
Economic policies in EU: some progress, challenges remain

Economic reforms in EU countries have delivered growth, but more challenges lie ahead, parliamentarians from across the EU said at a conference in the European Parliament.

Members of the European Parliament and parliaments in EU countries took stock of the annual cycle of coordination of economic and social policies at the EU level, known as the [European Semester](#) during the [European Parliamentary Week](#) in Brussels on 18-19 February.

Economic progress

Participants noted that EU economies have been doing well in recent years. European Commission vice-president Valdis Dombrovskis said that in 2019, for the first time no euro zone country will have a budget deficit of more than 3% of gross domestic product, while Commissioner Marianne Thyssen, in charge of employment and social policies, pointed out that 240 million Europeans now have jobs, more than ever before.

Spanish parliamentarian María del Mar Angulo said the EU economy has had 21 uninterrupted quarters of growth and created 12 million jobs. “This stability is a result of our commitment to the European semester.”

Further reforms needed

Others said that the prospects for the future look more uncertain, with Commission forecasts showing growth in the EU slowing. Challenges mentioned during the conference included an aging population, digitalisation, trade wars and Brexit.

Uwe Feiler, from the German Bundestag, said: “We are facing major and worsening challenges, so member states cannot let up on the reform measures that they have brought in.”

Commissioner Dombrovskis also argued for timely reforms in EU countries: “Some say reforms happen during a crisis under pressure from markets when there is no other choice. This is the so-called 'reform or die' [approach]. I don't think this is the best way. If you implement reforms beforehand, you can recover faster and avoid hardship.”

MEP [Dimitris Papadimoulis](#), a Greek member of the GUE/NGL group, said initiatives at the EU level could help to improve prospects. He said that the delay in negotiations on the [EU's next](#)

[long-term budget](#) is causing damage to the EU economy. He also said internet giants should be taxed, as “this is the only way to iron out the inequalities in Europe that are constantly growing”.

Social policies

Many speakers pointed out that the European Semester is also about social policies and reform. Since 2018, the [social scoreboard](#) has looked at how well EU countries are implementing social policies. About a third of the recommendations issued to member states within the European Semester concern social and education priorities. “Europe is not only about business and banks; it is, first and foremost, about people,” said Commissioner Thyssen.

However, some speakers questioned the coherence between recommendations related to economic policies and those on social policy and education. “The recommendations supporting the interests of the powerful financial system have been implemented at 85%; while those related to education or social policies have been left aside,” said Gabriela Cretu from the Romanian Senate.

MEP [Roberto Gualtieri](#), an Italian member of the S&D group, said that while in previous years fiscal consolidation had deepened the impact of the crisis, the policy mix in recent years had become “more balanced” with the introduction of flexibility and the integration of the social dimension. He also called for simpler rules on the semester and enhanced dialogue between national parliaments and the European Parliament.

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