Parliament of Romania

Chamber of Deputies

No 1/975/V8

18 March 2013

OPINION

concerning the Communication from the Commission: Annual Growth Survey 2013

COM (2012) 750

Having regard to the Treaty of Lisbon, in particular Articles 5 and 12 TEU and Protocols 1 and 2 annexed to the Treaty,

Having regard to the Constitution of Romania, republished, in particular Article 148 thereof,

Having regard to Decision No 11/2011 of the Chamber of Deputies,

Taking into account the draft opinion adopted by the Committee for Economic Policy, Reform and Privatisation at its meeting of 11 February 2013,

Taking into account the draft opinions adopted by the Committees for the Budget, Finance and Banking, for Employment and Social Protection, for Public Administration, Spatial Planning and Environmental Balance, and for Education, Science, Youth and Sport at the meetings of 19 February 2013,

Taking into account the draft opinions adopted by the Committees for Industry and Services and for Information Technology and Communications at the meetings of 26 February 2013,

Taking into account the position of the Romanian Government, expressed through the positions presented by the representatives of the Ministry of Foreign Affairs during hearings and through the Ministry of Foreign Affairs Memorandum, Taking into account the information sent by Romania's Permanent Representation to the European Union,

Taking into account the documentary material drawn up by the EU Law Directorate of the Chamber of Deputies,

Taking into account the Declaration of Members of the European Council of 30 January 2012, the Conclusions of the European Council of 28-29 June 2012, the Conclusions of the European Council of 13-14 December 2012 and the Conclusions of the European Council of 7-8 February 2013,

Taking into account the European Parliament Resolution of 7 February 2013 on the European Semester for Economic Policy Coordination: Annual Growth Survey 2013 (2012/2256(INI)), the Report of the European Parliament Committee for Economic and Monetary Affairs and the Opinion of the Budgets, Regional Development and Constitutional Affairs Committees of the European Parliament (A7-0032/2013),

Taking into account the European Parliament Resolution of 7 February 2013 on the European Semester for Economic Policy Coordination: employment and social aspects in the Annual Growth Survey 2013 (2012/2257(INI)),

Taking into account the Conclusions of the 3220th meeting of the Economic and Financial Affairs Council of 12 February 2013,

Taking into account the recommendations presented in the Strategy and Policy Studies published by the European Institute in Romania in 2011, in particular Study No 3 '*Semestrul European şi asigurarea unei creşteri economice sustenabile prin însănătoşirea finanţelor publice. Lecţii pentru România din perspectiva sustenabilităţii finanţelor publice*' [European Semester: ensuring sustainable economic growth through sound public finances. Lessons for Romania from the public finances’ sustainability point of view],

Taking into account the information presented in the Study 'An Assessment of the European Semester', produced by the European Parliament – IP/A/ECON/ST/201 - 24/PE 475.121/September 2012,

Taking into account the final draft opinion adopted by the Committee for European Affairs at the meeting of 26 February 2012, Having regard to the approval given by the Permanent Office of the Chamber of Deputies on 4 March 2012,

The Chamber of Deputies, acting in accordance with Article 40 of its Decision No 11/2011 of 27 April 2011, hereby adopts this **Opinion**:

1. It congratulates all those who have contributed to staving off the threat of the implosion of the European financial system and to the appearance of the first signs of economic recovery and stresses the importance of the spirit of unity shown by the Members of the Union, which was decisive in maintaining the stability and viability of the single European currency.

2. It shares the opinion expressed in the documents of the European Parliament and the EU Council that although the economic situation is starting to improve and confidence in the European economy is growing, it is essential that the Member States remain committed to the path of reform, particularly as recovery appears to be slow, and the euro area continues to face a double-dip recession caused by excessive levels of debt and the financial crisis.

3. It takes note of the dramatic situation on the labour market across the Union, where unemployment remains at very high levels, with more than 25 million people out of work, of which 10 million are young people. The Chamber of Deputies notes that in 12 of the 27 Member States, the rate of unemployment among young people exceeds 25%.

4. It notes that the European Semester, launched by the Annual Growth Survey (AGS), is an instrument intended to improve the coordination of European policy on both macroeconomic and structural issues, and that it forms part of a wider EU objective to reinforce economic governance.

5. It notes that starting from the 2012 cycle, with the adoption of the Six-Pack, the European Semester coordinates stricter tax rules and acts as a framework for the new macroeconomic imbalance procedure. This increases the strength of the intervention in the economic policies of the Member States and, by implication, increases the need for transparency and legitimacy.

