

Procedure file

Basic information		
INI - Own-initiative procedure	2013/2134(INI)	Procedure completed
European Semester for economic policy coordination: implementation of 2013 priorities		
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		30/05/2012
		S&D FERREIRA Elisa	
		Shadow rapporteur	
		ALDE DE BACKER Philippe	
		ECR EPPINK Derk Jan	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets		10/06/2013
		S&D TRAUTMANN Catherine	
	EMPL Employment and Social Affairs		14/06/2012
	PPE LOPE FONTAGNÉ Verónica		
ITRE Industry, Research and Energy	The committee decided not to give an opinion.		
IMCO Internal Market and Consumer Protection		18/06/2013	
	PPE SCHWAB Andreas		
REGI Regional Development		20/06/2013	
	PPE DEUTSCH Tamás		
FEMM Women's Rights and Gender Equality		01/07/2013	
	Verts/ALE CORNELISSEN Marije		
Council of the European Union	Council configuration	Meeting	Date
	General Affairs	3268	22/10/2013
	Economic and Financial Affairs ECOFIN	3252	09/07/2013
European Commission	Commission DG	Commissioner	
	Secretariat-General	BARROSO José Manuel	

Key events			
04/07/2013	Committee referral announced in Parliament		
09/07/2013	Resolution/conclusions adopted by Council		Summary
30/09/2013	Vote in committee		
08/10/2013	Committee report tabled for plenary	A7-0322/2013	Summary
22/10/2013	Debate in Council	3268	
23/10/2013	Results of vote in Parliament		
23/10/2013	Debate in Parliament		
23/10/2013	Decision by Parliament	T7-0447/2013	Summary
23/10/2013	End of procedure in Parliament		

Technical information	
Procedure reference	2013/2134(INI)
Procedure type	INI - Own-initiative procedure
Legal basis	Rules of Procedure EP 54
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	ECON/7/12854

Documentation gateway					
Committee draft report		PE514.640	20/06/2013	EP	
Amendments tabled in committee		PE516.691	17/07/2013	EP	
Committee opinion	IMCO	PE514.761	06/09/2013	EP	
Committee opinion	EMPL	PE514.623	18/09/2013	EP	
Committee opinion	BUDG	PE514.719	18/09/2013	EP	
Committee opinion	FEMM	PE516.662	24/09/2013	EP	
Committee opinion	REGI	PE514.705	26/09/2013	EP	
Committee report tabled for plenary, single reading		A7-0322/2013	08/10/2013	EP	Summary
Text adopted by Parliament, single reading		T7-0447/2013	23/10/2013	EP	Summary
Commission response to text adopted in plenary		SP(2014)62	07/03/2014	EC	

European Semester for economic policy coordination: implementation of 2013 priorities

In the framework of the European Semester, the Council issued:

- recommendations to 23 Member States on the economic and employment policies set out in their national reform programmes, and opinions on their fiscal policies, as presented in their stability/convergence programmes;

- a specific recommendation on the economic policies of the Member States of the euro area.

Adoption of the texts, generally endorsed by the European Council on 27 and 28 June, concludes the 2012 European Semester monitoring exercise.

In accordance with the "comply or explain" principle introduced in 2011 in the "six-pack" reform of policy monitoring, the Council issued explanations in cases where its country-specific recommendations do not comply with those proposed by the Commission (see doc [11336/13](#)).

In setting out the priorities for this year's European Semester, the European Council emphasised the need to accelerate efforts to support growth as a matter of priority whilst pursuing growth-friendly fiscal consolidation.

Within the period 2013-2014, the Member States of the eurozone are invited to:

- take responsibility for the aggregate policy stance in the euro area in order to ensure the good functioning of the euro area to increase growth and employment, and to take forward the work on deepening Economic and Monetary Union;
- ensure that the Eurogroup monitors and coordinates fiscal policies of the euro area Member States and the aggregate fiscal stance for the euro area as a whole to ensure a growth friendly and differentiated fiscal policy;
- building on the recapitalisation and the restructuring of the past years, promote further balance-sheet repair among banks as a means to reverse fragmentation in the single market and improve the flow of credit to the real economy, particularly SMEs;
- coordinate ex ante the major economic reform plans of the Member States whose currency is the euro;
- promote further adjustment in the euro area, ensuring a correction of external and internal imbalances;
- take the necessary steps for an effective implementation of the Macroeconomic Imbalances Procedure.

In line with the Annual Growth Survey 2013, it is crucial for the euro area Member States to take collective and significant measures in order to tackle the social consequences of the crisis and the rising unemployment levels.

The Council recommends:

- that bold action should be taken along the lines of the Compact for Growth and jobs and the EU Youth Guarantee to tackle youth unemployment;
- further reforms to facilitate access to employment, prevent early withdrawals from the labour market, reduce the cost of labour, combat labour market segmentation and support innovation are recommended.

