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MOTION FOR A RESOLUTION

to wind up the debate on statements by the Council and Commission

pursuant to Rule 110(2) of the Rules of Procedure

on EU 2020

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B7-0266/2010

European Parliament resolution on EU 2020

The European Parliament,

– having regard to the Commission working document of 24 November 2009 entitled ‘Consultation on the future “EU 2020” strategy’ (COM(2009)0647),

– having regard to the Commission staff working document of 2 February 2010 entitled ‘Lisbon Strategy evaluation document’ (SEC(2010)0114),

– having regard to the Commission Communication of 3 March 2010 entitled 'Europe 2020: A European Strategy for smart, sustainable and inclusive growth' (COM(2010) 2020),

– having regard to the conclusions of the European Council's Spring Summit of 26 March 2010 on Europe 2020 and economic governance,

– having regard to the statement of the heads of state or government of the euro area of 7 May 2010,

– having regard to the conclusions of the Economic and Financial Affairs Council Extraordinary meeting of 9/10 May 2010,

– having regard to Rule 110(2) of its Rules of Procedure,

A. whereas the increasing inequality in the distribution of income and wealth (rising profits and wealth, steep decline of labour's share in national income) in the last decades up to 2007/2008 was the major driving force behind the giant growth of investment in financial markets and the creation of speculative bubbles (Internet 'New Economy', real estate etc.),

B. whereas EU policy in general and the Lisbon Strategy in particular aggravated these trends with its focus on 'competitiveness', cost-cutting, dismantling of the welfare state, ever more flexible labour markets, liberalisation of markets in general and de-regulation of financial markets in particular,

C. whereas EU policies at large and the Lisbon Strategy thus were fuelling a 'beggar thy neighbour' policy of Member States to outcompete each other and paved the way for unsustainable 'bubblenomics' debt driven booms in many EU countries resulting in rising current account deficits on the one hand and equally unsustainable competitiveness driven growth in few other EU countries on the other hand, the latter created huge current account surpluses by a policy of wage deflation but depressed internal demand,

D. whereas the European Institutions and Member States' governments left the growing economic divergences resulting from this competition within the euro-zone and the EU-27 unattended in their firm but mistaken belief that economic instability can only result from inflation or fiscal irresponsibility,

E. whereas, therefore, the Lisbon Strategy and the monetarist architecture of the EU project share a large responsibility for the unravelling of the financial and economic crisis and the failure to achieve their own Lisbon targets, as they paved the way for contagion by 'toxic assets' via financial market deregulation and promoted speculative bubbles also in the 'real economy'; whereas it is not convincing that the failure of the Lisbon Strategy can simply be attributed to its insufficient implementation by Member States, lack of control and the like,

F. whereas European Union leaders, for all their customary talk of collective European action and solidarity, started a 'beggar thy neighbour' policy of competing national schemes to rescue the financial sector and to provide fiscal stimulus for recovery; whereas the European Economic Recovery Programme adopted by the Council in December 2008 never lead to a more coordinated EU response to the crisis; whereas the bank rescue and stimulus measures implemented so far socialised the financial sectors' and industry's losses and slowed down the recession, but did not generate a recovery,

G. whereas these recovery plans have been designed without taking into account a gender perspective, and whereas women are and have been largely excluded from decision-making on economic and financial recovery measures; whereas different stimulus measures produce different outcomes for women and men; and whereas in a first phase of the crisis male-dominated sectors of the economy were particularly hit (such as the car industry, construction industry , etc) it is clear that the middle- and long-term effects of state's increased indebtedness will have a very serious effect on sectors where women largely work, and in particular public sectors jobs and publicly organised and/or publicly subsidised social, health and care services,

H. whereas GDP contracted by 4.1 % in the EU in 2009; whereas some Member States still have negative economic growth this year and perspectives for the EU for 2010 offer a fragile and sluggish growth rate of 0.7% for the EU-27 at best, with an EU-27 double digit average unemployment rate, wage stagnation and ongoing deleveraging of high private sector debt positions; whereas the private sector is still not in a position to generate new investment due to low levels of capacity utilisation, bleak economic prospects and persistent problems concerning companies access to credit,