6. It agrees that the Two-Pack would be an important step towards achieving a more efficient European Semester. It takes note that one of the two proposed Regulations refers to states like Romania where financial assistance programmes are implemented. It notes that those states are exempted from some of the requirements of the European

Semester, but are subject to stricter conditions concerning compliance with the agreements and reporting.

7. Considers that the European Semester continues to be an effective framework for identifying solutions to problems in the field and that the successful completion of the exercise, together with solid banking reform and progress in meeting the objectives of the Europe 2020 Strategy, including the five priorities for action mentioned in the 2013 Annual Growth Survey, could lead to economic recovery.

8. Rolling over the priorities identified in the 2012 Annual Growth Survey into the 2013 Survey ensures continuity in the strategy committed to at EU and national levels, but has the downside that it ignores the modest results achieved in particular with regard to economic growth.

9. Considers that efficient coordination of economic policies in an extremely complex multi-tiered system such as the EU system is possible only if early, rigorous and transparent guidance is provided and if the Member States adopt the process at national level.

10. Shares the view of the Council that the horizontal macroeconomic and fiscal guidance provided in 2011 remains overall valid. The same can be said for the five priority areas that, in the view of the Commission, should be concentrated on at national and EU level in 2013.

11. Also recognises that particular emphasis must be put on the effective implementation of the previous reform commitments, in particular those laid down in the national reform programmes and highlighted in the country-specific recommendations.

12. Shares the vision expressed in the European Parliament Resolution, which states that 'the growth-friendly fiscal consolidation pillar should be developed hand in hand with growth-enhancing structural reforms and the solidarity and democracy pillars in each Member State'.

13. Notes that the AGS is a declaration of the preferences for future key policy priorities and considers that even if those preferences are borne out by the economic arguments that have been drawn up, the decision must remain a political one.

14. Observes that the open method of coordination used to coordinate structural reforms in the European Union, including in the Lisbon Strategy, was an experiment that sought

to establish and meet a common objective by means that do not detract from national sovereignty. It regards the two objectives as incompatible because there can be no coordination without a loss of sovereignty. It also considers the current mechanisms to be necessary and more effective and that the invasive character of certain legislative provisions should be countered by strengthening the legitimacy of the Union's actions.

15. Shares the opinion that it is essential to promote democratic accountability and the accountability and legitimacy of all those involved in the European Semester, including the appropriate involvement of the European Parliament and national parliaments.

16. Nonetheless considers that the legitimacy of the European Semester is a complex problem that has not been adequately dealt with. The AGS is approved by the European Council, which confers on it a certain political legitimacy. At the same time, although the economic dialogue codified through the Six-Pack gives the European Parliament the right to intervene in the European Semester at almost any moment, the Treaty does not give the European Parliament the right to take economic policy decisions, its role being limited to increasing public awareness of decisions and requesting information.

17. Acknowledges that a definitive solution could require substantial changes to the Union treaties, but considers that in the short term, increasing the involvement of national parliaments is vital to ensuring that the measures can be adopted and applied in a democratic manner.

18. Points out that the Six-Pack, the future Two-Pack and the Fiscal Compact may create a multiple geometry within the EU, and that the gap that would be created between the euro area and non-euro area countries would add to existing divisions within the Union. Moreover, the complications generated by variable geometry could affect the very legitimacy of the process.

19. Supports the position of the European Parliament to promote the draft provisions in the Two-Pack enhancing the economic dialogue and the overall scrutiny on the process called ‘European Semester of National Parliaments and the European Parliament’.

20. Agrees with the idea of creating an inter-parliamentary conference dedicated to the coordination of economic policies and involving delegations from national parliaments and the European Parliament, and supports action to boost communication between the national parliaments and the European Commission. It also notes that the Two-Pack could create a channel of communication between the European Commission and the

national parliaments. However, the Chamber of Deputies would stress that this risks diluting the European Commission's focus on the European interest and making it susceptible to the preferences of national parliaments.

21. Supports moves to have the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, which entered into force on 1 January 2013, incorporated into the existing EU Treaties as quickly as possible.

22. Supports smart fiscal consolidation that preserves investment in future growth, sound macroeconomic policies and an active employment strategy that preserves social cohesion.

23. Shares the Council's conclusion that public finances need to be solid and sustainable, and that this is an essential condition for ensuring market confidence, macroeconomic stability and economic growth.

