


Procedure file

Basic information		
INI - Own-initiative procedure	2002/2014(INI)	Procedure completed
Situation of the European economy, report on the broad guidelines for economic policies		
Subject 5.10.01 Convergence of economic policies, public deficit, interest rates		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs	PSE TRENTIN Bruno	21/11/2001
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2414	05/03/2002

Key events			
17/01/2002	Committee referral announced in Parliament		
26/02/2002	Vote in committee		Summary
26/02/2002	Committee report tabled for plenary	A5-0062/2002	
05/03/2002	Debate in Council	2414	
13/03/2002	Debate in Parliament		
14/03/2002	Decision by Parliament	T5-0124/2002	Summary
14/03/2002	End of procedure in Parliament		
27/02/2003	Final act published in Official Journal		

Technical information	
Procedure reference	2002/2014(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP P.F.
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/15683

Documentation gateway					
Committee report tabled for plenary, single reading		A5-0062/2002	26/02/2002	EP	
Text adopted by Parliament, single reading		T5-0124/2002 OJ C 047 27.02.2003, p. 0419-0587 E	14/03/2002	EP	Summary

Situation of the European economy, report on the broad guidelines for economic policies

Looking ahead to the Commission's recommendation on the broad economic policy guidelines in readiness for the annual Spring European Council, the committee adopted the own-initiative report by Bruno TRENTIN (PES, I) on the state of the European economy. The report noted that the downturn in economic growth seemed likely to result in genuine recession in some EU countries, and said that national economic and social policies needed to be coordinated to give a boost to selective sectors in order to generate growth and increase long-term employment. It reasserted the "binding nature of the Stability pact and in particular the 3% threshold for national budget deficits". The priorities for a policy mix at European level should involve reducing labour costs, particularly for the lowest paid workers, via a reduction in taxes and social security contributions, and speeding up the attainment of the Lisbon objectives as regards public and private investment. This would require structural reforms of the labour, financial and energy markets, a change in education and R&D policies, and the development of communications and new technologies. The full employment strategy adopted by the Lisbon Summit would also require changes in European education systems so as to guarantee lifelong learning for all citizens to facilitate job flexibility and mobility. For this purpose, more resources should be allocated to learning the languages used in Europe. Social policies should encourage voluntary career breaks and reintegration through education and training into the labour market. Retirement age for those who wished to remain working should be raised. More efforts were also needed to provide jobs for those most affected by unemployment, such as young people, the long-term unemployed, women and those over the age of 45. Companies should be encouraged to continue employing older workers. The committee also called for the liberalisation of general interest services such as energy and transport in order to improve efficiency and competitiveness. Measures should be taken to prevent dominant positions and consumers should be given the possibility of choosing their service provider. Other points raised by the report included the need to encourage small and medium-sized businesses in particular, in view of their job creation potential and their importance for developing regional economic activity. Lastly, the committee called for the European Parliament to be fully involved in the further development of the EU's broad economic policy guidelines. To that end, the positions of Council and Parliament should carry equal weight in the annual adoption of the guidelines and Parliament should also be properly involved in assessing their implementation by the Member States. ?

Situation of the European economy, report on the broad guidelines for economic policies

The European Parliament adopted the own-initiative report drafted by Bruno TRENTIN (PES, Italy) on the European economy. (Please refer to the document dated 26/02/02). Parliament stressed that the full employment strategy adopted by the Lisbon European Council means that absolute priority in the deployment of public resources must be given to increasing substantially public and private investment in research and innovation in products and processes. Priority must also be given to intra-European exchange of knowledge and researchers between the various research centres in order to create a European area of research innovation, which will be symbolised by the European patent. Parliament went on to state that attainment of the Lisbon objectives will entail a major commitment on the part of the Union's governments, coordinated at European level, to develop integrated telecommunications and transport infrastructure and services, leading to the creation of integrated networks, in order to boost the EU's competitiveness. More effective coordination of economic and social policies is needed in good time, particularly among the governments of the Eurozone, so as to ensure that decisions taken by individual governments are more effective and consistent and allow for constructive dialogue with the ECB. Consideration must be given to an interest rate reduction in the medium and long term, as inflation declines. ?