I. whereas at the end of 2009 the European Council agreed on an 'exit strategy' and launched deficit procedures against 20 Member States, requiring them to cut budget deficits under 3% of GDP by 2013/14 or earlier; whereas many Member States have already launched attacks on wages and implemented severe cuts in public spending, driving down public sector wages and pensions, downsizing and privatising public services, as well as measures to raise VAT, social security contributions and the statutory retirement age,

J. whereas the EU 'exit strategy' and the behaviour of the financial sector expose a deep seated cynicism: deficits are high and public debt is soaring mainly because governments were saving the financial sector from the results of its speculation and the damage it was inflicting on the economy; whereas financial markets now turn on the very same governments that rescued them in the first place, and governments put the burden to repay public debt to the same financial sector creditors on the ordinary population of workers, pensioners etc. whose jobs, wages, social benefits and rights are under attack,

K. whereas the Commission in its assessment of the stability and convergence programmes of 24 EU Member States of 17 and 24 March 2010 and 14 April 2010 urged most of them to go for tougher public spending cuts and more 'structural reforms'; whereas the Commission proposes to establish mechanisms for even tighter deficit oversight of Member States' medium-term budgetary planning; whereas the Spring Council's conclusions on 'economic governance' also advocate to use Article 136 of the Treaty (TFEU) as an instrument to achieve tighter budgetary surveillance and to focus on the 'pressing challenges of competitiveness and balance of payments developments',

L. whereas such fiscal retrenchment as advocated by the Commission and the Council and pursued by most Member States increases deflationary pressures on a still fragile and stagnating economy, dismantles the 'automatic stabilisers' such as social protection systems and public investment that proved effective in resisting the downturn and risks to push the economy back into recession, then also dashing all hopes that public debt will be reduced and fiscal consolidation be achieved,

M. whereas, against this background, the European Commission proposed five targets for the new EU 2020 strategy as a demonstration of its supposed 'realism'; whereas these targets are largely based on former Lisbon Strategy targets; whereas the EU Spring Council could not find agreement on the targets on early school leavers and higher education and on reducing poverty and social exclusion; whereas the latter is remarkable in the light of the fiery rhetoric from Member States governments and the Council about the need to invest in people and skills and about seriously addressing poverty in the European Year Against Poverty 2010,

N. whereas EU policies, the Lisbon Strategy, and in particular the EU 2020 Strategy largely fail to address the issue of demographic transition and the issues of simultaneously occurring spatial transitions linked to that (characterized by swift urbanization patterns as well as by national demographic trends being projected at the urban level),

General Remarks on Europe 2020 and EU economic governance

1. Highlights that the sado-monetarist EU exit strategy will not enable Member States to achieve fiscal consolidation, as automatic stabilisers such as social protection and public investment will be weakened by it, wages depressed and in return internal demand and tax revenues diminished; points out that 'EU economic governance' as proposed by the Council along these lines will lead to social regression, a further weakened economy and the de-stabilisation of European integration and democracy;

2. Points out that by pursuing such heavy fiscal retrenchment, it will not be possible to generate sufficient investment for greening the economy, creating new employment, improving education, skills and competencies, combating poverty and social exclusion to meet the EU 2020 targets and objectives, regardless of how ambitious or not these targets finally may be shaped by the Council in June 2010; considers, therefore, that the EU 2020

strategy from the start is based on hollow promises and that the exercise of annual reviews of 'national reform programmes' might not be worth the effort;

3. Considers that the EU 2020 Strategy lacks ambition even in comparison to the failed Lisbon Strategy; strongly criticises that equality for women is not at all being addressed by EU 2020; points out that against the background of increased unemployment, the strategy does not provide a clear focus on how to effectively reduce it via economic and employment policy instruments for sustainable development and full employment;