24. Particularly appreciates the European institutions' conclusion that fiscal adjustment must continue on the path of growth-friendly fiscal consolidation, depending on the state of their budgets, and that the rhythm of consolidation should be differentiated across countries according to their fiscal space and that of the broader European economy, in order to avoid negative growth and negative employment effects while ensuring debt sustainability.

25. Although it supports the argument for continuing fiscal consolidation, the Chamber of Deputies is aware that methods must be used that are appropriate for achieving a medium and long term objective, as we have seen that a short-term approach often has negative repercussions on economic growth and employment, particularly in states in economic difficulty.

26. Most economic models and the reality on the ground show that fiscal multipliers are much more severe in periods of recession or weak economic growth, and this aggravates the short-term effects of an aggressive fiscal consolidation.

27. The unprecedented fiscal consolidation measures taken in all EU countries in the last three to four years have had severe effects on the economies of the Member States, which are facing two consecutive years of negative growth in 2012 and 2013 (in the latter case, the figures are estimates).

28. Negative growth largely cancels out the expected positive effects of fiscal consolidation, as rather than reduce sovereign debt, it actually adds to it. Prolonged weak economic growth has dramatic effects on the labour market, where unemployment has reached unprecedented levels, particularly among young people, with serious consequences for long-term economic growth.

29. Without underestimating the need for fiscal consolidation in order to boost investor confidence, we would recommend finding a better balance between measures to reduce deficits and measures to stimulate economic growth.

30. The timetable for fiscal consolidation should be relaxed and rescheduled to run over a longer period, parallel with maintaining appropriate policy spaces both at EU and national level, by ensuring minimum critical sizes for the 28 budgets (i.e. the 27 national budgets and the EU budget) in order to stimulate growth and employment

31. Agrees that the appropriate mix of expenditure and revenue side measures is context dependent, however consolidations based on cutting unproductive expenditure rather than on increasing revenue tend to be more lasting and more growth-enhancing in the medium term, but more recessive in the short term.

32. Appreciates the opinion of the European Parliament regarding the need to attain full coherence between budgetary consolidation and economic measures on the one hand and social policy, growth and employment measures on the other.

33. Points out that the definition of objectives at European level and the recommendations are not sufficiently justified by a transparent quantification of the spill-over effects in the Member States that would result from the simultaneous application of the proposed measures, and stresses that this undermines the efficiency of the European Semester.

34. Highlights the lack of any clear explanation for the selection of the European Commission's policy priorities and objectives, for example evidence for the potential compromises required by the policy options stated in the AGS.

35. Notes that the prioritisation of EU recommendations at Member State level and policy level has not been sufficiently substantiated and therefore creates doubts as to the correctness of the criteria used.

36. Highlights that the forecasting difficulties concerning deficits and GDP make ex-ante guidance difficult and that if the forecast were to be inaccurate this would make it hard for Member States to implement the country-specific requirements.

37. Particularly appreciates the vision expressed at the summit of 8 February this year, which allocates a central role to the promotion of economic, social and territorial cohesion and Member State solidarity.

38. Considers the cohesion policy to be the best available instrument for ensuring a job-rich recovery.

39. Bearing in mind the key role played by cohesion policy in the development of national programmes within the framework of the European Semester, the Chamber of Deputies considers that this policy should be a prime focus of the AGS and should contribute to the annual debate on growth and jobs in the EU.

40. Points out that, at a time of heavy fiscal constraint and reduced lending capacity in the private sector, the Structural Funds and the Cohesion Fund represent an essential lever, at the Member States' disposal, to stimulate the economy and help deliver the growth and employment objectives enshrined in the Europe 2020 Strategy.

41. Welcomes the confirmation by the European Commission and the European Parliament of the utility of stepping up administrative capacities to ensure speedier distribution of as yet unspent Structural Fund resources, as speedier disbursement of as yet unspent Structural Funds resources can help strengthen the liquidity of the market.

42. Notes that the modernisation of public administration would, by tackling delays in the judicial system, focus in particular on reducing administrative burdens, developing e-government services and sharing best practice in this field.

43. Shares the view that the European Union's budget must be a catalyst for growth and jobs across Europe, notably by leveraging productive and human capital investments.

44. Supports the concept of directing reforms towards sustainable growth with a high level of competitiveness. This purpose is served by research and innovation, education and vocational training and labour market reform, together with entrepreneurial spirit, credit flows to SMEs, public administration reform and the elimination of obstacles that prevent the creation of new jobs.

