

NOVEMBER PLENARY 2011

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## **ECONOMIC GOVERNANCE - BOLDER MEASURES NEEDED**

On November 16, MEPs discussed the immediate and medium term needs for stronger EU economic governance with European Council President Herman Van Rompuy, Euro-group President Jean-Claude Juncker and European Commission President José Manuel Barroso.

During the parliamentary debate President Van Rompuy said "Talk on a two tier Europe has been exaggerated. It is time to de-dramatise this. It is true however to realise that it is those member states which are outside of the eurozone that have a derogation and not the other way round," "Stronger economic governance is now a matter of common sense and not the dreams of people in favour of Europe. This crisis has taught us the lesson of interdependence and this is why we must solve things together", continued Barroso, President of the European Commission. For Juncker "the economic coordination system needs to be more political and less technical. The EU's economic policy coordination cannot remain the preserve of finance ministers."

Martin Schulz, S&D Group President, warned of "an incredible risk to democracy" in the eurozone crisis. Schulz pushed aside calls for treaty reform to urge the Parliament to show solidarity with people in Italy and Greece now struggling to cope with the crisis. "When are we going to discuss the fact that these countries need investment and growth, if they are ever going to recover?" he asked. Furthermore, Martin Schulz supported Italian Prime Minister Mario Monti's statement that "democracy needs time", but declared: "The markets don't give democracy that time. We are seeing competition with anonymous powers that are an incredible risk to democracy. We would be well advised to pull out all the stops to stabilise these countries. They are not only the victims of excessive indebtedness, but also the targets of speculation." Accusing speculators of trying to make money by forcing countries into bankruptcy, Mr Schulz pointed to countermeasures enacted by the Parliament over the last six months, including the so-called six-pack to ensure fiscal discipline. Any treaty revision would require the creation of a Convention, said Mr Schulz, with the full involvement of the European Parliament. "This Parliament is the one that represents the citizens of Europe and it is the best institution for retaining coherence in Europe," he said. [Video of the debate - click on "Economic Governance"](#)

## **LIMITING SPECULATION ON A COUNTRY'S DEFAULT - A KEY WIN FOR PARLIAMENT**

Parliament voted into law a regulation to curb short selling and trading in credit default swaps (CDS), a financial product for insuring against default. The rules will impose much more transparency and virtually ban certain CDS trades, thereby making speculation on a country's default more difficult. Both short selling and CDS trading are accused of having fuelled market volatility, with CDS trades moreover having been widely blamed for potentially increasing the debt burden of Greece, Portugal, Spain and, recently, Italy.

The S&D spokesman for economic and monetary affairs, MEP Udo Bullmann said: "Negotiations with the Council have been long and tough. From the outset, and despite its official statements, the Council argued for minimal, unambitious regulation on short selling. In the end, we have reached a compromise that is clearly a success for the European Parliament and for our group in particular."

The Euro MP Robert Goebbels, who negotiated for the S&D group, said that "this legislation on short selling is one of the most important for tackling the euro zone crisis, in particular for discouraging speculation against debts owned by member states. Investors won't be able to buy Portuguese or Greek CDS without owning the underlying debt bond. This is a major achievement. We cannot any longer accept that speculators should make fortunes at the expense of European citizens," stressed Mr Goebbels.

In addition to the ban on naked short selling, the regulation imposes notification and disclosure requirements of short positions in stocks, thus shedding light on a hitherto little-known market practice. The powers of the European Authority that supervise financial markets will also be strengthened to ensure a coordinated regulatory approach across Europe. The resolution was passed with 507 votes in favour, 25 against and 109 abstentions. - [Resolution in full - click on 15.11.2011](#)

**CALL FOR A LEGAL FRAMEWORK FOR PUBLIC SERVICES** - The European Parliament today urged the EU to provide a "legal framework" for services of general economic interest such as social, health services and public transport. The S&D Euro MP Peter Simon, who drafted the resolution, said: "President Barroso had promised at the beginning of his term of office to present an initiative to strengthen the activities of services of general interest by the end of this year. We expect him to keep his promise. The absence of a legal framework has had a very negative impact, contributing to legal uncertainties and red tape". The report points out the need to take into account their diversity of social services, notably through further exemptions from notification and a specific rule exempting small compensation payments from state aid rules. The resolution was passed with 488 votes in favour, 134 against and 17 abstentions. - [Resolution in full - click on 15.11.2011](#)