4. Highlights that with the Lisbon Strategy, it was not results in achieving its targets what counted most, but obedience to neo-liberal dogma: the Nordic countries and the Netherlands performed better than the USA in terms of job creation and were on top in the EU as concerns employment rates (general, for women, for elderly workers etc.), while also performing on top in global rankings of 'competitiveness', environmental sustainability and low rates of poverty; considers that it would have been only logical to promote the more egalitarian, social and ecological values, policies and instruments that were still enshrined in the 'Nordic Models' as a benchmark for the European Union, but the Commission and the Council insisted instead that these countries increase flexibility in labour markets and promote neo-liberal 'structural reforms' despite them achieving the best results;

5. Points out that, despite some superficial rhetoric about 'greening the economy' and social cohesion, the neo-liberal spirit and policy direction of EU 2020 remains much the same as the Lisbon Strategy's: focus on 'competitiveness', more liberalisation in the single market, promoting further privatisation via public private partnerships, reviving the spirit of entrepreneurship – as if all these policies had not contributed to the unravelling of the economic crisis (e.g. the role of misguided entrepreneurship in the development of the New Economy and financial innovation bubbles and their consecutive bust);

Effective coordinated action within the next 3-5 years is decisive to overcome stagnation, promote sustainable development and fight unemployment

6. Insists that further fiscal stimulus is needed for the next three to five years to combat economic stagnation and develop an entry strategy for new employment: a new, stronger and better targeted EU Recovery Plan which is gender-equality streamlined in all of its components, mobilising one per cent of EU GDP each year for investing in environmentally, socially and economically sustainable development, to promote equity, full employment with ‘good work’, greening the economy, social welfare, eradicating poverty and social exclusion and creating improved social and territorial cohesion across the EU; highlights that this must be accompanied by similar measures at Member States level to be coherently coordinated between them and EU level action;

7. Points out that only a forceful recovery of the economy and a qualitative rise in decent and high standard employment can ensure that public deficits and public debt can be reduced over the medium term; highlights that the Stability and Growth Pact was de facto not applied in 2008 and 2009 in order to allow Member States to launch recovery programmes; insists that the Stability and Growth Pact shall not be applied;

8. Suggests that investment by the new EU recovery plan and Member States recovery initiatives should be steered towards sustainable development, such as energy saving and renewable energies, clean production and waste prevention, sustainable urban development and housing, organic farming, sustainable fisheries and preservation of eco-systems, improving water and resource efficiency, re-conversion of the armaments industry, expanding and improving public services, education, health care, long term care, social services and the social economy, support to public housing construction, care and education sectors, combating poverty and social exclusion, with a view to promote the creation of sustainable 'green' and 'white' declared jobs;

9. Underlines that equal access to care is a pillar of a welfare state model based on solidarity and equality, and that the future of the EU's economies and our welfare states to a large extent will be dependent upon how increasing care needs will be organised; highlights that care work in our societies today is an important part of both the formal and informal economy; where the majority of workers are women, many times without proper working conditions and/or security; calls for the 2020 strategy to address the care economy with an aim to improve working conditions and reinforce public service care provision and equal access to care for all;

10. Suggests that a part of the recovery plan's investment programmes should particularly address industry branches most hit by the crisis, in order to comply with the need to achieve full and decent employment: re-conversion of the car industry towards sustainable transport services, extension of railway networks and supply of spatially inclusive and comprehensive regional train services (Programme Rail Europe 2025), promotion of 'green' shipbuilding and stabilisation of the steel industry in that context; insists that the EU and the Member States should accompany such re-conversion by measures for job retention, training, re-training and skills development, and secure employment transitions for workers in the industries concerned;

11. Points out that the EU and Member States should implement mechanisms for a targeted and democratically controlled public steering of investment from the new recovery plan to those sectors of the economy most affected by the crisis, to newly emerging sustainable industries and services and to disadvantaged regions; insists on the active involvement and participation of those affected by these investments; stresses that whenever Member States provide aids, re-capitalisation and financial guarantees for companies in trouble, this should translate accordingly into increased public shares in voting interest and future profits and be used to influence companies investment strategies; points out that Member States should implement measures to enhance economic democracy, change the governance of companies in order to strengthen the position of workers, trade unions and consumers and the social and environmental dimension in the strategic choices of companies and public services;

