Unofficial Translation DE-EN
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Pact for Competitiveness

We, the Heads of States and Governments of XXX, conclude [on xxx 2011] a "Pact for Competitiveness".

The EU has already made the first important steps in view of maintaining financial stability and to promote a return to sustainable growth: The proposals worked out by the 'Van Rompuy Working Group' to tighten the Stability and Growth Pact and to avoid and correct macro-economic imbalances, will have to be accepted by no later than June. The mechanism of macro-economic surveillance should in particular start to apply to those Member States that due to their strong competition deficits represent a danger to the financial stability of the Euro zone.

We are however prepared to take further, resolute steps: this Pact aims at a long-lasting increase of competitiveness of the States involved, in order to achieve a stronger economic convergence. This is to happen on the basis of concrete commitments - more ambitious and more binding ones than those already decided by the EU-27. We should orient ourselves according to the respective best practice ("benchmarking against the best"). We commit ourselves to three quantifiable indicators, which are decisive indicators for our national economies' competitiveness:

1. Indicator to measure price competitiveness (e.g. stability of real unit labour cost, realigning labour cost according to development of productivity);

2. Stability of public finance, from a comprehensive point of view (assessment measure still to be fixed, under consideration of explicit and implicit public debt);

3. Minimum rate for investments in research, development, education and infrastructure of x% of GDF (value still to be fixed).

We commit ourselves to let ourselves be evaluated according to these indicators, on the basis of a COM report (if necessary with the support of the ECB or the European Systemic Risk Board). Within the frame of our national responsibilities, we will take all necessary measures to improve our competitiveness. We will invite representatives of the national parliaments of the states participating to meet regularly, and to accompany this reinforced coordination process for more competitiveness also beyond national legislation.

To reinforce our competitiveness, we agree, as a first step, on a "programme in six points for more competitiveness", of which the measures will have to be implemented nationally in a period of 12 months:

1. Abolishment of wage/salary indexation systems
2. Mutual Recognition Agreement on education diplomas and vocational qualifications for the promotion of mobility of workers in Europe
3. Foreseeing the creation of a common assessment basis for the corporate income tax
4. Adjustment of the pension systems to the demographic development (i.e. average age of retirement)
5. Obligation for all Member states to inscribe the "debt alert mechanism" into their respective Constitutions
6. Establishment of a national crisis management regime for banks

We, the Heads of States and Government of the Eurozone [plus X], will review on a regular basis the implementation of the Pact for Competitiveness. We will establish the necessary procedures and adopt the necessary institutional provisions in view of the organisation of our work and of supporting our decisions.

We invite the Commission to present within 12 months us a report on the implementation of the 6 measures, and to include its recommendations. Furthermore, we will examine the introduction of a sanctions mechanism.

We are convinced that the reinforced coordination of our policies for the competitiveness of the Eurozone and the new mechanism for crisis management will provide for the continuous stability for our currency. Those two new cornerstones of the Economic and Monetary Union will provide the balance between our basic principles of responsibility and solidarity.

We, the Heads of State and Government, contribute herewith to secure the happiness of European unification for the future generations