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PARLIAMENTARY HIGHLIGHTS FROM THE S&D GROUP IN THE EUROPEAN PARLIAMENT • April 2013

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HUNGARY: COUNCIL AND EPP MUST CHOOSE: "BARROSO'S COMMISSION OR ORBÁN?" URGE S&D GROUP

Hungarian prime minister Viktor Orbán were strongly criticised in Strasbourg by the European Parliament and Commission for introducing a new round of controversial constitutional reforms undermining the rule of law and Hungarians' fundamental rights. Last year the Commission started a number of infringement procedures against the Hungarian government, some of which are still pending. Taking the floor during the Plenary proceedings, S&D Group leader Hannes Swoboda said:

"The Council and the European People's Party (EPP) Group must take a clear stance and clearly say if they support Mr Barroso's Commission or Mr Orbán's government. The European Union must stand firm and stick to the thorough analysis from the Commission and the Council of Europe's Venice Commission. We require the Orbán government to return to European standards and if the European Commission and Commission of Venice recommend it, that they reverse the constitutional amendments. Mr Orbán is wounding Hungarians' civil liberties and rights and – on top of that – is then putting new taxes on them to pay for the resulting EU sanctions. Mr Orbán's political friends are creating a climate where anti-Semitism and anti-Roma statements are back on the agenda, without any reaction from the government."

S&D vice-president Sylvie Guillaume said to the media:

"We are particularly concerned about worrying trends undermining European values in Hungary. The recent official awards to individuals known for their racism, anti-Semitism and Neo-Nazi tendencies are a very bad sign. As Socialists & Democrats, we want to send a strong message of

solidarity to the Hungarian citizens and civil society representatives who are standing up to the threats to their basic rights. Contrary to Viktor Orbán's claims, Europe is the solution not the problem."

EUROPEAN LAWMAKERS STRONGLY CRITICISE THE HANDLING OF THE BAILOUT PROGRAMME IN CYPRUS

MEPs hit out at the handling of the Cyprus bailout programme during a debate a Plenary Debate in Strasbourg, blaming the Eurogroup for its appalling communication, the Commission for not defending insured depositors. Speaking in the debate, S&D Group president Hannes Swoboda said:

"The Commission made a big mistake by agreeing to raise a levy on deposits below €100,000 to pay for the rescue plan. This destroyed the trust and confidence of the people. We have to change Europe's policies and structures, and the Commission has to take responsibility. The undemocratic Troikas should not be in charge but rather the Commission – and especially Commissioner Olli Rehn." **Swoboda continued by calling for democratic involvement from the EU institutions and the establishment of a parliamentary subcommittee on the eurozone:**

"We no longer need the International Monetary Fund. What we need is strong involvement from democratically elected institutions in the future of the eurozone. We are calling for a subcommittee in the European Parliament to deal with eurozone issues. It is time for a real dialogue between the Council, the Commission and the Parliament". He concluded by calling for the completion of the banking union and for investment in Cyprus.

PARLIAMENT VOTES TO STRENGTHEN & REFORM BANKS

From 1 January 2014, EU banks will be stronger. Changes voted by Parliament on Tuesday will cap banker's bonuses to curb speculative risk-taking, step up capital provisions to help banks cope better with crises and stiffen supervision. This EU banking reform package, the most comprehensive so far, should also spur growth, by making it easier for banks to lend to small firms that drive the real economy.

To curb speculative risk-taking, the basic salary-to-bonus ratio will be 1:1. This could be raised to a maximum of 1:2, if approved by at least 66% of shareholders owning half the shares represented, or of 75% of votes if there is no quorum. To encourage bankers to take a long-term view, a minimum of 25 % of any bonus exceeding 100% of salary, must be deferred for at least five years.

A BETTER & MORE ACCOUNTABLE ECB NEEDED TO FIGHT THE CRISES

The European Central Bank (ECB) should do more to ensure that its cheap loans to banks were being passed on to the real economy and the ECB itself must become more transparent and accountable in line with its growing role in the Eurozone crisis says a resolution adopted by European lawmakers. The resolution, Parliament's annual evaluation of the ECB's activities, argues that the ECB should do more to promote growth and jobs. For example, the resolution calls on the ECB to take measures to ensure that cheap central bank loans to banks are passed on to the real economy. The resolution also outlines a future banking union and the ECB's role in it. Finally, it raises concerns about the limited democratic accountability and transparency of an

ECB which has grown more politically prominent due to the Eurozone crisis.