12. Suggests that the EU 2020 flagship initiatives proposed by the Commission on an agenda for new skills and jobs, on resource efficient Europe, on an Innovation Union and on industrial policy should be closely linked to the new EU recovery plan, re-designed and streamlined to support sustainable development;

13. Underlines that measures supported via social protection systems for shorter working hours by some Member States during 2009/2010 proved effective to contain unemployment and keep workers in gainful employment; calls on the EU and the Member States to promote working time reduction across the board without loss of pay for workers and the creation of additional jobs in order to avoid an increase in workload, this could possibly be assisted with declining aids to business over a transition period during economic stagnation;

14. Calls on the EU and the Member States to promote the reconciliation of work and non-work life, which can be best achieved by renewing the model of standard employment: permanent contracts with shorter full-time employment as the general norm, and also establishing norms for part-time employment, so that only substantiated and socially protected part-time work (15-25 hours weekly) will be offered to those who wish to work part-time, stresses the need to put full-time and part-time employment on an equal footing as far as hourly wages, entitlements to education and life-long learning, career opportunities and social protection are concerned;

15. Emphasises that the European Employment Strategy (EES) and the Employment Guidelines for the next cycle 2010 – 2013 must not be based on the flexicurity approach, but instead start from the concept of 'Good Work' as its central reference point, with a strong focus on promoting quality in work, improved social security and social inclusion, enhancing existing and introducing new workers rights, promoting health and safety at work, better social risk management and the reconciliation of work and non-work life; insists that Member States should take effective measures to phase out precarious and atypical employment;

16. Insists that the Council and the Commission must come forward with a European Youth Guarantee securing the right of every young person in the EU to be offered a suitable well-paid job in line with their qualifications and skills, an apprenticeship, additional training or combined work and training immediately upon facing unemployment;

17. Considers that depressing wages and forcing Europe's workers to undercut each others salaries will trigger deflation, reduce purchasing power and internal demand and increase the risk that the economy will fall back into recession; insists on the need to establish effective wage floors at the bottom of the labour markets (minimum wages, additionally the concept of a living wage) and also at the top (maximum wage ceilings of e.g. 20 times the average wage), the implementation of the principle of equal treatment and equal pay for equal work or work of equal value at the same workplace and allowing for upward wage developments compensating inflation, productivity increases and a strong re-distribution component;

18. Considers that the current account imbalances within the EU-27 – countries with high current account deficits in southern and eastern Europe, countries with high current account surpluses such as Germany, Austria and the Netherlands – must be thoroughly addressed by EU economic governance; highlights that the surplus countries need to shift their economic development to strengthen internal demand and their domestic economy; proposes to establish a ‘clearing union’ mechanism within the EU-27 obliging the surplus countries to pay positive interest rates to the deficit countries, thus allowing those to invest

in the modernisation of production, services and infrastructure, increase productivity and bring down current account deficits;

19. Highlights the Commission's estimate that EU-27 public debt on average will rise to 84 per cent or more in 2011, despite 'fiscal consolidation' efforts of Member States; points out that recent developments on a possible failure of Greece to avoid bankruptcy could trigger a 'worst case scenario' of further Member States failing on debt, thus blowing the euro-zone to pieces; considers that there is an urgent need to develop a 'plan B' for countering such a scenario, based on a policy mix of negotiating a cancellation and reshuffling of public debt with banks and financial institutions and also bold steps for unconventional measures of the ECB to expand its balance sheet and to monetize debt by purchasing sovereign bonds through its 'structural operations' toolkit, in order to avoid economic collapse;

