imbalance in the Employment Guidelines, which fails 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;
12. Calls on the Commission and the Member States to adopt a systematic approach ensuring effective coherence between the NRP process on growth and more and better jobs on the one hand and the social protection/social inclusion process and the European Sustainability Strategy on the other;

### **Perspectives for a new model of sustainable development for Europe**

13. Considers that a break is needed with current EU policies if we wish effectively to address

the problems of sustainable development, unemployment, poverty, social exclusion and (income) inequalities; stresses that a new integrated strategy for sustainability and solidarity is needed to replace the current Lisbon Strategy;

14. Considers that such a new integrated strategy for sustainability and solidarity must focus on setting a new development path for Europe, a path of full employment, decent jobs, living wages, social and economic cohesion and social protection for all that guarantees the highest living standards, a path that pays heed to the development needs of each Member State, in particular the less developed, that promotes real convergence and helps reduce the development gap between Member States and existing economic, social and regional disparities;

### **Implementation of Employment Guidelines**

15. 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 qualitative 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;
16. Underlines the great importance of enhancing the strategic capacities of employment policies; calls on the Commission and the Member States to pay particular attention in their coordination processes to the quality of jobs, good wages for all employees, 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 opportunity policies for women and men, and immigration issues;
17. Rejects the flexicurity approach proposed by the Commission; proposes that the European Council in December 2007 adopt a more balanced set of principles for the next three-year cycle of the European Employment Strategy and the Integrated Guidelines on Growth and Jobs, based on the promotion of 'good work', the creation of quality employment, a high level of social protection and the breakdown of labour market segmentation by ensuring equal rights for all workers, including workers from non-EU countries, and by phasing out precarious employment;

### **Economic policies**

18. Notes that EU citizens are worried that enhanced competition driven by enlargement, integration and labour mobility shifts traditional working patterns to flexicurity models and believes that these worries should be addressed through policy actions expanding the supply and improving the quality of those public goods and services that, over time, can help to augment productivity growth and active labour market policies;
19. Points out that one of the fundamental problems facing the European economy in recent years has been insufficient domestic demand;

20. Points out that there are wide disparities between the growth rates of the individual countries and expresses concern at the relatively low growth rate in a number of the large EU Member States, which is primarily attributable to the stagnant internal demand; notes in this context the above-average growth rate enjoyed by the Scandinavian countries accompanied by a recent substantial reduction in unemployment;
21. Underlines that there are significant spill-over effects among Member States' economies; stresses in this context that improved economic policy coordination is of crucial importance;
22. 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; considers that in order to combat financial speculation, transparency requirements should be raised, leverage limited and securitisation and trading of loan packages only permitted when explicitly approved by supervisory authorities;
23. Acknowledges that Europe needs a more comprehensive transformation of innovation into new products and services promoting sustainable development; 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;
24. 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;
25. Believes that improvements in the operation of markets, distribution and financial services could be achieved by broadening coordination in different Member States, in particular within the euro area, and shifting the economy towards sustainable development by increasing efforts to invest in technology; supports an integrated economic governance approach based on the added value of integration;

## **Institutional arrangements**

26. Is of the opinion that the influence of the economic setting on long-term sustainable development is not an automatic one and that the development of responsive institutions determines whether or not the economy is able to realise its potential for coping with that challenge; the Commission urges therefore to present genuinely updated Integrated Guidelines 2008-2010;
27. 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;
28. Is convinced that the role of the European Parliament and of national parliaments needs to be strengthened along with relevant formations of the Council of Ministers in deciding the economic strategy;

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 the 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;

#### **Timing**

31. 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;
32. Instructs its President to forward this resolution to the Council, the Commission, and the parliaments and governments of the Member States.