IN SHORT

The EP Gives Green Light on the very last assessment of Croatia's progress before the country joins the EU on 1 July 2013. Libor Rouček, S&D vice-president and rapporteur on Croatia, commented to the press: "Croatia's journey to EU membership is almost complete and the S&D Group congratulates Croatia and its citizens on this historic achievement. All that is left is for the remaining two member states to ratify the accession treaty. There should be no grounds for further delays: Croatia has met the commitments set in the accession negotiations, including the ten priority tasks set by the Commission. It is a mature democracy, a viable social market economy and fully ready to assume the obligations of EU membership. However, for Croatia 1 July should not be seen as the end of the process but rather the beginning of a new era that will bring new challenges, opportunities and responsibilities. It presents an opportunity to further improve the rule of law and the quality of public administration, for the benefit of Croatian citizens. But the impetus must come from within Croatia. As an EU member state, Croatia will also assume shared responsibility for the future of the EU as a whole. In particular, given its regional position and recent experience, Croatia can – and should – play an active role in strengthening the EU's enlargement policy in the Western Balkans. I have every confidence that Croatia's membership of the EU will make the country – and the EU – stronger, more prosperous and more secure. It brings us one step closer to the vision of a united and stable continent."

EU Must Close Loopholes on Gender Equality - S&D Euro MPs backed a resolution urging the Commission to close the loopholes in the EU legislation on gender equality. The text drafted by S&D Euro MP Zita Gurmai calls on the Commission to address the issue of insurance in light of the outcome of the Test-Achat case*. Following a decision from the European Court of Justice (ECJ), insurance companies and related financial services have to treat individual male and female customers equally in terms of premiums and benefits. Said Zita Gurmai: "We are calling on the Commission to revise the EU legislation on non-discrimination to put an end to the legal uncertainty stemming from the Test-Achat case and to make sure that these new rules will not be at the expense of European consumers. "We also want more transparency and to ensure that EU citizens are fully aware of their rights. The 2013 European Year of Citizens is a great opportunity to do so. "There is often a gap between what is written in EU legislation and what is actually implemented by member states. That's why the S&D Group has long been asking the Commission to present a detailed report on the implementation of the legislation in European countries. "Several member states partially respect the law while others have tended to use the crisis as an excuse to soften the fight against gender discrimination. This is something we cannot accept."

**Editors Note on the Important Test-Achat Case: The EU Gender Equality Directive entered in force on the 21 December 2004 and prohibits gender-based discrimination in access to and supply of goods and services. However, the text gave member states the option to allow proportionate differences in individuals' premiums where the use of sex is a determining factor in the assessment of risks. The Belgian consumer association Test-Achats successfully filed a complaint to the ECJ in 2010, arguing that the derogations included in the directive for insurance and financial services were incompatible with the principle of equal treatment for women and men under EU law. It gave the insurance industry a transitional period of one year to conform with the judgement. The 21 December 2012 was therefore the deadline for member states to change insurance pricing policies to treat individual male and female customers equally*

in terms of insurance premiums and benefits as set by the European Court of Justice (ECJ) on 1 March 2011, in the Test-Achats case.

Ground-handling Plans to open up ground-handling services at major EU airports to more competition by increasing the minimum number of service providers were backed by Parliament in a vote in Strasbourg. To guarantee high efficiency of services and prevent social dumping, MEPs added minimum quality standards and safeguard clauses for staff transfers to the Commission's initial proposal.

CO2 Emission Quotas - MEPs voted in Strasbourg against freezing auctions of a portion of CO2 emission quotas, so as to boost the price of EU "polluter's permits". A majority felt that interfering with the supply of credits would undermine confidence in the Emissions Trading System (ETS), designed to cut greenhouse gas emissions. In a separate vote, Members agreed to temporarily exclude intercontinental flights from the scheme. The proposal to freeze credits, was rejected by a narrow margin, with 334 MEPs voting in favour of an amendment rejecting the proposal, 315 voting against it and 63 abstaining. The proposal will now be referred back to the EP Environment Committee.