New Sources of Finance and new regulation for a sustainable recovery

20. Calls on the Council to broaden the mandate of the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), so that their lending policies can cover the whole range of the new European Recovery Plan (e.g. including sustainable industrial policy etc.);

21. Calls on the Council to establish a common EU bond, issued by the European Investment Bank, collectively guaranteed by EU-27 governments and backed up by national tax revenues as well as by liquidity support from the European Central Bank at its 1 per cent interest rate; points out that such a common EU bond should not only be used to fight financial speculation and eradicate current spreads on national sovereign debt, but especially for financing the new EU Recovery Plan; points out that not only the euro-zone countries, but all Member States shall benefit from credit creation via the common EU bond; considers that by financing investments via the EIB instead of borrowing on private capital markets, the EU and the Member States would save money which they could use for further investment stimulus;

22. Underlines that an employment and income multiplier between one and a half and two for such EIB led public investment can be reached, thus offering prospects that measures taken under the EU Recovery Plan can be self financing to a great extent;

23. Emphasises that any financial support to Member States via EU bonds must be linked to European Social Model principles, strictly steer away from public sector cuts, deflationary wage freezes etc. and be sequenced in time so as to avoid pro cyclical fiscal retrenchment; calls on the Council to revoke the conditionality requirements imposed on Greece and also those imposed on Latvia, Romania and Hungary in the context of EU and IMF emergency assistance;

24. Calls on the Council to establish an EU level general Financial Transaction Tax (FTT) to curb speculation and to ensure that the financial sector contributes fairly towards economic recovery and re-financing the fiscal burden of public rescue operations; points out that according to recent studies, in Europe a general FTT of 0.1 per cent could raise annual revenues of 2.1 per cent of GDP (approximately 262 billion EUR); proposes that revenues from a general FTT should be used for development assistance, anti-crisis

measures and for promoting sustainable development;

25. Points out that banks continue to have an implicit but strong guarantee on a public sector bailout even after the rescue operations and government guarantees (amounting to 3 trillion Euros in Europe), but that at the same time they do not have to pay any fee for this; calls on the Council to agree on a scheme for introducing balance sheet levies on bank's liabilities (excluding deposits); points out that by modulating the levy rate in function of the size of the balance sheets, governments can increase the levy on big banks, thereby addressing the problem of banks becoming 'too big to fail';

26. Calls on the Member States to increase taxes on bank's and manager's bonuses, on income from capital (dividends, interest rates), on capital gains and on big fortunes and inheritances, using the receipts from these to increase public sector led investment; points out that in this way demand dynamics can be strengthened and embedded into a strategy for environmentally and socially sustainable development, with a perspective of diminishing deficits in the medium term; points out that Member States should provide for cuts in military spending and in subsidies harmful to the environment to assist fiscal consolidation;

27. Points out that additional monies for the new European Recovery Plan should be mobilised by cuts in the EU budget as regards for example military spending and defence, nuclear power and nuclear fusion, structural fund projects and TEN projects harmful to the environment; also considers it necessary to establish budgetary support measures to countries in a more serious crisis situation, particularly by advancing Community funds without the need for national counterparts; calls on the Commission and the Council to prolong the recently established easing of rules on state aid at least as long as stagnation and high unemployment prevail;

28. Takes the view that the financial sector must operate first and foremost in the public interest, accept lower returns and be geared to risk-aversion and long-term targets instead of short-term profits; considers that a socialisation of the banking sector and the constitution of a publicly owned financial pole (nationalised banks, local and regional savings bank, cooperative banks) are urgently needed to steer credit towards socially and environmentally useful investment which creates good quality employment with workers' rights; considers that decision making on credit policies of the financial sector must come under democratic public control and democratic participation of employees and consumers;

29. Insists on strong measures to curb financial market speculation; highlights that immediate urgency measures are needed to prohibit naked short-selling and trading in credit default swaps and to establish a public European rating agency; points out that hedge funds and private equity funds should be prohibited to operate in the EU or at least severely restricted, offshore centres closed down, and also investments of pension funds strictly limited to European government bonds, with no investment allowed in hedge or private equity funds, foreign exchange, derivatives and equity; calls on the Commission and the Council to speed up tighter regulation of financial sector oversight;

