



EUROPEAN PARLIAMENT

2009 - 2014

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*Plenary sitting*

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**A7-0384/2011**

15.11.2011

## **REPORT**

on the European Semester for Economic Policy Coordination  
(2011/2071(INI))

Committee on Economic and Monetary Affairs

Rapporteure: Pervenche Berès

Rapporteur (\*):

Olle Ludvigsson, Committee on Employment and Social Affairs

(\*): Associated committee - Rule 50 of the Rules of Procedure

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(\*) Associated committee – Rule 50 of the Rules of Procedure

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on the European Semester for Economic Policy Coordination (2011/2071(INI))

The European Parliament,

- having regard to Article 3 of the Treaty on European Union,
  - having regard to Articles 121, 126 and 148 of the Treaty on the Functioning of the European Union and Protocol No 12 and the relevant provisions of Protocols 15 and 16 concerning the excessive deficit procedure,
  - having regard to the European Statistics Code of Practice as laid down in Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European Statistics,
  - having regard to Articles 152 and 153 (5) of the TFEU,
  - having regard to Article 9 of the TFEU (horizontal social clause),
  - having regard to the respective Commission communications of 12 May 2010, entitled ‘Reinforcing economic policy coordination’ (COM(2010)0250), and of 30 June 2010, entitled ‘Enhancing economic policy coordination for stability, growth and jobs – Tools for stronger EU economic governance’ (COM(2010)0367),
  - having regard to the Commission communication of 3 March 2010 entitled ‘Europe 2020: A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
  - having regard to the conclusions of the ECOFIN Councils of 15 February 2011 and 7 September 2010,
  - having regard to the European Council Conclusions of 23 and 24 March 2011,
  - having regard to Rule 48 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 Employment and Social Affairs, the Committee on Budgets, the Committee on the Environment, Public Health and Food Safety, the Committee on the Internal Market and Consumer Protection, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Constitutional Affairs and the Committee on Women’s Rights and Gender Equality (A7-0384/2011),
- A. whereas the crisis and the increasing inequalities and macrofinancial imbalances and disparities in competitiveness since the introduction of the euro as well as the functioning of the financial system have highlighted the need for the Union to tackle macroeconomic imbalances on the basis of a symmetrical approach where appropriate which would address excessive deficits as well as excessive surpluses, coordinate economic and fiscal policies more closely and improve budgetary surveillance;

- B. whereas the improved economic governance framework should rely on several inter-linked policies for sustainable growth and jobs, which need to be coherent with each other, in particular a Union strategy for growth and jobs (EU2020 strategy), with particular focus upon development and strengthening of the internal market, fostering international trade and competitiveness, an effective framework for preventing and correcting excessive government deficits (the Stability and Growth Pact), a robust framework for preventing and correcting macroeconomic imbalances, minimum requirements for national budgetary frameworks, and enhanced financial market regulation and supervision, including macro-prudential supervision by the European Systemic Risk Board;
- C. whereas the experience gained and mistakes made during the first decade of functioning of the economic and monetary union show a need for improved economic governance in the Union, which should be built on stronger national ownership of commonly agreed rules and policies and on a more robust surveillance framework at Union level for national economic policies;
- D. whereas experience has shown that excessive debt and deficits in some Member States can have profound negative spill-over effects on other Member States and on the eurozone as a whole;
- E. whereas the national parliaments are freely elected by the citizens and are therefore the representatives and the guarantors of the rights acquired and delegated by the citizens; whereas the introduction of the European Semester should fully respect the prerogatives of national parliaments;
- F. whereas parliamentary approval of public budgets is one of the foundations of democracy;
- G. whereas the Member State parliaments now share their legislative role with the EU institutions and often only have limited control over the actions of their respective governments at European level;
- H. whereas the amended and complex legislative processes of the European Union are insufficiently familiar to most Union citizens; whereas the lack of transparency in decision-making and opinion forming processes, particularly in the European Council and the Council of Ministers, is undermining citizens' trust in European integration and the democracies of the European Union and is hindering the exercise of active, constructive control by citizens;
- I. whereas social protest movements against austerity measures in various EU Member States also express increasing dissatisfaction with the democratic quality of European integration; whereas the democratic credibility of European integration has suffered enormously from the manner in which the euro crisis has been dealt with to date;
- J. whereas the effectiveness of national economic policies, on the basis of closer coordination, depends on the democratic legitimacy and accountability of those policies, which in turn depends on the intervention of parliaments;
- K. whereas there is a need to ensure greater interaction between employment, social and

economic policies in the context of the European Semester, and whereas this has to be done for the benefit of all generations and in a manner fostering democratic accountability, ownership and legitimacy of all actors involved; whereas an essential part of this is the full involvement of the European Parliament;

- L. whereas on 24 March 2011 the participating Member States of the Euro Plus Pact agreed on taking ‘robust action at the EU level to stimulate growth by strengthening the Single Market, reducing the overall burden of regulation and promoting trade with third countries’;
- M. whereas the European Semester is an institutional process, under the leadership of the EU institutions, of increased coordination across Member States for the implementation of the EU strategy, notably in its macroeconomic dimension;
- N. whereas the EU budget is jointly agreed by the European Parliament and the Council in accordance with the Treaties, and national budgetary procedures are governed by the constitutional system of each Member State; whereas, however, stronger budgetary coordination does not violate the subsidiarity principle;
- O. whereas the great achievement of the common market in linking European economies needs to be coupled to a system of budgetary coordination in order to make use of substantial synergies;
- P. whereas the creation, by the Lisbon Treaty, of a stable presidency of the European Council has changed the Union’s institutional balance;
- Q. whereas a purely intergovernmental coordination system would be an inadequate response to the requirements of Article 121 TFEU, which states that the Member States shall regard their economic policies as a matter of common concern, and could not ensure the requisite action by the Union in the areas governed by the Community method;
- R. whereas the introduction of the European Semester should lead to the increased, well-defined involvement of the European and national parliaments and to changes in their work;
- S. whereas the European Parliament has a codecision competence in the budgetary procedure;
- T. whereas the European Employment Strategy and the Employment Guidelines based on Article 148 TFEU provide a policy framework for the employment and labour market measures to be implemented so as to meet the Europe 2020 objectives;
- U. whereas the European Parliament made a quasi-codecision contribution to the 2010 Integrated Employment Guidelines;
- V. whereas the unemployment rate in Europe is still well above 9%, and especially unemployment of young people remains a major challenge; whereas employment, labour market and social policies are therefore an essential part of the reforms to be carried out under both the macroeconomic surveillance and the thematic coordination provided for by

the Europe 2020 strategy;

- W. whereas the Europe 2020 strategy and the new governance structure anchored in the European Semester should help the EU deal with the crisis and its causes; whereas the EU's high levels of social protection have cushioned the worst impact of the crisis, and whereas the legacy of the crisis is far-reaching and resulting in a large loss of economic activity, a substantial increase in unemployment, a steep fall in productivity and badly weakened public finances;
- X. whereas the European Semester has two objectives: to verify the application of budgetary discipline by Member States and – at the same time – to monitor the proper delivery of the Europe 2020 programme by securing the financial means necessary for its implementation;
- Y. whereas the failure of the Lisbon Strategy can essentially be attributed to the absence of any clear follow-up procedure for the implementation of this strategy by all actors concerned, and whereas it is important, therefore, to draw the right lessons that will ensure the success of the Europe 2020 agenda;
- Z. whereas, given the experience it has gained in the area of monetary dialogue, Parliament should be given a role in the democratic accountability of economic policies and budgetary surveillance;
- AA. whereas the Council has made substantial changes to the country-specific recommendations proposed by the Commission in the framework of the first year of the European Semester;
- AB. whereas the autonomy of social partners to bargain collectively and the national systems of wage setting need to be strictly respected;
- AC. having regard to the experience gained as a result of the interparliamentary meetings organised each year by Parliament's Committee on Economic and Monetary Affairs;

### ***Outline of the challenges***

1. Considers that the current stage of the crisis calls for strong and ambitious answers;
2. Notes that, besides the adoption of the legislative economic governance package, the eurozone summit on 26 October 2011 decided a set of measures modifying this package. considers that if any Treaty change is decided in the future, it should fully respect the procedure provided for by Article 48(3) of the Treaty on European Union, and the mandate of a Convention convened pursuant to that article should reflect the need for the EU to build upon strong democratic legitimacy and solidarity;
3. Considers that, until further notice, the European Semester is the valid framework for the implementation of the EU strategy and for effective economic government, notably of the euro area Member States that are linked by a common responsibility, and that behind the wording a process over the full year is at stake for EU institutions and Member States;

4. Emphasises that the success of the Europe 2020 strategy depends on the commitment of the EU as a whole, and on ownership by Member States, national parliaments, local and regional authorities and social partners; recalls the importance of a strong, competitive and properly functioning social market economy, structural reforms and collective agreements within the framework of the Europe 2020 strategy, as well as the promotion of a genuine European social dialogue on macroeconomic policies and measures;
5. Reiterates that Member States should regard their economic and fiscal policies as a matter of common concern and that the economic pillar of Economic and Monetary Union, including its fiscal dimension, must therefore be strengthened through more coordination in the introduction and implementation of fiscal measures as well as an effective fight against tax fraud and tax evasion and the phasing-out of existing detrimental measures;
6. Believes that the introduction of the ‘European Semester’ and enhanced economic and fiscal policy coordination should leave enough scope and flexibility to the EU Member States to pursue an effective budgetary, economic and social strategy, appropriate in accordance with the EU 2020 strategy, geared to distribution and development and providing an adequate level of public services and infrastructure for EU citizens; calls on the Commission to take into account in its annual Growth Survey what steps Member States have taken to complete the Single Market;
7. Notes that development and strengthening of the Single Market and fostering international trade links are central to stimulating economic growth, increasing competitiveness and addressing macroeconomic imbalances, and calls on the Commission to take into account in its Annual Growth Survey what steps Member States have taken to complete the Single Market;
8. Underlines that the guidelines for the employment policies of Member States and the broad economic policy guidelines both form integral parts of the European Semester and are equally important for the achievement of smart, sustainable and inclusive growth; calls on the Council and the Commission to ensure that all policy recommendations are consistent with the Integrated Guidelines;
9. Views as regrettable the lack of clarity in, and the overlapping of, the different instruments and budgetary lines through which the Europe 2020 targets are to be achieved via the EU budget; recalls that the European Semester provides a good opportunity to develop greater synergy between EU and Member State budgets;
10. Points out that the Europe 2020 strategy needs to have more of a territorial dimension; takes the view, consequently, that – taking into account the particularities and different development levels of European regions – directly involving regional and local authorities and partners in the planning and implementation of relevant programmes would lead to a greater feeling of responsibility for the goals of the strategy at all levels and would ensure greater awareness on the ground of its objectives and results;