Child Support - recovering child maintenance from an ex-partner living abroad will become easier following an EP vote. On 17 April MEPs approved the final amendments to the Hague Convention on the International Recovery of Child support, which allows it to enter into force in the EU. This international convention covers many practical matters, such as language requirements, standardised forms and the exchange of information on national laws.

Conservatives & Liberals Reject Giving Preferential Trade Access to some African Countries Following a vote in the EP, many poor developing African countries will next year cease to benefit from preferential access to the EU market - Since an old system of preferential access to European markets for developing countries expired in 2007, African, Caribbean and Pacific countries have had duty free, quota free access to the EU market while negotiating their own separate 'Economic Partnership Agreements' with the EU. However, 17 countries have not yet finished this process and the S&D group advocated for a greater "breathing space" to allow the complex negotiations to continue for a little while longer. The proposal from the chief negotiator, S&D Group MEP David Martin, was to give some of the world's poorest countries another two years to negotiate their trading deals with the EU, until to January 2016. Following his recommendation, S&D Group fought hard for a January 2016 deadline, but it could not overcome the rejection by conservatives and liberals in the chamber.

Relaunching Europe: S&D Group calls for immigration reform and an extension of voting rights - Last week, Lyon played host to a debate on 'Integration: living together better', the latest event from the S&D Group's [Relaunching Europe](#) initiative. During the debate, S&D Group President Hannes Swoboda called for a new approach to immigration and integration: "With rising populism and growing xenophobia and discrimination all over Europe, we must take action urgently and fight for an inclusive Europe based on solidarity and equal rights for all. **Hannes Swoboda continued by calling for decisive action in three fields:**

"In order to put fundamental rights, social welfare, solidarity and justice at the heart of the EU, we must take action in three fields: broader access to citizenship, a review of EU immigration policy and zero tolerance on discrimination. Migrants must not be considered as guest workers but must enjoy the same basic rights as others, especially on social and labour rights. Access to employment, education, health and other social services is crucial to ensure the best possible

integration and better long-term outcomes for the economies of our countries. □ Furthermore, we must give foreign nationals who are long-term residents the right to vote in local elections. They should also have the option of keeping dual nationality. Finally we must take targeted action against all forms of discrimination. The EU sets clear rules outlawing any form of discrimination based on racial, national or ethnic origins. If this principle is violated we must be able to adopt sanctions."

Sylvie Guillaume, S&D Group vice-president and host of the Lyon debate said: "At a time when the economic crisis is hitting vulnerable people hardest, migrants are the victims of more discrimination because they belong to a different culture and are often treated as second-class citizens. We believe, as Social Democrats, that changes are necessary and need to be rapidly translated into action. Our priorities on promoting integration are primarily economic and social: non-discriminatory access to education and public services (health, housing, transport) and the fight against unemployment is of the utmost importance to help fight against social divisions. That's also why we urgently need to adopt the anti-discrimination directive that has been stalled in the Council since 2009. The economic challenges and the lack of effective political responses are generating a growing frustration, creating a breeding ground for populism and extremism. Our answer to far-right extremism, intolerance and rising religious fundamentalism is more solidarity, more equality and more social cohesion. Finally, we advocate an open, pluralistic society which is enriched by all its members, where everyone has their own place, whatever their origins, cultural, political or religious beliefs."

***Editor's Note:** Relaunching Europe is an initiative by the Socialists and Democrats that aims to interact with citizens. Through a series of events across Europe we want to debate the issues affecting Europe and listen to citizens' views and questions on Europe's future. A video introducing the event with messages from Hannes Swoboda and Sylvie Guillaume will be available soon on our Relaunching Europe website. To watch it and for **more information please visit** www.relaunchingeurope.eu.*

Monthly e-Newsletter edited by the Reflection & Cooperation Unit within the Secretariat of the Group of the Progressive Alliance of Socialists & Democrats in the European Parliament. For subscriptions, comments or any questions please e-mail:

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