

Thursday 15 March 2001

## 7. State of European economy

A5-0082/2001

### European Parliament resolution on the state of the European economy, report preparatory to the Commission recommendation on the broad economic policy guidelines (2001/2008(INI))

*The European Parliament,*

- having regard to the Commission's Autumn 2000 Forecasts for 2000-2002,
  - having regard to Rule 163 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A5-0082/2001),
- A. whereas the main economic indicators of the European Union economy, from average GDP growth to the employment rate, continue to show positive trends, although not as good as estimated,
- B. whereas the economic situation in the European Union remains the best in the last ten years as the forecasts for growth remain around 3 %, despite a slowdown compared to the growth rate of 3,4 % for 2000, mainly caused by the abrupt increase in oil prices,
- C. whereas, for the second year, the annual growth rate of the Harmonised Index of Consumer Prices (HICP) in the euro area will go beyond the 2 % limit fixed by the European Central Bank (2,4 % in 2000 and an estimated 2,2 % in 2001), mainly because of a significant rise in imports, fuelled by oil prices and by the exchange rate of the euro,
- D. whereas the Commission's autumn forecast shows a decrease in investments for the current year from 5,3 % to 4,9 % of GDP,
- E. whereas the current pace of employment growth gave rise in 2000 to the creation of 2,6 million jobs, even if this will decrease in the next few years and unemployment is expected to continue to decline and fall to under 8 % by the end of 2002,
- F. whereas present demographic trends make an appropriate reform of social security systems in an efficient and safe way necessary, taking into account medium-term economic developments and the protection of the employment of older workers as well as the increase in the number of people in employment, inter alia by providing incentives for older workers to opt to extend their working lives,
- G. whereas prospects for further growth and additional job creation and a better activity rate will be fostered by promoting public and private investments in the fields of new technologies, environmental protection, energy efficiency and education, through the implementation of an appropriate legal and fiscal framework,
- H. whereas the introduction of the euro coins and notes on January 2002 in twelve Member States will create a European home market, this being defined as market with a single currency,
- I. whereas there is increasing evidence of a slowing down of the United States economy, which could in the medium term reduce exports from the European Union and influence its growth rate, as could the higher external value of the euro;
- J. whereas the impact of the 'new economy' and more particularly of the information and communication technologies (ICTs) on the Union's economic growth is positive although difficult to quantify in terms of productivity,

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1. Considers that the economic and monetary policy of the European Union and its Member States should be guided by the principles of a social market economy, capable of incorporating the policies required for environmental sustainability;
2. Considers that freedom and democracy, competition, price stability and sustainable growth, subsidiarity, solidarity, private property, full employment and social cohesion together with a functioning legal framework are the main elements of this economic system;
3. Notes that competition in free and open markets within a proper legal framework, which takes into account social and environmental issues, leads to positive social results;
4. Welcomes the fact that, for the first time, the Commission has included in its review a chapter on 'economic growth and environmental sustainability'; urges the Council to give appropriate follow-up to the statements therein;
5. Demands that all necessary steps be taken so that the inflation rate can be kept below two percent in the second half of this year;
6. Believes that price stability and non-inflationary and ecologically sustainable growth leading to full employment within a reasonable time should remain the main objective of the European Union's economic and monetary policy;
7. Believes that policy should be geared, on the one hand, towards stable and more diverse energy supplies and, on the other, towards reducing energy requirements and energy dependence;
8. Considers that a balanced liberalisation of telecommunications, mail, energy and railways should continue;
9. Calls for the improvement of the conditions for the promotion of investments, including a trans-European network policy;
10. Notes that clear price signals are needed, using market-based instruments like taxes, charges, and tradable emission permits, to reduce the pollution caused by economic activity and to fulfil the commitments made by the EU and the individual Member States at Kyoto;
11. Calls for the speeding-up of the implementation of an appropriate legislative and administrative framework for ICTs related investments in order to make a substantial contribution to the productivity rate;
12. Calls on the Member States to ensure that education and training are adequately tailored to the demands of the international knowledge economy;
13. Calls for structural reforms on the markets for goods, services, capital and labour to be speeded up and intensified in order to increase production potential and productivity in the EU and, at the same time, to permit a policy mix to help offset the impact of possible negative demand on the part of the USA on the EU's internal market through an increase in domestic demand;
14. Insists on the need to adapt the present social security systems with a view to ensuring they perform safely and effectively and to removing obstacles to the free movement of workers;
15. Calls for a policy to provide the European economy with the necessary human resources and labour supply, with consistent investments in the field of education and of new technologies, which will require exceptional and concerted efforts on the part of the European Union, the Member States, undertakings and workers to achieve, partly on the basis of the new climate of cooperation between teaching centres, universities and undertakings, the setting up and operation of a system of education and training for workers in every type of employment, irrespective of age, throughout their working lives;