## **Role of the Commission**

### **Introduction**

11. Notes that the European Semester has been established to ensure sustained convergence of the economic and fiscal performance of the Member States, achieve closer coordination of economies and overcome the sovereign debt crisis; notes that the Annual Growth Survey (AGS) has been established as the initial basic document of the cycle;
12. Recalls that the European Semester must take place without prejudice to the powers of the European Parliament conferred on it by the TFEU; calls on the Commission to develop proposals establishing how these different instruments are differentiated, create spill-over effects across policy areas and fit together;

### **Lessons from the first cycle**

13. Underlines that the codification of the European Semester must permit the flexibility necessary for possible adaptation in the light of the lessons taken from the first exercise; considers that, in its assessment and adaptation work, the Commission should focus in particular on the need for the framework to be more closely adapted to the euro area and its challenges;
14. Notes that the quality of National Reform Programmes under the first European Semester varies greatly regarding concreteness, transparency, feasibility and comprehensiveness; calls on the Commission to invite Member States to upgrade the quality and transparency of their contribution and to elevate the National Reform Programmes of best quality to the standard format for future European Semesters;
15. Calls on the Commission to ensure that the national policies and targets announced in the National Reform Programmes together add up to a level that is sufficiently ambitious to reach the EU 2020 headline targets; expresses its concern about the fact that under the first European Semester this was not the case; calls on the Commission to make sure that all Member States contribute to the headline targets according to their potential and give an exact road map together with the corresponding timetable for necessary actions;

### **Annual Growth Survey**

16. Considers that the AGS should be in line with:
  - the EU 2020 strategy,
  - the integrated guidelines (broad economic policy guidelines and employment guidelines),
  - specific Council agreements regarding the euro area or the Union as a whole such as the Euro Plus Pact;
17. Notes that the Annual Growth Survey (AGS), as endorsed by the Spring European Council, guides the drafting of the Member States':
  - National Reform Programmes (NRPs),
  - Stability and Convergence Programmes (SCPs), on the basis of which the Commission draws up country-specific recommendations;



18. Notes that the preparation of the Annual Growth Survey is based on macroeconomic forecasting across Member States and the European Union; emphasises that steps needed to improve European economic governance should be accompanied by similar steps to improve its legitimacy and accountability; warns, therefore, against the current form of the Annual Growth Survey as a technical document which does not take into account the contribution of the European Parliament;
19. Calls on the Commission to reflect better the comprehensive multidimensional (smart, sustainable and inclusive) approach of the EU2020 strategy in the benchmarks used to assess the progress made by Member States and to issue country-specific recommendations accordingly;
20. Calls on the Commission to enlarge the set of indicators it uses to monitor national developments, taking account of the work performed, notably, in the framework of the follow-up to the Communication 'GDP and beyond' (COM(2009) 433 final) and the roadmap to a resource-efficient Europe;
21. Requests that the AGS be transformed into 'Annual Sustainable Growth Guidelines' (AS2G), focusing on enhancing sustainable growth;
22. Calls on the Commission to adopt the Annual Sustainable Growth Guidelines by 10 January each year with a specific chapter for the euro area;
23. Calls on the Commission, when drawing up the Annual Sustainable Growth Guidelines, to draw upon a wide range of scientific expertise to the greatest extent possible and to take relevant recommendations of the European Parliament, Member States and local and regional governments into account;
24. Calls on the Commission clearly to assess, in the Annual Sustainable Growth Guidelines, the main economic and fiscal problems of the EU and individual Member States, to propose priority measures to overcome those problems, and to identify the initiatives taken by the Union and the Member States to support enhanced competitiveness and long-term investment, to remove obstacles to sustainable growth, to achieve the targets laid down in the Treaties and the current EU 2020 strategy, to implement the seven flagship initiatives and to reduce macroeconomic imbalances;
25. Calls on the Commission and Council to ensure that policy guidance for fiscal consolidation and structural reforms is consistent with the EU 2020 strategy for growth and jobs; considers that, in defining and implementing the Annual Sustainable Growth Guidelines, the Union must take into account developments in micro-financial legislation, in particular prudential regulation, and long-term investment stimulating sustainable competitiveness, growth and job creation; considers that an impact assessment should also be conducted on the possible long-term costs of non-action by the Member States to implement EU 2020 strategy targets and structural reforms;
26. Believes that the country-specific recommendations should be accompanied by social impact assessments, taking into account requirements linked to the promotion of employment, the guarantee of adequate social protection, the fight against social

exclusion, and a high level of education, training, retraining and protection of human health;

27. Calls on the Commission to identify explicitly in the Annual Sustainable Growth Guidelines potential cross-border spill-over effects of major economic policy measures implemented at the EU level as well as in Member States;
28. Calls on the Commissioners responsible for the European Semester to come and debate the Annual Sustainable Growth Guidelines with the relevant EP committees as soon as they have been adopted by the Commission;

### **Country-specific recommendations**

29. Calls the Commission and the Council to ensure the implementation and equal treatment of 2020 targets and flagship initiatives in their guidance and recommendations addressed to each Member State and the EU as a whole;
30. Recalls that the Council Directive on requirements for budgetary frameworks of the Member States<sup>1</sup> states that ‘the Commission shall make public the methodologies, assumptions, and relevant parameters that underpin its macroeconomic and budgetary forecasts’;
31. Recommends that Member States should implement this Directive as soon as possible; calls on the Commission to ensure greater comparability of the National Reform Programmes and establish common benchmarks to assess the Programmes;
32. Calls on the Commission to come and present its recommendations to the European Parliament at an appropriate time, once the analysis of the NRPs and SCPs has been completed, and to highlight the potential cross-border spill-over effects especially within the eurozone in view of the planned interparliamentary fora and the discussions in the Council on the country-specific recommendations;
33. Calls on the Council to come to Parliament in July to explain any significant changes it has made to the Commission’s proposed country-specific recommendations; requests the Commission to take part in this hearing to provide its views on the situation;
34. Calls on the Commission to organise a hearing with the aim of providing information on the yearly monitoring events announced in the various flagship initiatives; calls for this hearing to take place between the Spring and Summer meetings of the European Council with all relevant EU, national and regional bodies and other stakeholders;
35. Calls on the Commission and the Council to step up the role of the macroeconomic dialogue introduced by the Cologne European Council in June 1999 so as to improve the interaction among those responsible for wage development, economic, fiscal and monetary policy;
36. Proposes that the spill-over effects of economic developments in the Union for non-

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<sup>1</sup> Not yet published in the Official Journal.

European countries should be taken into consideration in order to work towards the reduction of global economic imbalances; calls on the Commission to play an active part in the economic dialogue in the relevant UN institutions; notes that objectives agreed at international level must also be taken into account;

### **Role of the European Parliament**

37. Recalls that the parliamentary debate on economic policy guidelines is the cornerstone of any democratic system;
38. Takes note that the crisis and the developments especially inside the euro area call for an upgrading of the European dimension of the economic policies of its Member States, especially within the eurozone;
39. Will further adapt its structure and working methods to the latest developments within the Council and the Commission on the eurozone structure; recalls that the economic dialogue will be part of the answers to such a challenge; believes that any new or upgraded organisation and decision-making process within the Council and/or the Commission must go hand in hand with upgraded democratic legitimacy and appropriate accountability to the European Parliament;
40. Highlights the need for upgrading the parliamentary dimension in parallel to the Council one;
41. Will vote before the Spring Council on the Annual Sustainable Growth Guidelines with amendments proposals to be submitted to the European Council; calls for the Annual Sustainable Growth Guidelines to be subject to a codecision procedure that should be introduced by the next Treaty change; instructs its President to present at the European Spring Council the Annual Growth Guidelines as amended by the European Parliament;
42. Is concerned about the democratic legitimacy of the introduction of the European Semester; maintains that Parliament and national parliaments have a crucial role to play in establishing the necessary democratic legitimacy and national ownership;
43. Takes the view that the European Parliament is the appropriate venue for economic dialogue and cooperation between national parliaments and the European Institutions;
44. Calls on the Member States and their regions to involve national and regional parliaments, social partners, public authorities and civil society more closely in the formulation of national reform, development and cohesion programmes, and to consult them regularly; underlines in this regard the timely engagement of the Committee of the Regions as a platform for coordination between regions in order to make them report on the state of play of regional and local participation in the European Semester;
45. Calls for the organisation, in 2012, of an interparliamentary conference bringing together representatives from the budget, employment and economic committees of the European and national parliaments with the aim of defining the scope, method and means of multilevel and multidimensional democratic legitimacy of economic policy, in particular to ensure that the national policies and targets announced in the National Reform

Programmes together add up to a level that is sufficiently ambitious to reach the EU 2020 headline targets; considers that care must, however, be taken to ensure that there is sufficient time for the adoption of national budgets;

46. Intends to organise, from 2013, prior to the Spring European Council each year, an interparliamentary forum at the European Parliament for members of the competent national parliamentary committees, and recommends that this meeting be an integrated part of the annual meeting organised by the Economic and Monetary Affairs Committee for members of national parliaments; proposes that this forum include meetings of the political groups and the relevant committees, as well as a plenary sitting and invites the European social partners to participate in this meeting and provide their views;
47. Intends to organise, from 2013, following the Spring European Council each year, a second interparliamentary meeting bringing together the Chairs of the committees responsible for the European Semester within national parliaments and the European Parliament (ECON, EMPL, BUDG, ENVI, ITRE) to discuss the Commission's proposed recommendations;
48. Warns against the establishment of any practice that lacks parliamentary approval at the European or national level; underlines the need for country-specific recommendations to be based on democratic procedures;
49. Underlines the role of the economic dialogue with the European Parliament adopted with the economic governance package, which consists of enabling a dialogue between the European institutions as well as with the national level to initiate a cross-border and public debate, increase transparency and enable peer pressure; observes that the relevant committee of the EP may invite the President of the Commission, of the Eurogroup and of the European Council and offer the opportunity to a Member State concerned by decisions in the EDP and/or EIP to participate in an exchange of views;
50. Wishes an economic dialogue to be held at Parliament with the heads of state or government of those Member States intending to make use of the European Financial Stability Facility and Mechanism as well as the European Stability Mechanism, before the latter is activated; underlines, in light of the role the EFSF and the ESM are supposed to play, the need for the EP to conduct a hearing with their management staff;
51. Urges the Council and the Commission to ensure the consistency of economic conditionality and adjustment programmes in the framework of any rescue programme with the Union's objectives of social and sustainable development and in particular employment and economic policy guidelines as well as EU 2020 objectives; asks them to include recommendations addressed in the framework of the EU Semester to Member States receiving financial assistance to take account explicitly of these consistency requirements;
52. Intends to conduct an audit of the Union's macroeconomic situation in the autumn, having recourse to a wide range of expertise, including international external independent advice and in consultation with the relevant stakeholders, and in particular the social partners, in order to foster debate and obtain a second opinion on economic issues in preparation for its discussions with the Commission prior to the drafting of the Annual Growth Survey;