European Semester for economic policy coordination: implementation of 2013 priorities

The Committee on Economic and Monetary Affairs adopted an own-initiative report Elisa FERREIRA (S&D, PT) on the European Semester for economic policy coordination: implementation of 2013 priorities.

The Committee on Employment and Social Affairs, exercising its powers as an associated committee under [Rule 50 of the Rules of Procedure](#), was also consulted and gave its opinion on the report.

Whilst welcoming the country-specific recommendations made by the Commission, Members feel that the former need to be more precisely defined and improved for some Member States.

They consider that urgent action is required in many areas, inter alia in:

- restoring lending to the real economy and SMEs, which involves developing alternative resources of financing,
- making the business environment more competitive,
- fighting tax fraud, tax evasion and aggressive tax planning,
- restoring the sustainability of public finances and
- seeking effective European solutions to unemployment and thus establishing a fully integrated labour market and also significantly enhancing the social dimension of EMU.

The report welcomes the Commissions statement that deficit countries need to boost their competitiveness and that surplus countries need to boost, where possible, their demand in a proportionate and sustainable way in order to contribute to the stability and growth of the eurozone.

The committee believes that the EU economy as a whole needs to boost its competitiveness in the global economy. It stresses that the EU cannot compete on costs alone, but needs to invest more in research and development, education and skills, and resource efficiency.

The Commission is asked to:

- submit as a matter of urgency legislative proposals with the aim of creating a genuine convergence process within the EU Semester, based on Europe 2020 objectives, such as a Competitiveness and Convergence Instrument (CCI), as well as provisions on ex-ante economic policy coordination;
- develop a genuine European industrial policy, based on enhanced competitiveness and innovation,
- submit legislative proposals to complete the EMU, which should include a social pillar and set up a social pact for Europe, as recommended by Parliament in its resolution of 20 November 2012.

Members regret delays in implementing the EUR 120 billion Compact for Growth and Jobs agreed in June 2012, the Project Bond initiative launched in November 2012 and the EUR 180 billion additional investment by the EIB. They call on the Council and the Commission to investigate and quickly remove the obstacles preventing full delivery of these initiatives.

Employment and social policies: Members consider the Commissions recognition of the need to reduce taxes on employment in favour of other sources of income to be a positive development, which will speed up the fiscal consolidation process on a fairer basis.

The report makes the following observations:

- there must be increased targeting of EU funding on all priorities under the Europe 2020 strategy, in particular through growth and employment policies, including combating youth unemployment and long-term unemployment, and creating lasting jobs which are not precarious, and are adequately remunerated;
- the necessary flexibility that exists on the labour market must not adversely affect the high levels of social protection;
- labour market reforms must aim at promoting quality in work, improving social risk management, achieving progress in the inclusion of vulnerable groups in the labour market, reducing in-work poverty, reconciling work and family life, promoting gender equality, promoting health and safety at work, strengthening the rights of workers with atypical contracts and improving social protection for self-employed workers.

Members want to see a European Pact for Youth Employment and encourage the Commission to continue the work of the Youth Employment Action Teams to help the Member States with the highest levels of youth unemployment to re-programme EU structural funding under the 2007-2013 MFF in order to target it at young people.

Internal market: the Commission is asked to make single market governance a priority in its next Annual Growth Survey and in the European Semester 2014, and, in the next country-specific recommendations, to take full account of the key growth areas identified as the services sector, the energy sector, the transport sector and the digital single market.

Members call for full and appropriate implementation of the EU Services Directive whilst safeguarding public service obligations.

The Commission is asked, in the meantime, to step up its efforts to enforce single market legislation and to monitor this enforcement.

Regional policies: deeply concerned by the sharp downturn in public and private investment in the productive economy and especially at local and regional level, Members are convinced that the Structural and Investment Funds are essential in order to boost public investment. Member States are urged to do their utmost to decide in a timely manner on their national programming for the Structural Funds and the Cohesion Fund, in order to avoid delays in using these funds, whose aim is to support growth and job creation.

Womens rights and gender equality: the report stresses that new technology affords both employers and employees new opportunities for organising work in such a way as to strike a better work-life balance and thus make the labour market more inclusive for women.

The Commission and Member States are asked to bear in mind the objective of gender equality in the national work programmes.

Democratic legitimacy and the European semester: Members stress the need for dedicated respect for parliamentary prerogatives at European and national level and for those of the Commission as laid down in the Treaties and EU law against the trend of an increasingly intergovernmental culture of economic-policy making at EU and euro-area level.

European Semester for economic policy coordination: implementation of 2013 priorities

The European Parliament adopted by 476 votes to 96, with 25 abstentions, a resolution on the European Semester for economic policy coordination: implementation of 2013 priorities.

Whilst welcoming the country-specific recommendations made by the Commission, Members felt that the former need to be more precisely defined and improved for some Member States.

