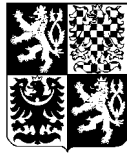


THE PARLIAMENT OF THE CZECH REPUBLIC

SENATE



7th term

591st RESOLUTION

OF THE SENATE

Delivered on the 24th session held on 3 November 2010

on the Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the Economic And Social Committee and the Committee of the Regions - Reinforcing economic policy coordination /Senate Press no. K 114/07/

The Senate

I.

C o n s i d e r s

the Communication from the Commission to be an appropriate basis for the debate on possible solutions to the current economic difficulties of the European Union addressing the issues of public finance and insufficient macroeconomic surveillance;

II.

1. **A s s e s s e s p o s i t i v e l y**

the proposals for enhancing both preventive and corrective arm of the Stability and Growth Pact, including its thorough enforcement, aimed at stopping further debt accumulation and securing a sustainable development of public finance;

2. **R e c a l l s**

in this context the Resolution of the Senate from 22 April 2010 on the Communication from the Commission Europe 2020, in which the Senate calls for consistent adherence to the Stability and Growth Pact, recognizing that an effective and functioning framework for public finance control is indispensable for a smooth functioning of the monetary union;

3. **I s c o n v i n c e d**

that an efficient corrective mechanism for compliance with the Stability and Growth Pact must be applied in a non-discriminatory way for all the member states;

4. Holds the view

that submitting the convergence and stabilization programmes simultaneously with the national reform programmes within the framework of the European Semester can contribute to creating a closer link between the budgetary policy and realization of the goals contained in the strategy EU 2020;

5. Supports

the position of the government as regards the unacceptability of change in the current state of delegation of fiscal competences from the national level to the EU, i.e. the national parliaments must remain sovereign when passing the budget in the future;

6. Considers

it useful to strengthen the macroeconomic surveillance and put more emphasis on analyzing of the development of the eurozone as a whole, aiming at the reduction of growing competitiveness divergences between the members of the monetary union that complicate its functioning and undermine the confidence in the single European currency;

7. Believes

that dismantling of barriers to the functioning of the internal market together with further measures promoting its effectiveness can substantially contribute to a boost in competitiveness of the member states' economies;

8. Emphasizes

at the same time, however, that the solution to macroeconomic imbalances in the monetary union calls for far-reaching structural reforms as regards labour markets, fiscal policies and creating favourable business environment by the member states of the eurozone;

9. Understands

the need to set up a European mechanism of financial stabilization as an EU response to the sovereign debt crisis;

10. Points out,

however, that the assistance provided under this mechanism must be strictly conditional in terms of corrective measures and the management of the mechanism should use, to the fullest extent, the best practices of the International Monetary Fund that has had long-standing experience in providing macrofinancial assistance;

III.

1. Requests

the government to inform the Senate about the way this position was taken into account, and about further initiatives following this Communication;

2. Authorises

the President of the Senate to forward this resolution to the European Commission.

Přemysl Sobotka
sign manual
President of the Senate

Jana Juřenčáková
sign manual
Senate Verifier