53. Takes the view that the European Parliament should be recognised as the appropriate European democratic forum to provide an overall evaluation at the end of the European Semester;
54. Asks to become a partner in the macroeconomic dialogue and to participate herein, so as to achieve its objectives in terms of delivering a cooperative macroeconomic policy stance;

### **Role of the Council**

55. Calls on the European Council to invite the President of the European Parliament to participate in its meetings on the European Semester;
56. Calls on the Council and the Commission in line with the rules of the economic governance package to report to it with an exact overview of actions and measures in the first few weeks of each year on the developments and successes of the previous European Semester;
57. Observes that it became apparent during the first European Semester that the deadlines were tight and that there is therefore a risk, in future exercises, that national parliamentary involvement would be suboptimal should any Member State need to submit a corrective action plan or adjust its stability and convergence programmes as well as their National Reform Programmes pursuant to the recommendations of the Council;
58. Calls on the Member States to provide information which is as detailed as possible on the measures and instruments provided for in the national reform programmes to attain the national objectives set, including the deadline for implementation, the expected effects, the potential spill-over effects, the risks of unsuccessful implementation, the costs and, if applicable, the use of EU Structural Funds;
59. Calls for Member States to ensure the professional independence of national statistical authorities in line with the provisions laid down in the governance package and to ensure compliance with the European statistics code of practice as laid down in Regulation (EC) No 223/2009 in order to ensure the transmission of high quality statistics to the Commission for assessment during the European Semester;
60. Believes that ensuring the success of the European Statistical System crucially relies upon the work of well-performing national courts of auditors and their thorough and accurate verification of the quality of public finance data and of the transmission process from public entities to the national statistical offices;
61. Calls on the Council to strengthen the macroeconomic dialogue, in particular by establishing corresponding macro-dialogues at national level, to unlock the full potential of macroeconomic cooperation by exploiting employment opportunities via strong and balanced growth dynamics;
62. Considers it to be of major importance to include in the constant dialogue between European Institutions the involvement of the European Central Bank;

## Other

63. Calls for the development of the concept of a European Treasury to strengthen the implementation capacity of the European Semester and the economic pillar of EMU; considers that future institutional developments should take into account the evolution of the EFSF and ESM;
64. Notes with concern that economic policy coordination at EU level consists of a variety of binding and non-binding instruments and commitments<sup>1</sup> which might undermine the legal certainty of the EU order and which, in the eyes of public opinion, produces confusion as to the exact scope of the responsibilities undertaken by Member States in relation to their status as members or non-members of the eurozone;
65. Notes that the Member States have failed to adhere to commonly agreed rules, in particular the Stability and Growth Pact, which stipulates that the Member States' annual budget deficit must be less than 3% of GDP and that public debt must be less than 60% of GDP; calls on the Member States to comply with the Stability and Growth Pact and other commonly agreed rules;
66. Stresses that, in order to be effective, integrated surveillance of economic policies must not be limited to the assessment of fiscal and structural policies of EU Member States, but must also be synchronised with the objectives and action taken at EU level, as well as with the extent and nature of the Union's financial resources; underlines in this regard the crucial role of EU policies and action under the EU 2020 strategy, namely cohesion policies, research and innovation;
67. Underlines that the policy guidance to Member States partly concerns policy areas like wages and pensions that fall under the competence of Member States and social partners but must be supported and complemented by the European Union, in line with Article 153 of the TFEU; emphasises that democratic accountability needs to be ensured and the principles of subsidiarity and social dialogue to be respected in order to preserve the policy space required for national implementation;
68. Recalls that the Regulation of the European Parliament and of the Council on the prevention and correction of macroeconomic imbalances states that 'the application of this Regulation shall fully respect Article 152 TFEU and the recommendations issued under this Regulation shall respect national practices and institutions for wage formation. It shall take into account Article 28 of the Charter of Fundamental Rights of the European Union, and accordingly shall not affect the right to negotiate, conclude and enforce collective agreements and to take collective action in accordance with national law and practices';

## Sectoral contributions to the European Semester

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<sup>1</sup> Articles 121, 126 and 148 TFEU, Protocol No 12 annexed to the Treaty of Lisbon, Resolution of the European Council on the Stability and Growth Pact of 17 June 1997, European Council Presidency Conclusions of 20 March 2005, Regulation (EC) No 1466/97, as modified by ..., Regulation (EC) No 1467/97, as modified by ..., Code of conduct 'specifications on the implementation of the Stability and Growth Pact and guidelines on the format and content of stability and convergence programmes', endorsed by the ECOFIN Council on 7 September 2010, October 2006 ECOFIN Council Conclusions and October 2007 ECOFIN Council Conclusions, Euro Plus Pact agreed by the euro area Heads of State or government and joined by Bulgaria, Denmark, Latvia, Lithuania, Poland and Romania on 24-25 March 2011

69. Considers that, with a view to reaching the common objectives, Europe 2020 and the European Semester as a framework for strengthened economic and social governance have a potential to help reinforce a common approach to the challenges, the responses and the assessment of the employment and social situation in the Member States if these were to progress beyond the level of nominal intention and if the European Parliament were genuinely involved in this process, contrary to what happened during the first European Semester, including in relation to the first Annual Growth Survey, which marked the start of a new cycle of economic governance in the EU;
70. Calls on the Council and the Commission, when providing policy guidance to Member States, including in relation to education, employment and social affairs, macroeconomic policy and the budget, to respect the principles of subsidiarity and social dialogue in the field of wages and pensions as well and, in keeping with Article 153(5) TFEU, to respect the competences of the Member States and social partners in these areas in order to preserve the policy space required for national implementation, and to consult the social partners before making their recommendations; emphasises that democratic accountability needs to be ensured at all levels;
71. Calls on the Commission to make use of all available information and expertise, including that of the European Foundation for the Improvement of Living and Working Conditions, in its assessment of progress towards the Europe 2020 objectives and related initiatives;
72. Calls for the Commission and Council recommendations to focus as a priority on a social policy that promotes education and training, access to employment, reintegration of the unemployed into the labour market and improved coordination of social protection systems in the Member States, together with completing the internal market and removing barriers to competition; calls for recommendations to be drawn up long enough in advance to have a real impact on national budgetary decisions;
73. States its intention to contribute actively to the implementation of an ambitious Europe 2020 strategy by the EU and Member States and to the European Semester, including to its employment and social aspects, which are of crucial importance to European citizens; declares its intention to do so both by way of specific action and through contributions to important initiatives such as the European Year for Active Ageing; also declares that it will do its utmost to keep these aspects of Europe 2020 and the employment and social concerns of European women and men high on its political agenda throughout the year;
74. States, furthermore, its intention to express its views on the employment and social aspects of Europe 2020 by means of a specific resolution to be adopted with a view to the Spring European Council;
75. Declares its readiness to engage in a regular policy dialogue and exchange of views with national parliaments and other relevant stakeholders, including the social partners, business sector and NGOs, on the employment and social aspects of Europe 2020 and the European Semester, and in this framework:
- (a) Invites the Commission to present to Parliament its Annual Growth Survey, including the draft Joint Employment Report, its proposal for annual Employment Guidelines and any proposal for country-specific recommendations made on the basis of Article

148(4) TFEU,

- (b) Calls for transparency among European Semester stakeholders and in this context encourages the Employment Committee (EMCO) to regularly share the results of its employment surveillance with the competent committees of the European Parliament,
  - (c) Invites the social partners, social NGOs and other stakeholders to take part in a regular exchange of views with Parliament, in particular on the implementation of employment and social policies and on progress towards achieving the related EU targets; requests that preparatory documents for exchanges of views be communicated in advance to the members of the appropriate parliamentary committee;
76. Calls on the Commission to inform Parliament of the results of the activities carried out under the Mutual Learning Programme, in particular in the areas highlighted through the strategic guidance of the European Council; points to the importance of periodically monitoring the degree of access to, and the take-up rate of, the funding allocated to the programme, thereby providing a means of determining in real time what corrective measures might be needed to ensure that the usual bureaucratic pitfalls will not prevent the programme's objectives being translated into reality;
77. Believes that employment and social policies have a central role in the whole Europe 2020 strategy and in its governance; considers that these policies must be strengthened in the light of the crisis, and that the European Semester is essential in reaching this objective;
78. Considers that, in the context of the European Semester and in order to implement effectively Employment Guidelines 7 to 10, Member States should be encouraged to attach special importance to specific issues, such as facilitating young people's access to education, guidance and training and preventing early school-leaving, promoting lifelong learning, promoting employment and reducing unemployment, especially among young people, promoting integration of older people into the labour market, combating undeclared work, facilitating reconciliation of work and family life and improving childcare facilities;
79. Calls on the Council and the Commission to assess comprehensively whether the measures proposed in national programmes to combat poverty and social exclusion and to increase employment levels are in line with the Europe 2020 objectives and headline targets; calls on Member States which have not set national targets, or which have not sufficiently committed themselves to achieving the employment rate in Europe for women and men of 75% by 2020, to undertake to pursue this objective, focusing, in particular, on tackling the key structural weaknesses of the labour markets;
80. Notes that measures taken within the framework of National Reform Plans, 'economic governance' and the European Semester should not contribute to the worsening social crisis in a number of countries with more fragile economies, making life more and more difficult for families and in particular for women and children, who are the main victims of growing poverty, unemployment and precarious and poorly paid work;
81. Emphasises the need to reinforce and institutionalise the Macroeconomic Social Dialogue and considers that social partners must be involved in the development of actions the



Commission wishes to undertake in the context of the European Semester and the implementation of the new economic governance and that social partners should address an opinion or, if appropriate, a recommendation to the Commission about these actions;

82. Underlines the importance of ensuring mutually reinforced interaction between micro- and macroeconomic policies on the one hand, and employment and social policies on the other hand, which is essential to be able to deliver on the overall goals of Europe 2020;
83. Remains committed to paying special attention, including in its deliberations on the European Semester, to the impact of employment and the social situation on the macroeconomic situation and vice versa, and calls on the Commission to follow the same approach;
84. Calls on the Commission and Council to ensure that sustainable and inclusive growth linked to employment and job creation are at the heart of all policy proposals under the European Semester;
85. Recalls the need to ensure that the financing of the Europe 2020 objectives is duly taken into account in the annual budgets of the EU and of the Member States; stresses that the most simple, democratic, European and efficient way of achieving this objective is to organise at the beginning of every European Semester an interparliamentary debate on the common budgetary orientations of the Member States and the Union; believes that such a debate, while helping to reduce duplicated structures significantly, would at the same time allow the Member States to take more account of the European dimension in their draft budgets and enable the European Parliament to take better account of national concerns;
86. Recalls the important role of the EU budget in financing the Europe 2020 agenda, to which more than half of the Union's resources are dedicated every year; notes, however, that – given the content of priority actions and the division of competences between the Union and the Member States – the largest share of financing for this strategy should come from national or regional budgets; concludes, therefore, that both the EU budget and the national budgets need to be taken into account in the part of the European Semester procedure that deals with the implementation of the Europe 2020 agenda;
87. Underlines the crucial role of cohesion policy as a key instrument for Europe 2020; considers that a strong and well-funded cohesion policy is an effective and efficient instrument to implement Europe 2020 and prevent future economic and financial crises, owing to its long-term development programmes, budgetary dimension and decentralised administration system and the incorporation of the EU's priorities for sustainable development; stresses in this regard the importance of involving regions in achieving the EU 2020 goal;
88. Points out that, owing to the multi-level governance approach, regional policy has a consolidated methodology for an integrated approach and a reliable guidance system for mobilising investments and incentivising new initiatives on the ground which could support the effectiveness of economic policies in an appropriate manner and the development of greater synergy between EU and Member State budgets; calls, therefore, on the Commission to put forward specific recommendations on how the Structural Funds can be used to this end within the framework of the operational programmes;

