

Brussels, 27/08/2010
C/2010/5763

Dear President,

The Commission would like to thank the German Bundesrat for its reply to the Recommendation for a Council Recommendation on broad guidelines for the economic policies of the Member States and of the Union - Part I of the Europe 2020 Integrated Guidelines {COM(2010) 193 final} and the Proposal for a Council Decision on guidelines for the employment policies of the Member States - Part II of the Europe 2020 Integrated Guidelines {SEC(2010) 488 fina}, submitted by letter of 04 June 2010.

In line with the Commission's decision to encourage national parliaments to react to its proposals to improve the process of policy formulation, we welcome this opportunity to respond to your comments. I enclose the Commission's response and hope you will find this a valuable contribution to your own deliberations. My services remain at your disposal for any further enquiries.

I look forward to developing our policy dialogue in the future.

Yours sincerely,

/-/ Maroš Šefčovič

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EUROPEAN COMMISSION

COMMENTS OF THE EUROPEAN COMMISSION ON AN OPINION FROM THE GERMAN BUNDES RAT

COM(2010)193 –COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND TO THE EUROPEAN PARLIAMENT – ACTION PROGRAMME ON REDUCING ADMINISTRATIVE BURDENS IN THE EUROPEAN UNION - SECTORAL REDUCTION PLANS AND 2009 ACTIONS.

The Bundesrat's overall positive assessment of the proposed Europe 2020 Integrated Guidelines is welcomed by the Commission.

According to points 1 to 8 of your opinion, as highlighted by the Bundesrat, the Commission proposed a limited number of guidelines to the Member States; the aim is indeed of giving them a focused, stable, operational and balanced framework of action. The Commission indeed believes that the proposed guidelines have reached the necessary balance between giving precise - and therefore useful- guidance to the Member States, while at the same time fully respecting the diversity of situations in the Member States, giving them the necessary room for manoeuvre, and acknowledging their competences and institutional arrangements.

Concerning points 9 to 12 of your document, the Commission shares the point of view that the Stability and Growth Pact should remain a strong and independent pillar of EU-economic governance. The Commission, in line with the European Council conclusions of 17th June, intends to make further proposals to strengthen the preventive and corrective arms of the Pact. Whilst keeping the instruments separate, the Commission considers that there is a need for bringing the Stability and Growth Pact and Europe 2020 processes together, to ensure that consolidation measures and growth-enhancing, structural measures go hand in hand. Both elements are crucial for building a sustainable future and the Commission is determined to monitor them closely. The Commission has already made concrete proposals for enhancing economic policy coordination in its Communications of 12th May (COM(2010) 250) and 30th June (COM(2010)367). The Commission agrees with the opinion expressed by the Bundesrat that enforcement of rules – existing or new ones – is essential. The latter Communication sets out effective enforcement mechanisms to ensure that Member States will act in compliance with the EU framework they have agreed and proposes a series of preventive and corrective measures, including a range of sanctions that could be applied when breaches occur.

In reply to points 15 to 17 of your opinion, the Commission agrees that labour costs development should be consistent with productivity trends – and has highlighted this clearly in the proposed integrated guidelines. Labour costs having a clear impact on external imbalances, the Commission considers that this element has to be duly taken into account

when tackling labour costs – however the Commission would agree that wages should not be primarily driven by these external considerations.

According to point 25 of your opinion, the Commission certainly agrees that multilingualism is a core competence that should be developed among European citizens.

In reply to points 26 to 31 of your document, the Commission fully agrees that education and training policies are independent policies essentially falling under the competence of the Member States - with a possibility for the Commission to support them in their endeavours - and which serve a broader purpose than a purely economic one. However, the role of education and training in the employability of citizens and therefore in economic life is uncontested. The European Council agreed that a target on education should be part of the five EU-headline targets of Europe 2020. The subsequent monitoring will focus in particular on how education and training contribute to smart, sustainable and inclusive growth in the European Union. It should be noted in this context that the European Council recommendations shall not alter Member States' competences, for example in areas such as education.

In respect to your concerns in point 37 of your document, we would like to point out that in its Europe 2020 Communication of 3 March 2010, the Commission has already recognised the role that regional and local authorities should play in defining and implementing the Europe 2020 strategy and the national reforms programmes. The Commission encourages Member States to involve regional and local authorities in the design, implementation and monitoring of the national reform programmes of course according to the institutional arrangements that prevail within the Member States.