They considered that urgent action is required in many areas, inter alia in:

- restoring lending to the real economy and SMEs, which involves developing alternative resources of financing,
- making the business environment more competitive,
- fighting tax fraud, tax evasion and aggressive tax planning,
- restoring the sustainability of public finances and
- seeking effective European solutions to unemployment and thus establishing a fully integrated labour market and also significantly enhancing the social dimension of EMU.

Parliament welcomed the achievements made in several Member States which allowed their deficit procedures to be closed. It also welcomes the Commissions statement that deficit countries need to boost their competitiveness and that surplus countries need to boost, where possible, their demand in a proportionate and sustainable way in order to contribute to the stability and growth of the eurozone.

Members welcomed the Commissions statement that already in this years budgetary execution assessment and in the analysis of the national budgets for 2014, the Commission will try to accommodate, under certain conditions, non-recurrent, public investment programmes with a proven impact on the sustainability of public finances, while fully respecting the EU fiscal surveillance framework.

Members believed that the EU economy as a whole needs to boost its competitiveness in the global economy. They stressed that the EU cannot compete on costs alone, but needs to invest more in research and development, education and skills, and resource efficiency.

The Commission is asked to:

- submit as a matter of urgency legislative proposals with the aim of creating a genuine convergence process within the EU Semester, based on Europe 2020 objectives, such as a Competitiveness and Convergence Instrument (CCI), as well as provisions on ex-ante economic policy coordination;
- develop a genuine European industrial policy, based on enhanced competitiveness and innovation that focuses on restoring European industrial competitiveness and scaling back policies which cause companies to relocate outside the EU;
- submit legislative proposals to complete the EMU, which should include a social pillar and set up a social pact for Europe, as recommended by Parliament in its resolution of 20 November 2012.

Parliament called for closer monitoring of the application of the new prudential rules and the banking sector practices in financing the real economy, in particular economically viable SMEs. It called for direct banking recapitalisation by the European Stability Mechanism (ESM) to be available as soon as the Single Supervisory Mechanism (SSM) is in place.

Employment and social policies: Parliament called for increased targeting of EU funding on all priorities under the Europe 2020 strategy, in particular through growth and employment policies, including combating youth unemployment and long-term unemployment, and creating lasting jobs which are not precarious, entail the compulsory payment of social security contributions and are adequately remunerated. In this regard, it should be ensured that the necessary flexibility that is needed on the labour market is balanced with adequate levels of social protection.

Members want to see a European Pact for Youth Employment and encouraged the Commission to continue the work of the Youth Employment Action Teams to help the Member States with the highest levels of youth unemployment to re-programme EU structural funding under the 2007-2013 MFF in order to target it at young people. They welcomed the adoption of the Youth Guarantee by the Council and the earmarking of EUR 6 billion for the Youth Employment Initiative under the next MFF.

Parliament called for:

- specific action to increase the labour participation of women, older workers and workers with disabilities by ensuring that there are efficient incentives to return to, and stay in, work;
- support for the long-term unemployed through positive activation incentives such as personalised guidance and welfare-to-work programmes;
- labour market reforms with adequate levels of social protection which aim to reduce in-work poverty and strengthen the rights of workers with atypical contracts and improving social protection for self-employed workers.

The resolution recalled the skills mismatches and bottlenecks in many regions and sectors and the inability of certain education and training systems to cope with market demands and workers needs in this context.

Internal market: the Commission is asked to make single market governance a priority in its next Annual Growth Survey and in the European Semester 2014, and, in the next country-specific recommendations, to take full account of the key growth areas identified as the services sector, the energy sector, the transport sector and the digital single market.

Members call for full and appropriate implementation of the EU Services Directive whilst safeguarding public service obligations.

The Commission is asked, in the meantime, to step up its efforts to enforce single market legislation and to monitor this enforcement.

Regional policies: deeply concerned by the sharp downturn in public and private investment in the productive economy and especially at local and regional level, Members are convinced that that the Structural and Investment Funds are essential in order to boost public investment. Member States are urged to do their utmost to decide in a timely manner on their national programming for the Structural Funds and the Cohesion Fund, in order to avoid delays in using these funds, whose aim is to support growth and job creation.

Womens rights and gender equality: Parliament welcomed the country-specific recommendations (CSRs) regarding measures to improve childcare facilities, to remove disincentives for second earners and to accommodate the need to combine work and private life.

It stresses the importance of gender budgeting with a view to examining all government programmes and policies, their effects on resource allocation, and their contribution to equality between women and men.

Democratic legitimacy and the European semester: Members stress the need for dedicated respect for parliamentary prerogatives at European and national level and for those of the Commission as laid down in the Treaties and EU law against the trend of an increasingly intergovernmental culture of economic-policy making at EU and euro-area level. They urge the Commission to ensure the proper formal involvement of the European Parliament in all the steps of the European Semester process in order to increase the legitimacy of decisions which affect all citizens; calls on the Commission to find ways to increase the visibility of the process.