89. Considers it essential for cohesion policy to play a part in overcoming the challenges of reducing structural imbalances and internal competitive disparities, highlighting the importance of adapting policies to the specific conditions and needs in the regions so as to maximise their potential and mitigate their handicaps;
90. Recalls the important role played by regional policy in the development of national programmes within the framework of the European Semester, notably by setting targets and determining actions to strengthen economic, social and territorial cohesion;
91. Stresses that it is important for many Member States to improve their regions' competitiveness so as to correct macroeconomic imbalances;
92. Considers it necessary, therefore, for cohesion also to be oriented towards strengthening regional (and not merely national) potentials and stakeholders in particular; believes that strengthening regional potentials in coordination with national potentials makes cohesion policy once again emerge as a necessary tool for achieving the requisite synergies;
93. Stresses that the European Semester of ex-ante economic policy coordination must reflect promotion of the transition to an environmentally sustainable economy;
94. Welcomes the suggestion of the current Annual Growth Survey to eliminate environmentally harmful subsidies, and calls for an assessment of the implementation of this policy during the 2012 European Semester;
95. Calls on the European Council and the Commission to focus more, within the European Semester, on the Single Market, which constitutes the economic pillar of the EU, in order to tap the full potential of the internal market and attract public and private capital to finance infrastructural and innovative projects and promote efficient use of energy; stresses that the Single Market must be at the heart of a European Economic Governance focused on the aim of fostering smart, sustainable and inclusive growth, employment and social cohesion by overcoming internal imbalances, creating economic convergence and boosting competitiveness;
96. Asks that each Spring Session of the European Council be partly devoted to assessing the state of the Single Market and backed by a monitoring process; calls on the President of the European Council to present annually to Parliament the actions to be taken following the Spring European Council, including in the area of the Single Market;
97. Calls on the Commission to carry out an annual assessment of the Single Market implementation by Member States within the framework of their National Reform Programmes and to examine in this context progress on transposition and post-implementation reviews;
98. Calls on the Commission to draw the attention of Member States which are found in the evaluation of their National Reform Programmes not to be making optimum use of EU funding to the specific areas in which there is still untapped potential;
99. Welcomes the fact that 'tapping the potential of the Single Market' is listed in the 2011 Annual Growth Survey as one of ten objectives needing to be implemented by 2012;

100. Calls on the Council and the Commission to link the European Semester still more systematically to current EU initiatives such as the Internal Market Scoreboard and the Single Market Act, with implementation of its 12 ‘levers’ established as a top priority, so as to take the completion of the Single Market fully into consideration and to secure the coherence of European economic policy;
101. Calls particularly on the Commission to include in the 2012 Annual Growth Survey the 12 priority measures of the Single Market Act which are due for adoption by the end of 2012;
102. Is of the opinion that the relaunch of the Single Market and in particular the implementation of the Single Market Act are an essential prerequisite for achieving sustainable growth in Europe by 2020; suggests that in order to guarantee European competitiveness on a global level, immediate improvements are needed in crucial areas such as the service sector, public procurement, research, innovation, education, energy and e-commerce amongst others;
103. Underlines the need to take into account the EU 2020 strategy in the implementation of the European Semester; emphasises that the initiatives taken in the framework of the Single Market Act must be consistent with and contribute to achieving the objectives of the 7 flagships of the EU 2020 strategy for smart, sustainable and inclusive growth;
104. Calls on the Commission and the Member States to increase support for SMEs, which form the backbone of the Single Market economy in accordance with the findings of the Annual Growth Survey, in particular by the full implementation of the Small Business Act, and by means of a package of measures to eliminate the obstacles faced by SMEs when accessing funding;
105. Urges the Commission to take effective measures to improve access to finance for SMEs and innovative start-ups, as well as to ensure improvement of the business environment in the EU, simplify procedures and reduce administrative burdens on companies in the Single Market;
106. Calls on the Member States to integrate a gender equality perspective into the European Semester process by taking into account women’s needs and situation when implementing the policy guidance given in the Annual Growth Survey; commends those Member States that have mainstreamed the gender dimension throughout their National Reform Programmes (NRPs) during the first European Semester and that pay specific attention to women in the design and monitoring of employment, anti-poverty and education policies; is disappointed with those Member States that have omitted any mention of gender in their NRPs;
107. Calls on the Council to ensure that the FEMM Committee can discuss the gender aspects of the NRPs and the country-specific policy guidance with the responsible chair-in-office of the EPSCO, after the presentation of the country-specific policy guidance by the Commission;
108. Invites the Member States to ensure that there is efficient participation of civil society organisations, including women’s organisations, in the drafting, implementation and

evaluation of NRPs;

109. Calls on the Member States to set qualitative targets in NRPs related to closing the gender pay gap, improving women's entrepreneurship and creating childcare and elderly care;
110. Calls on the Member States to set specific quantitative targets in their NRPs regarding women's employment in general, together with specific measures targeting groups of women with very low employment rates, such as young women, older women, migrant women, disabled women, single mothers and Roma women;
111. Calls on the Commission and the Member States to raise awareness in civil society and among the social partners and the public in general of the 2020 headline targets and the national targets, including gender-segregated targets for employment;
112. Calls on the Commission to ask civil society and social partners to contribute an annual shadow report on the progress of the Member States regarding the headline targets and the implementation of measures proposed in the NRPs, comparable with the shadow reports produced on the implementation of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW);
113. Deplores the cut in public spending and investment in the field of education observed in many national budgets, re-emphasises the need to prioritise public investment in sustainable growth-friendly areas such as R&D and education, and points out that, considering the high costs incurred when younger generations are marginalised in employment terms, investment in education and training is an economic policy measure; emphasises the importance of ensuring continued and significant investment in teacher education, training and lifelong learning, while maintaining coordinated, EU-wide efforts to achieve other common educational goals; points to the key role of the Lifelong Learning Programme;
114. Urges the Commission, when identifying current and future employment trends during the economic semester, to use those trends to coordinate training strategies with third-level institutions;
115. Instructs its President to forward this resolution to the Council, the Commission, the European Council, national parliaments, the ECB and the President of the Eurogroup.

13.7.2011

## **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  
(2011/2071(INI))

Rapporteur (\*): Olle Ludvigsson

(\*): Associated committee – Rule 50 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 in its motion for a resolution:

- having regard to Articles 148 and 153(5) of the Treaty on the Functioning of the European Union (TFEU),
- A. whereas the European Employment Strategy and the Employment Guidelines based on Article 148 TFEU provide a policy framework for the employment and labour market measures to be implemented so as to meet the Europe 2020 objectives,
- B. whereas the Europe 2020 strategy and the new governance structure anchored in the European Semester should help the EU deal with the crisis and its causes; whereas the EU's high levels of social protection have cushioned the worst impact of the crisis, and whereas the legacy of the crisis is far-reaching and resulting in a large loss of economic activity, a substantial increase in unemployment, a steep fall in productivity and badly weakened public finances,
- C. whereas the unemployment rate in Europe is still well above 9%, and especially unemployment of young people remains a major challenge; whereas employment, labour market and social policies are therefore an essential part of the reforms to be carried out under both the macroeconomic surveillance and the thematic coordination provided for by the Europe 2020 strategy,

- D. whereas there is a need to ensure greater interaction between employment, social and economic policies in the context of the European Semester, and whereas this has to be done for the benefit of all generations and in a manner fostering democratic accountability, ownership and legitimacy of all actors involved; whereas an essential part of this is the full involvement of the European Parliament,
- E. whereas the national parliaments are freely elected by the citizens and are therefore the representatives and the guarantors of the rights acquired and delegated by the citizens; whereas the introduction of the European Semester should fully respect the prerogatives of national parliaments,
1. Considers that, with a view to reaching the common objectives, Europe 2020 and the European Semester as a framework for strengthened economic and social governance have a potential to help reinforce a common approach to the challenges, the responses and the assessment of the employment and social situation in the Member States if these were to progress beyond the level of nominal intention and if the European Parliament were genuinely involved in this process, contrary to what happened during the first European Semester, including in relation to the first Annual Growth Survey, which marked the start of a new cycle of economic governance in the EU;
  2. Calls for a Convention on the democratic dimension of the European Semester of policy coordination so as to enable the European Parliament and national parliaments to define its calendar, content and methodology in interaction with social partners and civil society;
  3. Calls for Parliament to be fully involved in the European Semester in order to represent citizens' interests and to increase the legitimacy of the social policies to be conducted by the Member States;
  4. Wishes to see the role of the national parliaments strengthened with regard to their involvement in the process of economic and social policy-making so as to demonstrate their solidarity as partners in the European Semester; considers that this would serve to increase the legitimacy of the decisions taken, would confirm that national parliaments together with the European Parliament represent the interests of European citizens on an equal footing, and would ensure that strong political signals are sent at national level;
  5. Underlines that the guidelines for the employment policies of Member States and the broad economic policy guidelines both form integral parts of the European Semester and are equally important for the achievement of smart, sustainable and inclusive growth; calls on the Council and the Commission to ensure that all policy recommendations are consistent with the Integrated Guidelines;
  6. Notes that measures taken within the framework of National Reform Plans, 'economic governance' and the European Semester should not contribute to the worsening social crisis in a number of countries with more fragile economies, making life more and more difficult for families and in particular for women and children, who are the main victims of growing poverty, unemployment and precarious and poorly paid work;
  7. Calls on the Council and the Commission, when providing policy guidance to Member States, including in relation to education, employment and social affairs, macroeconomic

policy and the budget, to respect the principles of subsidiarity and social dialogue in the field of wages and pensions as well and, in keeping with Article 153(5) TFEU, to respect the competences of the Member States and social partners in these areas in order to preserve the policy space required for national implementation, and to consult the social partners before making their recommendations; emphasises that democratic accountability needs to be ensured at all levels;