Further remarks on Europe 2020 targets and policy areas

30. Supports the proposal of the Spanish Presidency to set a gender-equality headline target for the EU 2020 Strategy; insists on a specific chapter on gender equality in the strategy, complementing the gender mainstreaming principle; points out that such a specific chapter should address all issues of the 2020 strategy specifically aimed to contribute to greater equality between women and men, such as review of social protection systems with a view to abolish elements that generate gender inequalities, securing better working conditions in sectors where women work, decrease involuntary part time unemployment, gender equality in training and education etc.;

31. Calls for a target to reduce the gender pay gap to 0-5% by 2020, and also for targets on increased provision of accessible, affordable, flexible and high-quality care services for all, in particular access to child care facilities by aiming to ensure 70% of necessary care for 0-3 years old children and 100% of care for 3-6 years old children, insists on introducing over the time span of the EU 2020 Strategy specific targets for the care of other dependents, including the elderly, on the basis of an ongoing assessment of actual and potential care needs;

32. Considers that the EU 2020 headline target on the general employment rate (75 %) should also be set for the female employment rate and both be calculated on the basis of full time equivalents; proposes an additional target to halve unemployment by 2015;

33. Calls for more ambitious climate and energy headline targets: reducing CO_2 emissions by 40 per cent by 2020 and by 80 per cent by 2050 as against 1990 and increasing the share of renewables in electricity supply to 35 per cent by 2020; proposes to set specific emission reduction targets for the transport sector, including aviation and shipping; calls for setting additional targets on the reduction of resource use and waste prevention; insists in this context on the need to launch a 'Biodiversity Rescue Strategy' to restore ecosystems and on 'ecosystems proofing' of sectoral policies such as agriculture and also transport, energy and spatial planning; asks for a profound revision of the Common Agricultural Policy in order to promote food sovereignty in each country, reducing food imports, giving priority to local production and local consumption as tools to tackle climate change;

34. Regrets the fact that the Commission puts the conservation of energy, natural resources and raw materials entirely in the context of the 'future competitiveness of our industry and our economies', making it thus hostage to business interests who will insist that only those measures which bring immediate profits are acceptable; calls for a revision of the Clean Development Mechanism and the Emission Trade system, actually undermining seriously the target of reducing CO_2 emissions in the EU and worldwide.

35. Urges the Council to agree on a headline target to halve poverty by 2015; strongly regrets that the Commission is watering down its former proposal on the European Platform to combat poverty flagship initiative, which now should 'ensure that the benefits of growth and jobs are widely shared so that people experiencing poverty can be enabled to take an active part in society'; insists that the EU still must aim to eradicate poverty and social exclusion, and not only to enable poor people to accommodate to their desperate situation with some better access to services;

36. Insists on its demands on a targeted approach to combat poverty and social exclusion, in particular on an overall target to reduce child poverty by 50 per cent by 2012, on an end to street homelessness by 2015, on an EU target for minimum wages (statutory, collective agreements at national, regional or sectoral levels) to provide for a remuneration of at least 60 % of the respective (national, sectoral etc.) average wage, an EU target for minimum income schemes and contributory replacement income schemes of providing income support of at least 60 % of national median equalised income and on a timetable as to when these targets shall be achieved by all Member States; points out that the lack of proper housing must be dealt with at European and Member States level in order to eradicate homelessness;

37. Takes note that the Spring Council agreed on addressing 'bottlenecks' hampering growth in the framework of EU 2020, inter alia by a further deepening of the single market; takes note that Commission plans for a major set of initiatives by 2012 in this respect; strongly criticizes that the Commission's and the Council's internal market strategy wants to reinforce their liberalisation and privatisation agenda; insists on a thorough revision of the single market strategy, whose focal point should become the citizens and not big enterprise, establishing a strong social and environmental dimension based on specific and measurable goals reflecting the interests of workers, consumers and SME´s;