**EUROPEAN PLATFORM AGAINST POVERTY AND SOCIAL EXCLUSION** - The Socialist and Democrat MEPs have called on the European Union to act promptly in view of diminishing the disastrous effects that the austerity measures have on the most vulnerable. In a resolution on the platform against poverty, adopted in Strasbourg at the initiative of the Euro MP Frédéric Daerden, the European Parliament outlines its recommendations on reducing the poverty in Europe. "Poverty is neither a natural catastrophe, nor a biblical scourge; it is due to bad economic and social policies that are destroying the jobs", said the S&D spokesperson on social issues, MEP Alejandro Cercas. - [Resolution in full - click on 15.11.2011](#)

## IN SHORT

**Parliament and Commission must be key players in getting EU out of the crisis** - Responding to President Barroso's presentation of the Commission work programme for 2012, "Delivering European Renewal", focused on jobs, growth, the single market and improving the EU's voice on the international scene, most political group speakers said Parliament and the Commission need to get back to the political centre stage and work closely together to lead the EU out of the crisis. In this regard, priority actions for next year were discussed, including the introduction of the EU financial transaction tax and the work of the European Semester. Nevertheless, due to the significant number of actions presented in the last work programme and not yet implemented, the programme for next year will also focus on taking forward the proposals in the pipeline for the coming months. Parliament will vote on a resolution on the Commission work programme 2012 during the December plenary session. - [Video of the debate - click on "Commission Work Programme 2012"](#)

**Urgent call for EU-wide action to halt bee deaths** - Rising bee mortality could have a very serious impact on Europe's food production and environmental stability, as most plants are pollinated by bees, warned MEPs in Strasbourg. Parliament's resolution, passed with 534 votes in favour, 16 against and 92 abstentions, calls on the EU to step up investment in research on new medicines and coordinate its efforts to protect the bees. To get more accurate information on current bee health problems and allow better comparison, MEPs want to see national surveillance systems put in place and harmonised standards developed at EU level for data collection. [Resolution in full - click on 15.11.2011](#)

**Railway Services: Parliament Puts Single European Area Back on Track** - To encourage new rail operators to enter the market and supply high-quality services, Parliament approved a recast of the 2001 EU legislation on liberalised rail services at first reading, by 526 votes in favour, 80 against and 36 abstentions. Each EU Member State should ensure the independence and impartiality of the national regulatory authority so as to eradicate discriminatory practices in fixing infrastructure charges, allocating train paths and allowing access to related services. Parliament asks the European Commission to table a proposal by the end of 2012 to complete the separation of rail infrastructure management from the operation of rail transport services. "To bring about the single European rail area, rules to ensure fair competition must be strengthened, "particularly on cross-frontier routes", said S&D rapporteur Debora Serracchiani, also stressing that the proposed text protects both safety and the rail workers' right to strike. [Resolution in full - click on 16.11.2011](#)

**S&D Calls for an Increased Transatlantic Cooperation** - The S&D Group in the European Parliament urged the EU and US, in a resolution passed ahead of the EU-US summit to be held in Washington on 28 November, to step up their cooperation in view of promoting peace and democracy, trade, investment, growth and job creation. This includes pushing for a resumption of talks between Israel and the Palestinians and supporting emerging democracies in North Africa. "We welcome the EU's determination to go ahead with a financial transaction tax and we urge other G20 leaders to take up a framework for global financial market regulation. The S&D Group has made several recommendations for launching a joint transatlantic initiative for jobs and growth, including a roadmap for promoting trade and investment. We invite the Commission and the US government to commit themselves bilaterally and multilaterally to fighting the global trend towards protectionism – without threatening the EU's principles on

environmental standards, cultural diversity, social rights and public services", said the resolution. [Resolution in full - click on 17.11.2011](#)

**Roma strategy: MEPs call for real action** - In a debate in Strasbourg, MEPs criticized the European Commission for not going far enough to combat discrimination against Roma people and urged member states to prepare their national Roma strategies by the end of 2011. Talking about the EU's Roma strategy, Commissioner Androulla Vassiliou promised that it will not remain an empty paper and will complement existing EU legislation on anti-discrimination. [Video of the debate - click on "Situation of the Roma in member States"](#)

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