45. Appreciates the guideline provided by the European Council of June 2012 for deepening structural reforms in order to unlock domestic potential for growth, including through opening up competition in network industries, promoting the digital economy and exploiting the potential of a green economy. The Chamber of Deputies also welcomes the attention given to exploitation of the job-creation potential of key sectors such as the green economy, health and social care (the 'white sector'), and the ICT sector in the AGS priorities for 2013. The Chamber of Deputies is determined to contribute to promoting entrepreneurship, including social entrepreneurship, and to support business start-ups.

46. Points out that lending to the private sector, which is key to financing the real economy, remains weak and private credit flows are subdued in several Member States, despite the various liquidity programmes established by the ECB. Restoring normal lending to the economy and urgently completing the restructuring of the banking sector is a fundamental requirement. National supervisory authorities and the EBA must ensure that bank recapitalisation does not lead to deleveraging. At the same time, there is a need for mechanisms that would prevent banks from unjustifiably restricting the lending available to the real economy.

47. Stresses the importance of restoring lending to the economy, especially for SMEs, which could also benefit from better mobilising structural funds by speeding up the implementation of existing programmes and projects, where appropriate re-programming monies and rapidly committing monies not yet allocated to specific projects. The Chamber of Deputies also stresses the importance of the consolidation of EIB support for SMEs and infrastructure, the use of 'project bonds' to stimulate private financing of key infrastructure projects, removing unjustified restrictions on service providers and making it easier to start a business, and in general, the continual reduction of the regulatory burden for SMEs and micro-enterprises.

48. Agrees with the Commission that innovative EU financial instruments can serve as catalysts for targeted investment, achieve a multiplier effect on the EU budget and increase the EU’s growth potential;

49. Acknowledges that the completion of the single market is a key element in the EU's response to the financial, economic and social crisis. The Chamber of Deputies hopes that we will not have to wait long for the anticipated progress in respect of professional qualifications, public procurement, employee secondments, further development in cross-

border online trade, including by facilitating the transition to e-invoicing, electronic signatures and authentication, the introduction of high-speed internet and the modernisation of the copyright regime.

50. Accepts the argument that it is not possible to adopt new rules when the old ones have not yet been implemented. In the case of the single market, unimplemented legislation is a genuine obstacle in the functioning of the single market. That is why the Chamber of Deputies supports the European Commission in its drive for stricter requirements on transposition deadlines, with the goal of 'zero tolerance' regarding the implementation of directives.

51. Accords maximum importance to the completion of the internal energy market by 2014 in accordance with the agreed deadlines and to guaranteeing that no Member State is left outside the European gas and electricity networks after 2015. The Chamber of Deputies is convinced that this will significantly contribute to EU competitiveness, growth and employment.

52. Expresses its support for consolidating the external dimension of the single market, for the use of international trade as an engine for economic growth and for the rejection of any protectionist practices. The Chamber of Deputies welcomes the EU institutions' focus on opening markets and stimulating trade with EU partners and regrets that the measures for achieving global reciprocity have not yet proved effective.

53. Awaits with interest the European Commission's proposal on the convergence and competitiveness instrument intended to support reforms in the Member States, combined with European financial support. The Chamber of Deputies hopes that the best possible solutions will be identified for making growth and competitiveness contracts into instruments that are beneficial for all Member States.

54. Welcomes the proposals for strengthening the fight against tax fraud and tax evasion and the measures intended to achieve greater coherence between national tax systems.

55. Takes note of the European Parliament's comment concerning the reduction in taxpayers' capacity to pay in a number of member States, against the backdrop of the expansion of the European shadow economy, which is estimated to represent 22.1 % of total economic activity, and the resulting loss of tax estimated to be around EUR 1 trillion each year.

56. Shares the view of the European Parliament concerning the Commission's Action Plan to strengthen the fight against tax fraud and tax evasion and hopes that following the Commission's recommendations, the Member States will adopt immediate coordinated measures against tax havens.

57. Notes that the existing instruments are insufficient to fight against tax fraud and tax evasion and that although it is proposed that the counter-measures adopted against non-cooperative jurisdictions be implemented jointly, the instruments for doing so have not been specified.

58. Appreciates the Member States' commitment to taking efficient action to combat tax fraud and tax evasion, including during times of budget constraints and economic crisis, as stated in the conclusions of the Economic and Financial Affairs Council of 13 November 2012.

59. Particularly appreciates the proposal concerning Banking Union and the single supervision mechanism under the authority of the European Central Bank. We consider these to be important steps towards consolidating economic and monetary union and towards achieving the general objective of restoring normal lending to the economy.