8. Calls on the Commission to make use of all available information and expertise, including that of the European Foundation for the Improvement of Living and Working Conditions, in its assessment of the progress towards the Europe 2020 objectives and related initiatives;
9. Calls on the Commission and Council to ensure that policy guidance for fiscal consolidation and structural reforms is fully coherent and consistent with the Union's objectives of social and sustainable development; calls on the Commission to carry out a social impact assessment based on Article 9 TFEU regarding its recommendations for action, including the proposals for priority actions to the Spring European Council and its recommendations for guidance on a country-by-country basis to the June European Council;
10. Calls for the Commission and Council recommendations to focus as a priority on a social policy that promotes education and training, access to employment, reintegration of the unemployed into the labour market and improved coordination of social protection systems in the Member States, together with completing the internal market and removing barriers to competition; calls for recommendations to be drawn up long enough in advance to have a real impact on national budgetary decisions;
11. Stresses the importance of public investment at EU and national level to promote social and economic cohesion, in particular investment in less developed regions; calls for a clear distinction to be established between investment and current expenditure, and considers that expenditure in such areas as education, social services, R&D and infrastructure, including renewable energies, transport and communications, constitutes an investment;
12. States its intention to contribute actively to the implementation of an ambitious Europe 2020 strategy by the EU and Member States and to the European Semester, including to its employment and social aspects, which are of crucial importance to European citizens; declares its intention to do so both by way of specific action and through contributions to important initiatives such as the European Year for Active Ageing; also declares that it will do its utmost to keep these aspects of Europe 2020 and the employment and social concerns of European women and men high on its political agenda throughout the year;
13. States, furthermore, its intention to express its views on the employment and social aspects of Europe 2020 by means of a specific resolution to be adopted with a view to the Spring European Council;
14. Declares its readiness to engage in a regular policy dialogue and exchange of views with national parliaments and other relevant stakeholders, including the social partners, business sector and NGOs, on the employment and social aspects of Europe 2020 and the

European Semester, and in this framework:

- (a) Invites the Commission to present to Parliament its Annual Growth Survey, including the draft Joint Employment Report, its proposal for annual Employment Guidelines and any proposal for country-specific recommendations made on the basis of Article 148(4) TFEU,
  - (b) Calls for transparency among European Semester stakeholders and in this context encourages the Employment Committee (EMCO) to regularly share the results of its employment surveillance with the competent committees of the European Parliament,
  - (c) Invites the social partners, social NGOs and other stakeholders to take part in a regular exchange of views with Parliament, in particular on the implementation of employment and social policies and on the progress towards achieving the related EU targets; requests that preparatory documents for exchanges of views be communicated in advance to the members of the appropriate parliamentary committee;
15. Emphasises the need to reinforce and institutionalise the Macroeconomic Social Dialogue and considers that social partners must be involved in the development of actions the Commission wishes to undertake in the context of the European Semester and the implementation of the new economic governance and that social partners should address an opinion or, if appropriate, a recommendation to the Commission about these actions;
  16. Calls on the Commission to inform Parliament of the results of the activities carried out under the Mutual Learning Programme, in particular in the areas highlighted through the strategic guidance of the European Council; points to the importance of periodically monitoring the degree of access to, and the take-up rate of, the funding allocated to the programme, thereby providing a means of determining in real time what corrective measures might be needed to ensure that the usual bureaucratic pitfalls will not prevent the programme's objectives being translated into reality;
  17. Underlines the importance of ensuring a mutually reinforced interaction between micro- and macroeconomic policies on the one hand, and employment and social policies on the other hand, which is essential to be able to deliver on the overall goals of Europe 2020;
  18. Remains committed to paying special attention, including in its deliberations on the European Semester, to the impact of employment and the social situation on the macroeconomic situation and vice versa, and calls on the Commission to follow the same approach;
  19. Believes that employment and social policies have a central role in the whole Europe 2020 strategy and in its governance; considers that these policies must be strengthened in the light of the crisis, and that the European Semester is essential in reaching this objective;
  20. Calls on the Commission and Council to ensure that sustainable and inclusive growth linked to employment and job creation are at the heart of all policy proposals under the European Semester;
  21. Emphasises that Europe needs a macroeconomic framework to support sustainable



development, and an increase in employment and social cohesion; considers that monetary policy should contribute to strengthening economic recovery and fighting unemployment;

22. Considers that, in the context of the European Semester and in order to implement effectively Employment Guidelines 7 to 10, Member States should be encouraged to attach special importance to specific issues, such as facilitating young people's access to education, guidance and training and preventing early school-leaving, promoting lifelong learning, promoting employment and reducing unemployment, especially among young people, promoting integration of older people into the labour market, combating undeclared work, facilitating reconciliation of work and family life and improving childcare facilities;
23. Calls on the Commission to ensure that the national policies and targets announced in the National Reform Programmes together add up to a level that is sufficiently ambitious to reach the EU 2020 headline targets; expresses its concern about the fact that under the first European Semester this was not the case; calls on the Commission to make sure that all Member States contribute to the headline targets according to their potential;
24. Calls on the Council and the Commission to assess comprehensively whether the measures proposed in national programmes to combat poverty and social exclusion and to increase employment levels are in line with the Europe 2020 objectives and headline targets; calls on Member States which have not set national targets, or which have not sufficiently committed themselves to achieving the employment rate in Europe for women and men of 75% by 2020, to undertake to pursue this objective, focusing, in particular, on tackling the key structural weaknesses of the labour markets;
25. Notes that the quality of National Reform Programmes under the first European Semester varies greatly regarding concreteness, feasibility and comprehensiveness; calls on the Commission to elevate the National Reform Programmes of the best quality to the standard format for the next European Semesters;
26. Calls on the Commission to ensure greater comparability of the National Reform Programmes and establish common benchmarks to assess the Programmes;

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	13.7.2011
<b>Result of final vote</b>	+: 40 -: 4 0: 4
<b>Members present for the final vote</b>	Regina Bastos, Edit Bauer, Pervenche Berès, Mara Bizzotto, Philippe Boulland, David Casa, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Sergio Gaetano Cofferati, Marije Cornelissen, Frédéric Daerden, Karima Delli, Proinsias De Rossa, Frank Engel, Sari Essayah, Ilda Figueiredo, Thomas Händel, Roger Helmer, Nadja Hirsch, Stephen Hughes, Danuta Jazłowiecka, Martin Kastler, Ádám Kósa, Jean Lambert, Patrick Le Hyaric, Olle Ludvigsson, Elizabeth Lynne, Thomas Mann, Elisabeth Morin-Chartier, Csaba Öry, Siiri Oviir, Rovana Plumb, Sylvana Rapti, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu
<b>Substitute(s) present for the final vote</b>	Georges Bach, Raffaele Baldassarre, Jürgen Creutzmann, Kinga Göncz, Teresa Jiménez-Becerril Barrio, Evelyn Regner, Peter van Dalen, Cecilia Wikström
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Ashley Fox, Marit Paulsen

18.7.2011

## **OPINION OF THE COMMITTEE ON BUDGETS**

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination  
(2011/2071(INI))

Rapporteur: László Surján

### **SUGGESTIONS**

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

- A. whereas the EU budget is jointly agreed by the European Parliament and the Council in accordance with the Treaties, and national budgetary procedures are governed by the constitutional system of each Member State; whereas, however, stronger budgetary coordination does not violate the subsidiarity principle,
  - B. whereas the European Semester has two objectives: to verify the application of budgetary discipline by Member States, and – at the same time – to monitor that the Europe 2020 programme is properly delivered by securing the financial means necessary for its implementation,
  - C. whereas the great achievement of the common market in linking European economies needs to be coupled to a system of budgetary coordination in order to make use of substantial synergies,
  - D. whereas the failure of the Lisbon Strategy can essentially be attributed to the absence of any clear follow-up procedure for the implementation of this strategy by all actors concerned, and whereas it is important, therefore, to draw the right lessons that will ensure the success of the Europe 2020 agenda,
1. Recalls the need to ensure that the financing of the Europe 2020 objectives is duly taken into account in the annual budgets of the EU and of the Member States; stresses that the most simple, democratic, European and efficient way of achieving this objective is to

organise at the beginning of every European Semester an interparliamentary debate on the common budgetary orientations of the Member States and the Union; believes that such a debate, while helping to reduce duplicated structures significantly, would at the same time allow the Member States to take more account of the European dimension in their draft budgets and for the European Parliament to take better account of national concerns;

2. Recalls the important role of the EU budget in financing the Europe 2020 agenda, to which more than half of the community's resources are dedicated every year; notes, however, that – given the content of priority actions and the division of competences between the Union and the Member States – the largest share of financing for this strategy should come from national or regional budgets; concludes, therefore, that both the EU budget and the national budgets need to be taken into account in the part of the European Semester procedure that deals with the implementation of the Europe 2020 agenda;
3. Views as regrettable the lack of clarity in, and the overlapping of, the different instruments and budgetary lines through which the Europe 2020 targets are to be achieved via the EU budget; recalls that the European Semester provides a good opportunity to develop greater synergy between EU and Member State budgets;
4. Recalls that several European Parliament committees have a long-standing tradition of holding interparliamentary meetings with national representatives to discuss, inter alia, budgetary issues of both EU and national relevance; calls on the competent parliamentary committees to ensure that their interparliamentary meetings relating to the European Semester are coordinated; in this context, recalls the importance of ensuring there is clear, structured, continuous follow-up and exchange of information with national parliaments;
5. Underlines the crucial role of the cohesion policy as one of the key instruments for implementing Europe 2020, owing to its budgetary dimension and multi-level governance approach; asks for clearer identification of possible synergies in this policy area also which could be included in the European Semester process;
6. Asks the Commission to present its Annual Growth Survey to Parliament and to facilitate the organisation of this interparliamentary orientation debate by providing a common framework of economic and financial forecasts that should be taken into account across the Union;

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	13.7.2011
<b>Result of final vote</b>	+: 30 -: 2 0: 0
<b>Members present for the final vote</b>	Damien Abad, Alexander Alvaro, Andrea Cozzolino, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Jens Geier, Ivars Godmanis, Estelle Grelier, Carl Haglund, Lucas Hartong, Jutta Haug, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, Barbara Matera, Claudio Morganti, Miguel Portas, Dominique Riquet, László Surján, Angelika Werthmann
<b>Substitute(s) present for the final vote</b>	François Alfonsi, Maria Da Graça Carvalho, Frédéric Daerden, Roberto Gualtieri, María Muñoz De Urquiza, Theodor Dumitru Stolojan
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Gabriel Mato Adrover

14.7.2011

## **OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY**

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination  
(2011/2071(INI))