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16. Calls for a more flexible labour market since this can make an important contribution towards improving the competitive position of weak regions and sectors in particular;
17. Notes with approval progress towards real convergence among the economies of the Member States and instructs the Council and the Commission to spare no effort towards further improvements in this crucial area;
18. Instructs its President to forward this resolution to the Council, the Commission, the governments and the parliaments of the Member States.

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## 8. EU election assistance and observation

A5-0060/2001

### European Parliament resolution on the Commission communication on EU Election Assistance and Observation (COM(2000) 191 – C5-0259/2000 – 2000/2137 (COS))

*The European Parliament,*

- having regard to the Commission communication (COM(2000) 191 – C5-0259/2000),
- having regard to Articles 3, 6, 11 of the Treaty on European Union and Articles 3, 177 of the EC Treaty,
- having regard to Article 21.3 of the Universal Declaration of Human Rights and the OSCE Commitments, agreed upon in Copenhagen in 1990;
- having regard to Article 17(2) of the Cotonou Agreement,
- having regard to the EU guidelines on common criteria for the selection of electoral observers<sup>(1)</sup> and the EU guidelines on electoral observation<sup>(2)</sup>,
- having regard to Council Regulation (EC) No 975/1999 of 29 April 1999 laying down the requirements for the implementation operations which contribute to the general objective of developing and consolidating democracy and the rule of law and to that of respecting human rights and fundamental freedoms<sup>(3)</sup> and Council Regulation (EC) No 976/1999 of 29 April 1999 laying down the requirements for the implementation of Community operations, other than those of development cooperation, which, within the framework of Community cooperation policy, contribute to the general objective of developing and consolidating democracy and the rule of law and to that of respecting human rights and fundamental freedoms in third countries<sup>(4)</sup>,
- having regard its resolution of 16 March 2000 on the Annual Report on International Human Rights and EU Human Rights Policy<sup>(5)</sup>,
- having regard to its resolution of 19 December 1997 on the Commission report on the implementation of measures intended to promote observance of human rights and democratic principles<sup>(6)</sup> and on setting up a single coordinating structure with the Commission responsible for human rights and democratisation<sup>(7)</sup>,
- having regard to its implementing provisions governing the work of delegations,
- having regard to Rule 47(1) of its Rules of Procedure,

<sup>(1)</sup> Council Decision 8728/99 – PESC 165 – COHOM 4, 28.5.1999.

<sup>(2)</sup> Council Decision 9262/98 – PESC 157 – COHOM 6, 3.6.1998.

<sup>(3)</sup> OJ L 120, 8.5.1999, p. 1.

<sup>(4)</sup> OJ L 120, 8.5.1999, p. 8.

<sup>(5)</sup> OJ C 377, 29.12.2000, p. 336.

<sup>(6)</sup> OJ C 14, 19.1.1998, p. 399.

<sup>(7)</sup> OJ C 14, 19.1.1998, p. 402.