60. Would nevertheless point out that in order to 'address risks to the financial sector and correct the former weaknesses of our regulation and supervision systems', the supervisory authorities would need to ensure rigorous implementation of EU legislation concerning restrictions on the payment of bonuses by all banks and attention needs to be given to effective methods of discouraging banking fraud. In this respect we propose that the European Commission launch consultation concerning the following:

- making fines imposed on shareholders or employees of banks and other financial institutions for administrative or criminal offences that generate a financial loss directly proportional to their personal income from the bank or financial institution against which the offences were committed; simplified enforcement procedures on the assets or goods of offenders who do not pay their fines;

- simplified procedures for the confiscation of financial assets or goods paid for using funds originating from administrative or criminal offences that result in a financial loss for banks or other financial institutions;

- simplified procedures under which, where the shareholders or employees of a bank or financial institution have committed an administrative or criminal offence that causes a financial loss, amounts generated by confiscating assets that resulted from such offences are paid into funds intended for the guaranteeing of bank deposits.

61. Regrets that it was not possible for the Council to adopt the proposal for a tax on financial transactions within a reasonable timeframe and that it was necessary to resort to the enhanced cooperation mechanism.

62. Congratulates the Member States participating in enhanced cooperation over the tax on financial transactions and hopes that as many Member States as possible will sign up to this action soon because irrespective of how justified or specific the reservations expressed may be, it is only through actions of this kind that we can avoid fragmentation and inability to react to crises.

63. Expresses its concern at the increase in the risk of social exclusion across the Union. The figure of 120 million at an aggravated risk of poverty, severely materially deprived or living in households with very low work participation is inconceivable in a Union of prosperity and solidarity.

64. Highlights the existing discrepancies in terms of the efficiency of expenditure on social protection in order to reduce poverty. Notes that Romania is part of the group of states that spend little on social protection and achieve limited impact on meeting targets for reducing poverty. On the other hand, the measures taken by another group of Member States that devote larger amounts to this problem have the same limited impact on combating poverty. The Chamber of Deputies recommends that the Commission launch a guide that would provide Member States with examples of best practice and recommendations for making more effective use of appropriations.

65. Considers that in the context of limited resources, the measures intended to reduce poverty in the country-specific recommendations should first and foremost focus on those persons without the means to take action, such as persons with a serious or severe disability, persons with chronic illness who are unable to work, elderly persons who are unable to work, etc.

66. Shares the regret expressed by the European Parliament that too little attention is paid in the 2013 AGS to putting in place the necessary preconditions for increasing labour market participation, notably that of women, notably workers at the age 45 +, people with disabilities and the most deprived.

67. Agrees with the European Parliament, the European Council and the Council of the European Union regarding the possibility to shift the overall tax burden towards tax bases that are less detrimental to growth and job creation, and to make tax systems more efficient, competitive and fairer. The Chamber of Deputies asks that shifting the tax burden from direct taxes to indirect taxes be avoided because this risks aggravating actual aggregate demand.

68. Shares the view that measures to cut non-wage labour costs, such as the reduction of the tax wedge, can have a significant impact on labour demand for the low-skilled and the young.

69. Supports reducing the tax burden on labour, in particular with regard to employees with small wages and vulnerable groups, shifting tax pressure to taxes that are less detrimental to economic growth and job creation, removing subsidies and unjustified or harmful tax expenditure, and concrete measures to improve compliance with tax rules and the efficiency of tax collection.

70. Considers that temporary reductions in social security contributions or job subsidy schemes for new recruits, especially for the low-skilled and long-term unemployed, are effective incentives to promote job creation.

71. Supports the European Parliament's request to the Commission and the Member States to take steps, in order to deepen European labour market integration, to improve mobility within and across labour markets by removing legal and administrative barriers to free movement of workers within the EU such as the transitional labour market restrictions for workers from Romania and Bulgaria and by improving the social security rights and working conditions of workers exercising their right to free movement. The revision of EU rules on the mutual recognition of professional qualifications, including the European professional card and the European Skills Passport, and the further strengthening of EURES, form part of the same category of measures.