Rapporteur: Crescenzo Rivellini

### **SUGGESTIONS**

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Calls for the adoption of specific legislation or of an interinstitutional agreement in order to ensure the democratic legitimacy and effectiveness of the European Semester;
2. Notes that the Annual Growth Survey includes recommendations with regard to the main EU policy priority actions; stresses, therefore, the need for the addition of a new annex on sustainable development;
3. Stresses that resource efficiency and energy efficiency are fundamental to promoting sustainable growth and combating climate change, while improving energy security and consumer access to energy and are therefore, in the medium and long term, key components of competitiveness while contributing significantly to the exit from the current economic crisis;
4. Points out, with reference to the UNEP's Green Economy Report, the economic and social benefits of investing in the green economy, such as a higher growth in GDP and per capita GDP, a resource-efficient economy, the creation of new and innovative jobs, gains in natural and human capital and the alleviation of poverty;
5. Notes that recent Commission estimates suggest that the EU is on course to achieve only half of the 20 % objective and that current plans by Member States risk falling far short of the overall 20 % energy efficiency target set in the Europe 2020 strategy, which would

lead to lost opportunities for growth across many sectors and regions and loss of employment-creation possibilities and hence negatively impact productivity, competitiveness and social cohesion of the EU; calls on the Commission to lay down guidelines on the method of setting national targets; calls on the Member States to take greater responsibility for meeting the energy efficiency target and to supply more detailed information to the Commission;

6. Points out that there is significant potential for reducing consumption, especially in energy-intensive sectors such as construction/buildings, transport and industry;
7. Acknowledges the existence of a new 'Energy Efficiency Plan 2011' (COM(2011)0109<sup>1</sup>), adopted in March 2011 by the Commission, but suggests that further and more restrictive measures be taken;
8. Calls on the Commission, therefore, especially where the construction sector is concerned, to propose legally binding national targets for energy efficiency now, taking into account the individual starting points of the Member States, their economic performance and early action undertaken in the field;
9. Stresses the need to set an annual EU material efficiency target in order to reduce resource use, and points out that it is essential to decouple resource use from economic growth;
10. Stresses that the European Semester of ex-ante economic policy coordination must reflect promotion of the transition to an environmentally sustainable economy;
11. Calls on the Commission, therefore, to consider whether to include in every Annual Growth Survey a progress report on the indicators of environmental economic accounting, based on the modules specified in Article 3 of the regulation of the European Parliament and of the Council on European environmental economic accounts, .and on the coherence with the Europe 2020 targets concerning climate change and energy;
12. Considers it very important to track and achieve constant reductions in the use of extracted natural resources, but also to have an understanding of the size of the existing natural resource stocks; calls therefore for complementing the environmental economic accounts regime with stock accounts as soon as possible;
13. Calls on the Commission to develop key performance indicators for the implementation of resource efficiency targets in the National Reform Programmes and to report them regularly in the Annual Growth Survey;
14. Notes that GDP does not account for human and social capital, natural resources and ecosystem services, major transformations like those ensuing from climate change, or the principle of fair and equitable access to resources for present and future generations as a prerequisite of sustainability; stresses, therefore, the need for GDP to be integrated with new data and indicators;
15. Welcomes the suggestion of the current Annual Growth Survey to eliminate

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<sup>1</sup> OJ ..

environmentally harmful subsidies, and calls for an assessment of the implementation of this policy during the 2012 European Semester;





## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	13.7.2011
<b>Result of final vote</b>	+: 52 -: 1 0: 3
<b>Members present for the final vote</b>	Kriton Arsenis, Sophie Auconie, Pilar Ayuso, Paolo Bartolozzi, Sandrine Bélier, Nessa Childers, Bairbre de Brún, Esther de Lange, Anne Delvaux, Bas Eickhout, Edite Estrela, Karl-Heinz Florenz, Elisabetta Gardini, Gerben-Jan Gerbrandy, Julie Girling, Françoise Grossetête, Cristina Gutiérrez-Cortines, Satu Hassi, Jolanta Emilia Hibner, Karin Kadenbach, Christa Klaß, Holger Kraemer, Jo Leinen, Corinne Lepage, Peter Liese, Linda McAvan, Miroslav Ouzký, Vladko Todorov Panayotov, Antonyia Parvanova, Andres Perello Rodriguez, Sirpa Pietikäinen, Mario Pirillo, Pavel Poc, Vittorio Prodi, Frédérique Ries, Anna Rosbach, Dagmar Roth-Behrendt, Horst Schnellhardt, Richard Seeber, Bogusław Sonik, Salvatore Tatarella, Åsa Westlund, Glenis Willmott, Sabine Wils, Marina Yannakoudakis
<b>Substitute(s) present for the final vote</b>	Matthias Groote, Romana Jordan Cizelj, Riikka Manner, Miroslav Mikolášik, James Nicholson, Alojz Peterle, Michèle Rivasi, Crescenzo Rivellini, Giommara Uggias
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	José Bové, Lorenzo Fontana

28.9.2011

## **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  
(2011/2071(INI))

Rapporteur: Catherine Stihler

### **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 in its motion for a resolution:

1. Calls on the European Council and the Commission to focus more, within the European Semester, on the Single Market which constitutes the economic pillar of the EU, in order to tap the full potential of the internal market, attract public and private capital to finance infrastructural and innovative projects and promote efficient use of energy; stresses that the Single Market must be at the heart of a European Economic Governance focused on the aim of fostering smart, sustainable and inclusive growth, employment and social cohesion by overcoming internal imbalances, creating economic convergence and boosting competitiveness;
2. Considers that the role of the European Parliament within the European Semester should be urgently clarified and that the economic dialogue should aim at reinforcing the democratic legitimacy of the process through proper parliamentary scrutiny; calls on the Commission to present each January to all relevant parliamentary committees, including its committee responsible for the internal market, the results of the previous European Semester and the new Annual Growth Survey, having integrated the detailed committee input on each of these two processes;
3. Asks that each Spring Session of the European Council be partly devoted to assessing the state of the Single Market and backed by a monitoring process; calls on the President of the European Council to present annually to the Parliament the actions to

be taken following the Spring European Council including in the area of the Single Market;

4. Calls on the Commission to carry out an annual assessment of the Single Market implementation by Member States within the framework of their National Reform Programmes and to examine in this context progress on transposition and post implementation reviews;
5. Calls on the Commission to draw the attention of Member States which are found in the evaluation of their National Reform Programmes not to be making optimum use of EU funding to the specific areas in which there is still untapped potential;
6. Welcomes the fact that ‘tapping the potential of the Single Market’ is listed in the 2011 Annual Growth Survey as one of ten objectives needing to be implemented by 2012;
7. Calls on the Council and the Commission to link the European Semester still more systematically to current EU initiatives such as the Internal Market Scoreboard and the Single Market Act with implementation of its 12 'levers' established as a top priority, so as to take the completion of the Single Market fully into consideration and to secure the coherence of European economic policy;
8. Calls particularly on the Commission to include in the 2012 Annual Growth Survey the 12 priority measures of the Single Market Act which are due for adoption by the end of 2012;
9. Is of the opinion that the re-launch of the Single Market and in particular the implementation of the Single Market Act are an essential prerequisite for achieving sustainable growth in Europe by 2020; suggests that in order to guarantee European competitiveness on a global level, immediate improvements are needed in crucial areas such as the service sector, public procurement, research, innovation, education, energy and e-commerce amongst others;
10. Underlines the need to take into account the EU2020 strategy in the implementation of the European Semester; emphasises that the initiatives taken in the framework of the Single Market Act must be consistent with and contribute to achieving the objectives of the 7 flagships of the EU 2020 strategy for a smart, sustainable and inclusive growth;
11. Calls furthermore on the Council and the Commission to extend the scope of the European Semester to better rationalise and integrate EU consumer policy and use instruments such as the Consumer Scoreboard to measure the positive impact of EU legislation such as the consumer rights, consumer credit and unfair commercial practices directives,
12. Calls on the Commission and the Member States to increase support for SMEs which form the backbone of the Single Market economy in accordance with the findings of the Annual Growth Survey, in particular by the full implementation of the Small Business Act, and by means of a package of measures to eliminate the obstacles faced

by SMEs when accessing funding;

13. Urges the Commission to take effective measures to improve access to finance for SMEs and innovative start-ups, as well as to ensure improvement of business environment in the EU, simplify procedures and reduce administrative burdens on companies in the Single Market;
14. Supports in this regard the review of the EU public procurement rules with a view to fostering smart, sustainable and inclusive growth within the Single Market by stimulating innovative cross-border procurement and ensuring regulatory simplification, greater transparency and legal clarity;
15. Calls on the European Council and the Commission, in order to consolidate the Digital Single Market, to extend the European Semester to reviewing progress on high capacity broadband roll out, including the implementation of market access obligations and enhanced consumer rights, including full contract and price information and number portability; calls furthermore on the Commission and Member States to report on the implementation of measures to cut data roaming charges in 2012 and action on 'cloud computing', the 'Internet of Things', e-signatures and cyber security;
16. Calls on the Member States to carry out further reforms in the services sector in line with the Commission's recommendations, in particular by removing unjustified restrictions on professional services, retailing and network industries, and to improve the business environment by reducing red tape and increasing transparency in the award of public procurement contracts.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	26.9.2011
<b>Result of final vote</b>	+: 32 -: 1 0: 0
<b>Members present for the final vote</b>	Pablo Arias Echeverría, Adam Bielan, Lara Comi, Anna Maria Corazza Bildt, António Fernando Correia De Campos, Jürgen Creutzmann, Cornelis de Jong, Evelyne Gebhardt, Małgorzata Handzlik, Malcolm Harbour, Philippe Juvin, Sandra Kalniete, Edvard Kožušník, Toine Manders, Phil Prendergast, Mitro Repo, Heide Rühle, Christel Schaldemose, Andreas Schwab, Emilie Turunen, Bernadette Vergnaud, Barbara Weiler
<b>Substitute(s) present for the final vote</b>	Pascal Canfin, Frank Engel, Marielle Gallo, Anna Hedh, Othmar Karas, Constance Le Grip, Antonyia Parvanova, Sylvana Rapti, Olle Schmidt, Kyriacos Triantaphyllides, Anja Weisgerber

13.7.2011

## **OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT**

for the Committee on Economic and Monetary Affairs

on the European Semester for Economic Policy Coordination  
(2011/2071(INI))

Rapporteur: Michael Theurer

### **SUGGESTIONS**

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

1. Underlines the crucial role of the cohesion policy as a key instrument for Europe 2020; considers that a strong and well-funded cohesion policy is an effective and efficient instrument to implement Europe 2020 and prevent future economic and financial crises, owing to its long-term development programmes, budgetary dimension and decentralised administration system and the incorporation of the EU's priorities for sustainable development; stresses in this regard the importance of involving regions in achieving the EU 2020 goal;
2. Points out that cohesion policy rests on its widespread acceptance, consistent approaches and sound financing;
3. Points out that, owing to the multi-level governance approach, regional policy has a consolidated methodology for an integrated approach and a reliable guidance system for mobilising investments and incentivising new initiatives on the ground which could support the effectiveness of economic policies in an appropriate manner and the development of greater synergy between EU and Member State budgets; calls, therefore, on the European Commission to put forward specific recommendations on how the structural funds can be used to this end within the framework of the operational programmes;
4. Considers it essential for cohesion policy to play a part in overcoming the challenges of

reducing structural imbalances and internal competitive disparities, highlighting the importance of adapting policies to the specific conditions and needs in the regions so as to maximise their potential and mitigate their handicaps;