38. Strongly criticises the Commission's and the Council's commitment to continue with the 'better regulation' agenda, newly baptised 'smart regulation' in the framework of EU 2020, which aims at limiting the regulatory capacity of the public authorities; underlines that not only the bitter results of the financial crisis have demonstrated the urgency of a fundamental strengthening of public regulation; points out the need to strengthen compulsory sustainability assessments on environment, social, gender and equality objectives and assess costs of action and inaction; underlines that Member States must have the right to establish price controls in order to adjust rising basic goods prices;

39. Takes note of the Spring Council's conclusion to establish an 'external dimension' of EU 2020 in order to 'promote our interests and positions on the global scene through participation in open and fair markets worldwide'; warns of a more aggressive EU trade policy and reiterates the need for trade policy to meet social, environmental and human rights standards in order to achieve poverty eradication, sustainability and development, as well as fair and equitable trade between the EU and developing countries;

EU economic governance, the European Financial Stabilisation mechanism and the Council's debate about changing the Treaty

40. Criticises the proposals of the Task Force headed by the President of the European Council and of the ECOFIN Council on stricter fiscal surveillance and on 'structural reform' measures to address competitiveness and balance of payments developments within the euro-zone;

41. Takes note of the ECOFIN Council's decision to establish a European Financial Stabilisation mechanism with a total volume of up to 500 billion Euro, based on Article 122.2 of the Treaty and an intergovernmental agreement of the euro area Member States in order to provide financial support for Member States in difficulty; agrees that a Stabilisation mechanism is necessary to counter the danger of a domino effect of possible

state bankruptcy of Member States of the euro area; strongly opposes, however, that activation and assistance by the Stabilisation mechanism shall be subject to strong conditionality along the lines of recent EU/IMF support and that the IMF shall participate in its financing arrangements;

42. Strongly opposes the Commission's and the Council's intention to create a framework for even more accelerated fiscal consolidation policies of Member States, to demand in particular significant additional consolidation measures in 2010 and 2011 from Portugal and Spain, and to impose stricter rules and procedures for surveillance of euro area Member States and 'more effective' sanctions than currently provided by the Stability and Growth Pact; believes that such policies will only lead to a deflationary deepening of the crisis and enforce pro cyclical and anti-social policies upon Member States in economic difficulty;

43. Takes note that the ECOFIN Council underlined the need to make rapid progress on financial market regulation and supervision, in particular with regard to derivative markets and the role of rating agencies and also with regard to a substantial contribution of the financial sector to the cost of the crises; calls on the Commission and the Council to speed up delivering effective proposals on this;

44. Welcomes the recent rethinking of macro-economic policies at the IMF, which argues for abandoning conditionality related to too severe fiscal retrenchment, liberalisation, privatisation and de-regulation policies, which proposes to allow for controls of capital movements and also for an inflation target of 4 per cent; suggests that the EU should engage in a similar process of rethinking its macro-economic policy mix and economic governance;

45. Considers that any meaningful debate on changing the EU Treaty in light of the crises must focus first and foremost on abandoning the monetarist architecture enshrined in it: abolish the dysfunctional Maastricht criteria for the European Monetary Union, establish criteria for ‘real convergence’ and support mechanisms for Member States to achieve this, revoke the Stability and Growth Pact and replace it by an Employment and Sustainable Development Pact, reshape the statute of the European Central Bank in order to make it democratically accountable and abandon its ‘absolute independence’, to redefine its mission as to support sustainable balanced economic development, full employment, financial stability and price and exchange rate stability, to name only some of the most important Treaty changes to be addressed;

46. Insists, with a view to the debate on the single market, on the introduction of a Social Progress Clause in EU primary law, stipulating that fundamental rights in general and the right to strike and industrial action, to collective bargaining etc. always have primacy over the 'fundamental freedoms' of the internal market;

47. Instructs its President to forward this resolution to the Council, the Commission and the national parliaments.