72. Regrets that the free movement of workers is blocked by the prolonging of the restrictions on Romanian and Bulgarian workers up to the maximum allowed by the Accession Treaty, despite the fact that eliminating the fragmentation of the labour market has been repeatedly recommended by the EU institution as a remedy for recession. At the same time, the Chamber of Deputies regrets the political pressure exercised by the press in some Member States with regard to Romania and Bulgaria, concerning a supposed

wave of immigrants starting on 1 January 2014. The Chamber of Deputies considers that by deliberately ignoring official figures from Member States that have lifted restrictions, which attest that there has been no significant increase in the movement of workers, those sections of the press which incite the population to reject the Union as a whole, together with the rejection of its citizens, have violated the code of conduct of the press. The Chamber of Deputies expects the Member States in which such media campaigns are being waged to adopt positions that are in accordance with the commitments they have made through the EU Treaties. The Chamber of Deputies hopes that the Institutions of the Union and the other Member States will take action against such practices and invites the Member States advocating restrictions on the right to free movement to recognise that the problems are not created by Romanian citizens but are the result of administrative and criminal offences committed by certain Romanian citizens. The Chamber of Deputies encourages those Member States to apply their domestic legislation firmly when it is violated by such persons.

73. Fully accepts the arguments of the EU institutions concerning the reform of the labour markets to make them more adaptive, dynamic and more inclusive while ensuring adequate security for employees, providing employers and employees with skills and instruments that enable them to adapt to changing labour market needs.

74. Congratulates the Commission and the other EU institutions for their decisive approach to the problem of youth unemployment and strongly supports the Commission's proposal concerning Youth Guarantee Schemes. The Chamber of Deputies hopes that the intended measures will be implemented quickly and that sufficient funds will be allocated, achieving a suitable balance between EU and Member State funding.

75. Supports in principle the proposal to redirect available EU funds towards support for young people to get into work or training.

76. It supports fostering cooperation and synergies between the education-training sector and enterprises as the best way of anticipating skill needs and adapting education and training systems to the needs of the labour market.

77. Agrees that there is a need for strategies for young people who are not in employment, education or training and hopes that the Member States show financial solidarity with Member States with insufficient budgetary resources when drawing up these strategies.

78. Agrees with the idea of reform to increase the sustainability of the pensions systems, including by reducing the number of people leaving the labour market early, but warns that what is needed is a system that incentivises those who continue to work exclusively of their own free will, possibly through tax breaks that reward duration of employment.

79. Notes that the Chamber of Deputies' comments in the opinion on the 2012 AGS, in which it warned that increasing pensionable age in proportion to life expectancy, restricting access to early retirement schemes and increasing the level of employment of the population above a certain age were in conflict with other labour market reforms, such as reducing youth unemployment, are refuted in the 2013 AGS, which states: 'Encouraging the early retirement of older workers in the hope that young people will be recruited in their place is a policy that has proven largely ineffective and very costly in the past, and should not be repeated.'[1]. The Chamber of Deputies notes that the affirmation has not been demonstrated and expresses reservations as to the validity of the argument.

80. Considers that the reform of healthcare systems in order to ensure their profitability and sustainability should not focus on reducing appropriations, but on the efficient and correct use of resources and the combating of potential abuses.

81. Notes that there are certain internal contradictions and asymmetries in the system proposed by the AGS 2013:

- The contradiction between austerity and economic growth persists in spite of certain attempts to limit it, as the concepts introduced, such as 'smart fiscal consolidation' are confusing and unverified;

- The contradiction between pensionable age and job creation for young people;

- The contradiction between the fight against tax fraud, including undeclared work, and foreign direct investment and consumption;

- The contradiction between restricting the free movement of workers and massive immigration from third countries;

- The contradiction between structural reforms and competitiveness at EU level (structural reforms increase the competitiveness of some Member States, but an increase

[1] Page 12, paragraph 3, sentence 2.

in competitiveness is not a zero sum game or a positive sum game, as other Member States will incur losses in competitiveness);

- The contradiction between the legitimacy and the effectiveness of the European Semester (national parliaments will not permit a loss of sovereignty in favour of the EU. This reduces the efficiency of ex-ante guidance);

- An asymmetry between very strict tax supervision and more lenient macroeconomic supervision;

- An asymmetry between the treatment of external deficits, on which great emphasis is placed, and that of external surpluses, which are treated with indulgence;

- An asymmetry between the very strict treatment of sovereign debt and more lenient treatment of private debt;

- An asymmetry between the heavy use of supply-side management and feeble use of demand-side management to support the economy.

The Chamber of Deputies requests the gradual elimination of the asymmetries highlighted above, which so far have been linked to actions taken to bring about economic recovery and escape from the vicious circles in which we have found ourselves.

This opinion is addressed to the Presidents of the European Parliament, the Council and the European Commission and to the Romanian Government.

PRESIDENT

Valeriu Stefan Zgonea