5. Points out that, in most areas, the key national goals agreed by the European Council are far from having been achieved; regrets that the national goals are not ambitious, that an excessive importance has been given to short-term results and that, in most areas, the EU Member States are still far from attaining the EU key goals agreed by the European Council; calls for the involvement of cohesion policy priorities in structured and early debate on annual budget orientations, thorough ex-ante impact assessments and results-based policy planning and project formulation; regrets the fact that the Member States use different methods for setting national goals, and calls on the Commission to examine the possibility of drawing up guidelines in this area; points out that additional efforts are required in order to reach the targets in the areas of employment, research and development, energy efficiency, tertiary education and poverty;
6. Recalls the important role played by regional policy in the development of national programmes within the framework of the European Semester, notably by setting targets and determining actions to strengthen economic, social and territorial cohesion;
7. Stresses that it is important for many Member States to improve their regions' competitiveness so as to correct macroeconomic imbalances;
8. Considers it necessary, therefore, for cohesion also to be oriented towards strengthening regional (and not merely national) potentials and stakeholders in particular; believes that strengthening regional potentials in coordination with national potentials makes cohesion policy once again emerge as a necessary tool for achieving the requisite synergies;
9. Emphasises the role of cohesion policy in implementing European development objectives and in ensuring budgetary discipline; supports in this context the multi-level decision-making process, and multi-level responsibility for budgetary discipline;
10. Points out that the Europe 2020 strategy needs to have more of a territorial dimension; takes the view, consequently, that – taking into account the particularities and different development levels of European regions – directly involving regional and local authorities and partners in the planning and implementation of relevant programmes would lead to a greater feeling of responsibility for the goals of the strategy at all levels and would ensure greater awareness on the ground of its objectives and results;
11. Calls on the Member States and their regions to involve national and regional parliaments, social partners, public authorities and civil society more closely in the formation of national reform, development and cohesion programmes, and to consult them regularly; underlines in this regard the timely engagement of the Committee of the Regions as a platform for coordination between regions in order to make them report on the state of play of the regional and local participation in the European semester;
12. Points out that Parliament has a crucial role to play in establishing full democratic legitimacy for the European Semester; calls, therefore, on the European Commission to fully involve Parliament and its respective committees; highlights the important role the



Committee of the Regions could play in evaluating and intensifying the European Semester, particularly given its enhanced institutional role under the Lisbon Treaty; notes that, within the context of the current European Semester, the regions and local authorities have had little involvement in the development of national programmes; calls for it to be expressly laid down, in the case of each Member State, how the regions and local authorities are to be involved in the process in the coming year;

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	12.7.2011
<b>Result of final vote</b>	+: 41 -: 4 0: 1
<b>Members present for the final vote</b>	François Alfonsi, Luís Paulo Alves, Charalampos Angourakis, Catherine Bearder, Victor Boștinaru, Zuzana Brzobohatá, John Bufton, Alain Cadec, Francesco De Angelis, Tamás Deutsch, Rosa Estaràs Ferragut, Elie Hoarau, Brice Hortefeux, Danuta Maria Hübner, Juozas Imbrasas, María Irigoyen Pérez, Seán Kelly, Mojca Kleva, Petru Constantin Luhan, Elżbieta Katarzyna Łukacijewska, Riikka Manner, Iosif Matula, Erminia Mazzoni, Miroslav Mikolášik, Lambert van Nistelrooij, Franz Obermayr, Jan Olbrycht, Markus Pieper, Monika Smolková, Georgios Stavrakakis, Nuno Teixeira, Michael Theurer, Michail Tremopoulos, Oldřich Vlasák, Kerstin Westphal, Hermann Winkler, Joachim Zeller
<b>Substitute(s) present for the final vote</b>	Andrea Cozzolino, Karima Delli, Ivars Godmanis, Karin Kadenbach, Marek Henryk Migalski, Vilja Savisaar-Toomast, Elisabeth Schroedter, Derek Vaughan
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Norica Nicolai

14.7.2011

## **OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION**

for the Committee on Economic and Monetary Affairs

on the European Semester for economic policy coordination  
(2011/2071(INI))

Rapporteur: Hannu Takkula

### **SUGGESTIONS**

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

1. Recognises the significant role that quality education and training plays in Europe's competitiveness and sustainable economic growth and deeply regrets that this is not highlighted in the 10 priority actions proposed by the Commission in its Annual Growth Survey;
2. Emphasises that Europe must have educated citizens in order to boost economic growth; points out that it is essential to improve equal access to quality education and training while fostering the integration of education and employment and of academia and business;
3. Deplores the high rate of youth unemployment and its negative short, medium and long-term macroeconomic and socioeconomic effects; welcomes the Commission's calls to tackle structural challenges which exacerbate high youth unemployment – a task that will include tackling early school leaving, improving access to education and training, liberalising rigid labour markets and providing for the recognition of professional qualifications;
4. Stresses that an educated population depends on the quality of education and teaching, and therefore also on the quality of teachers and educators at all levels;
5. Deplores the cut in public spending and investment in the field of education observed in many national budgets, re-emphasises the need to prioritise public investment in

sustainable growth-friendly areas such as R&D and education, and points out that, considering the high costs incurred when younger generations are marginalised in employment terms, investment in education and training is an economic policy measure; emphasises the importance of ensuring continued and significant investment in teacher education, training and lifelong learning, while maintaining coordinated, EU-wide efforts to achieve other common educational goals; points to the key role of the Lifelong Learning Programme;

6. Insists that the role of education, from the early years of development to primary and higher education as well as vocational training and adult learning, including the transmission of knowledge and skills, should be further exploited within the Single Market;
7. Calls on Member States to undertake more precise measures (i.e. training programmes, vocational education, youth guarantees etc.) for combating youth unemployment;
8. While stressing the need for much more ambitious goals, notes the common target to reduce early school leaving to less than 10% by 2020, and urges the Commission to consider the vast differences among and within the Member States, paying particular attention to those with special needs and those from disadvantaged backgrounds, including migrants and Roma, and therefore to ensure that any criteria for measuring achievements are comparable and that account is taken of the long-term perspective;
9. Encourages universities to conduct more basic research, while respecting their independence and specificities; is concerned by the Member States' insufficient targets and measures for realising the EU target of increasing the proportion of young people with a university degree or diploma to 40% by 2020; urges the Member States to review their commitments in this field and to take additional action to achieve the EU 2020 goals, in order to create an economy based on knowledge and innovation;
10. Points out the importance of cultural policies, especially public policies, for education and training, and for universal access to culture;
11. Urges the Commission, when identifying current and future employment trends during the economic semester, to use those trends to coordinate training strategies with third-level institutions;
12. Calls for increased support for students' and young professionals' mobility;
13. Insists on the need to step up the modernisation of higher education and to make the sector more attractive;

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	14.7.2011
<b>Result of final vote</b>	+: 23 -: 0 0: 2
<b>Members present for the final vote</b>	Magdi Cristiano Allam, Zoltán Bagó, Lothar Bisky, Piotr Borys, Jean-Marie Cavada, Silvia Costa, Santiago Fisas Aixela, Mary Honeyball, Petra Kammerevert, Morten Løkkegaard, Emma McClarkin, Marek Henryk Migalski, Katarína Neveďalová, Doris Pack, Chrysoula Paliadeli, Marie-Thérèse Sanchez-Schmid, Marco Scurria, Hannu Takkula, László Tóké, Helga Trüpel, Milan Zver
<b>Substitute(s) present for the final vote</b>	Heinz K. Becker, Ivo Belet, Nadja Hirsch, Seán Kelly, Iosif Matula, Paul Nuttall, Georgios Papanikolaou
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Sergio Gaetano Cofferati, Olle Schmidt

25.10.2011

## OPINION OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS

for the Committee on Economic and Monetary Affairs

on the European Semester for Economic Policy Coordination  
(2011/2071(INI))

Rapporteur: Rafał Trzaskowski

### SUGGESTIONS

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

1. Notes with concern that economic policy coordination at EU level consists of a variety of binding and non-binding instruments and commitments<sup>1</sup> which might undermine the legal certainty of the EU order and which, in the public opinion, produces confusion as to the exact remit of the responsibilities undertaken by Member States in relation to their status as members or non-members of the eurozone;
2. Notes that the Member States have failed to adhere to commonly agreed rules, in particular the Stability and Growth Pact, which stipulates that the Member States' annual budget deficit must be less than 3 % of GDP and that public debt must be less than 60 % of GDP; calls on the Member States to comply with the Stability and Growth Pact and other commonly agreed rules;
3. Is of the opinion that the European Semester, first proposed in the Commission's Communication of May and June 2010 and initially based on a non-binding commitment of the Council, should be properly incorporated into the EU legal framework; as part of

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<sup>1</sup> Article 121, 126, 148 TFEU, Protocol n° 12 annexed to the Treaty of Lisbon, Resolution of the European Council on the Stability and Growth Pact of 17 June 1997, European Council Presidency Conclusions of 20 March 2005, Regulation (EC) n° 1466/97, as modified by ..., Regulation (EC) n° 1467/97, as modified by ..., Code of conduct 'specifications on the implementation of the Stability and Growth Pact and guidelines on the format and content of stability and convergence programmes', endorsed by the ECOFIN Council on 7 September 2010, October 2006 ECOFIN Council Conclusions and October 2007 ECOFIN Council Conclusions, Euro Plus Pact agreed by the euro area Heads of State or government and joined by Bulgaria, Denmark, Latvia, Lithuania, Poland, Romania on 24-25 March 2011

this it should be subject to full democratic scrutiny and be given a proper legal basis in the form of a regulation, in accordance with Article 121(6) of the TFEU; welcomes the compromise achieved during the negotiations of the economic governance package with its legislative and non-legislative components, in particular as regards the provisions on the European Semester incorporated into the legislative text of the regulation<sup>1</sup> amending Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies; also welcomes the provisions on the Economic Dialogue incorporated into the same regulation; stresses that the new coordination mechanism should, in future, be subject to mandatory, regular evaluation by the European Parliament;

4. Notes that the European Semester and its assessment, in the interests of coordination at EU level, seek to highlight the preventive action of the Stability and Growth Pact by ensuring, in a timely manner and in real time, that Member States pursue disciplined fiscal policies;
5. Recalls that according to Article 5(1) of the TFEU Member States coordinate their economic policies within the Union, that therefore an integrated economic policy coordination in the form of a European semester is subject to the objectives and requirements set out both in the TEU (namely Articles 3(3)) and in the TFEU (in particular Articles 121, 126, 148), and that the latter relate respectively to economic coordination and employment policy, which are based on two distinct legal procedures; recognises the importance of having a broader overview of Member States' economic and budgetary situation; supports the Commission's decision to bring its recommendations into one integrated text, providing, however, that it does not undermine the integrity and coherence of certain EU policies;
6. Stresses that, in order to be effective, an integrated surveillance of economic policies must not be limited to the assessment of fiscal and structural policies of EU Member States, but must also be synchronized with the objectives and action taken at EU level, as well as with the extent and nature of the Union's financial resources; underlines in this regard the crucial role of EU policies and action under the EU2020 strategy, namely cohesion policies, research and innovation;
7. Considers it appropriate to establish a process of coordination between national parliaments and the European Parliament, in order to allow for a dialogue on all aspects of the integrated economic policies coordination prior to the decisions which each Parliament must take under its own constitutional order; In this context strongly supports the initiative of the Polish Presidency to hold a political meeting in autumn 2011 on the multiannual financial framework in order to involve the national parliaments in its negotiation, in the presence of the European Parliament, the Council and the Commission, and stresses that this approach could be adopted with a view to strengthening economic governance and democratic supervision;
8. Regrets that democratic control by the European Parliament plays only a relatively minor role in the process, and stresses that the formalisation of the European Semester should in no way further jeopardise the prerogatives of the European Parliament as provided for in

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<sup>1</sup> P7-TA-PROV(2011)0421

the Treaties;

9. Considers that the institutions should cooperate in order to enhance the Semester's legitimacy and to clear the remaining legal ambiguities which, otherwise, may lead to institutional conflicts in the coming years;
10. Considers that there is an urgent need to clarify the role of the European Parliament within the Semester, and recommends that the economic dialogue respect the following principles:
  - the European Semester and the economic dialogue should be regarded as elements of the EU institutional framework and should promote the Community method, involving the Union institutions at all stages. The Commission should play an independent and stronger role in the process;
  - the economic dialogue, as a key element of the European Semester, should seek to reinforce the democratic legitimacy of the process and to better coordinate the common EU agenda and measures taken by individual Member States, and ensure that at every stage an adequate decision-making method is applied through proper parliamentary scrutiny, involving both the European Parliament and the national parliaments, and that inter-parliamentary dialogue and cooperation are promoted;
  - the European Parliament, the national parliaments and all other relevant stakeholders, including the social partners, and in particular the Economic and Financial Committee set up under Article 134 of the TFEU and the Employment Committee established pursuant to Article 150 of the TFEU should be duly involved, informed and consulted in a timely manner;
  - transparency should be recognised as a key element of the process, and the Commission and Council should commit to making their positions and decisions public at every stage and explain them in Parliament when invited to do so by the relevant parliamentary committees;
11. Notes that the European Parliament sees the need to adapt its procedures to the changes brought about by the Treaty of Lisbon only insofar as it concerns the appearance of the President of the European Council before the House; reminds that according to the TEU, Members of the European Parliament directly represent citizens of the Union, who 'shall receive equal attention from the Union's institutions' in conformity with the principle of equality, which the Union is duty-bound to observe in all its activities (Articles 9 and 10) and therefore strongly opposes any attempt to fragment this House; stresses that all Members hold an equal mandate and that according to the Rules of Procedure their right to vote is a personal right, which cannot be infringed upon (Rule 164);
12. Recalls that it is the European Parliament's exclusive right to mandate its President for his performances at the European Council;
13. Takes the view that the European Parliament should be recognised as the appropriate European democratic forum to provide an overall evaluation at the end of the European Semester;



14. Takes the view that the European Parliament is the appropriate venue for economic dialogue and cooperation between national parliaments and the European institutions;

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	24.10.2011
<b>Result of final vote</b>	+: 17 -: 2 0: 0
<b>Members present for the final vote</b>	Andrew Henry William Brons, Carlo Casini, Andrew Duff, Roberto Gualtieri, Enrique Guerrero Salom, Zita Gurmai, Stanimir Ilchev, Constance Le Grip, David Martin, Paulo Rangel, Algirdas Saudargas, György Schöpflin, József Szájer, Rafał Trzaskowski
<b>Substitute(s) present for the final vote</b>	Sandrine Bélier, Zuzana Brzobohatá, Marietta Giannakou, Helmut Scholz, Alexandra Thein

14.7.2011

## **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  
(2011/2071(INI))

Rapporteur: Marije Cornelissen

### **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 in its motion for a resolution:

- A. whereas the gender dimension is crucial to achieving the EU 2020 headline targets, as women form the greatest reserve of as yet unused labour and constitute the majority of those living in poverty in the EU; whereas specific attention needs to be paid to both gender mainstreaming and policies targeted at equality between women and men throughout the European Semester process,
  - B. whereas the austerity measures and measures aimed at fiscal consolidation have worsened the position of women in the labour market and have increased poverty among women, giving rise to higher unemployment, greater financial insecurity, lower wages and salaries as well as cuts in the public sector, social services and welfare benefits, in particular fiscal benefits for childcare,
  - C. whereas greater and more effective utilisation of women's skills would make it possible to exploit the growth potential afforded by the interplay between female labour market participation, birth rates and economic development,
  - D. whereas more balanced integration of women into the labour market, with more widespread recognition of their skills, would be consistent both with principles of fairness and with criteria such as economic efficiency and maximising employment and productivity,
1. Recommends that the specialised committees of the European Parliament, including the

Committee on Women's Rights and Gender Equality (FEMM), appoint from among their members a standing rapporteur to participate in the working process linked to the European Semester within the European Parliament and to report on these processes to the appointing committee at regular intervals;

2. 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;
3. Calls on the Member States to integrate a gender equality perspective into the European Semester process by taking into account women's needs and situation when implementing the policy guidance given in the Annual Growth Survey; commends those Member States that have mainstreamed the gender dimension throughout their National Reform Programmes (NRPs) under the first European Semester and that pay specific attention to women in the design and monitoring of employment, anti-poverty and educational policies; is disappointed with those Member States that have omitted any mention of gender in their NRPs;
4. Suggests involving the European Institute for Gender Equality more closely in all stages of the European Semester; hopes that as soon as it becomes operational the Institute will be able to address the problem of a lack of reliable, systematic and comparative data broken down by gender in the European Union and in each of the Member States;
5. Calls on the Council to ensure that the FEMM Committee can discuss the gender aspects of the NRPs and the country-specific policy guidance with the responsible chair-in-office of the EPSCO, after the presentation of the country-specific policy guidance by the Commission;
6. Invites the Member States to ensure there is efficient participation of civil society organisations, including women's organisations, in the drafting, implementation, and evaluation of NRPs;
7. Calls on the Commission to use a common, uniform set of benchmarks across the EU to assess the NRPs, including the availability of affordable childcare accessible to all, elderly care and care for people with disabilities who are not autonomous, care leave arrangements and measures making it possible to combine labour and family responsibilities, and to encourage the NRPs to be more gender-sensitive, taking into account the economic situation of women; calls on the Commission and the Member States to monitor women's labour participation on the basis of the number of hours worked per week, contract types, and women's financial independence;
8. Calls on the Commission to demand separate national targets for male and female employment from the Member States and to request that they use gender-segregated data in their reporting on progress towards the EU 2020 objectives;
9. Calls on the Member States to set qualitative targets in NRPs related to closing the gender pay gap, improving women's entrepreneurship, and creating childcare and elderly care;
10. Calls on the Member States to set specific quantitative targets in their NRPs regarding women's employment in general, together with specific measures targeting groups of

women with very low employment rates, such as young women, older women, migrant women, disabled women, single mothers, and Roma women;

11. Calls on the Commission and the Member States to raise awareness in civil society and among the social partners and the public in general of the 2020 headline targets, and the national targets, including gender-segregated targets for employment;
12. Calls on the Commission to ask civil society and social partners to contribute an annual shadow report on the progress of the Member States regarding the headline targets and the implementation of measures proposed in the NRPs, comparable with the shadow reports produced on the implementation of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW);
13. Calls on the Commission to extend and improve the facilitation of exchange of national good practices between civil society and national parliaments, among other things on the gender dimension of the EU 2020 Strategy, for example by organising a meeting every three years before the revision of the guidelines;
14. Stresses the need to prioritise action to tackle the problems of unemployment, poverty and social exclusion, which affect women above all, so as to give priority to sustainable employment/quality jobs with rights, 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;
15. Notes that the quality of NRPs under the first European Semester varies greatly in terms of concreteness, feasibility and comprehensiveness, and calls on the Commission to elevate the best-quality NRPs into the standard format for the next European Semesters;
16. Calls on the Member States to increase their efforts to raise women's labour participation, in particular by investing in measures to reconcile work and care;
17. Expresses its concern about the social impact of the financial and economic crisis on women; calls on the Commission and the Member States to ensure that fiscal consolidation is consistent with the social dimension of the EU 2020 strategy and the employment guidelines; calls on the Commission to assess the effects of austerity measures on gender equality, female employment and female poverty;
18. Calls on the Commission to ensure that the national policies and targets announced in the NRPs together add up to a level that is sufficiently ambitious to reach the EU 2020 headline targets; expresses its concern about the fact that under the first European Semester this was not the case; calls on the Commission to make sure that all the Member States contribute to the headline targets according to ability;

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	13.7.2011
<b>Result of final vote</b>	+: 17 -: 4 0: 9
<b>Members present for the final vote</b>	Regina Bastos, Edit Bauer, Marije Cornelissen, Silvia Costa, Edite Estrela, Ilda Figueiredo, Zita Gurmai, Teresa Jiménez-Becerril Barrio, Nicole Kiil-Nielsen, Astrid Lulling, Barbara Matera, Angelika Niebler, Siiri Oviir, Antonyia Parvanova, Nicole Sinclaire, Joanna Katarzyna Skrzydlewska, Eva-Britt Svensson, Britta Thomsen, Marina Yannakoudakis, Anna Záborská
<b>Substitute(s) present for the final vote</b>	Izaskun Bilbao Barandica, Vilija Blinkevičiūtė, Christa Klauß, Mojca Kleva, Mariya Nedelcheva, Norica Nicolai, Chrysoula Paliadeli, Antigoni Papadopoulou, Sirpa Pietikäinen
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Jacek Włosowicz

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	14.11.2011
<b>Result of final vote</b>	+: 28 -: 4 0: 0
<b>Members present for the final vote</b>	Sharon Bowles, Pascal Canfin, Nikolaos Chountis, George Sabin Cutaş, Leonardo Domenici, Diogo Feio, Markus Ferber, Elisa Ferreira, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Sven Giegold, Gunnar Hökmark, Othmar Karas, Wolf Klinz, Jürgen Klute, Rodi Kratsa-Tsagaropoulou, Philippe Lamberts, Sławomir Witold Nitras, Ivari Padar, Anni Podimata, Olle Schmidt, Peter Simon, Theodor Dumitru Stolojan, Ivo Strejček, Kay Swinburne, Marianne Thyssen, Ramon Tremosa i Balcells
<b>Substitute(s) present for the final vote</b>	Sophie Auconie, Pervenche Berès, Philippe De Backer, Vicky Ford, Enrique Guerrero Salom, Danuta Jazłowiecka, Gianluca Susta