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**TOWARDS AN EUROPEAN ECONOMIC GOVERNANCE**

MEPs adopted in Strasbourg two key reports calling for a rethink of the EU's economic and social policies in the wake of the financial crisis, including a Union-wide financial transaction tax, a permanent eurozone bailout fund and a Eurogroup reshuffle. A mid-term report from the special financial crisis committee, drafted by Socialist Member Pervenche Berès was voted through by 501 votes in favour to 67 against with 50 abstentions.

"The main lesson to be learnt from the crisis relates to a dysfunction in decision making processes. It is clear that there was no desire to take action on this crisis until it was essential to do so," the Berès report says, calling for much greater coordination between Council, Commission and Parliament. European lawmakers suggest that the Commission should take over the running of the Eurogroup - the monthly meeting of the soon-to-be 17 eurozone finance ministers, which is currently chaired by Luxembourg's Prime Minister Jean-Claude Juncker. What MEPs are calling a 'Mr or Mrs Euro' should also chair the monthly meeting of all 27 finance ministers and should represent the bloc in global financial institutions, such as the International Monetary Fund, they say. A financial transaction tax has been particularly pushed by the S&D Group. "Those who caused the crisis, the speculators, have not been made to assume their responsibility by contributing to the states' coffers — for example, through a tax on financial transactions," said S&D Group Leader Martin Schulz.

**PARLIAMENT GIVES GO-AHEAD TO ASHTON AND THE EXTERNAL ACTION SERVICE**

After months of interinstitutional wrangling over the EU's new diplomatic corps, the Parliament voted overwhelmingly in favour of the final pieces of legislation needed by High Representative Catherine Ashton to make the service operational. Now that Ashton has the budget and the legal basis to offer contracts to her team of top aides and rent an office building, the European External Action Service will be able to start work as an operational diplomatic corps.

"I'm very grateful to the European Parliament because what they've done after long and sometimes difficult negotiations is bring into being the ability to now recruit staff to the EAS," Ashton said in Strasbourg. Ashton's first move will be to announce the appointment of her closest aides, the three secretaries-general, most likely shortly after the General Affairs Council in Luxembourg, on 25 October. "Over the next few days, we will be able to put in place the beginnings of the senior management team," she confirmed.

The EEAS staffing rules was laid down in the compromise text negotiated by S&D Group Member Bernhard Rapkay on behalf of the EP and approved by 513 votes to 51 with 98 abstentions. To ensure a gender balance in the new diplomatic service, the agreed text also states that by mid-2013, the High Representative will table a report on the implementation of this regulation, with a particular emphasis on gender and geographical balance of staff.

## **EUROPEAN LAWMAKERS VOTE FOR BETTER MATERNITY & PATERNITY LEAVE**

The House voted by 390 to 192 the extension of maternity and paternity leave across Europe. Socialist Edite Estrela won cross-party support for new mothers to have 20 weeks off work with full pay and fathers to have two weeks. Said Ms Estrela: "This is a great day for new parents and good news for our economic future in Europe. "It has been a hard-fought battle and we must now negotiate with EU ministers to make these improvements a reality. "The costs are minimal and in Europe as a whole they will be fully covered if only 1.4 per cent more women are able to go to work. In the United Kingdom, costs will be covered if just 0.04 per cent more women are able to carry on working as a result of these provisions." Ms Estrela said the proposals were properly balanced and were fully in line with the thinking of the World Health Organisation and the ILO.

## **IN SHORT**

**Budget 2011** - The EP is calling for more EU investment in research, innovation, education and energy, as well as increased support for Palestine, but is sticking to a restrictive overall spending level for next year's EU budget. In the vote on the 2011 budget, the House also demanded negotiations on new sources of financing for the budget as well as pledges to provide sufficient funding for the new tasks and priorities stemming from the Lisbon Treaty. The vote is important not only for next year's budget but also for future budgets under the current financial perspective (2007-2013) and thereafter. For 2011, Parliament proposes an increase in commitments of 0.8% as compared to the 2010 budget.

**EP Calls for an EU-Wide Minimum Income to Combat Poverty** - Minimum income schemes should be introduced in all EU Member States to combat poverty, says an EP resolution adopted in Strasbourg. The resolution comes three days after the annual UN Eradication of Poverty Day and as European Year against Poverty draws to a close. Poverty affects around 85 million people, or 17% of the EU's population. The risk of poverty is greater for children and young people up to 17 years of age than for the population as a whole. Older people also face a higher risk of poverty, says the resolution. European lawmakers also highlight the increasing number of working poor. They stress that a living wage must always be above the poverty threshold and that workers who remain below that threshold should receive top-ups that are unconditional.

**Anger at Plan for Sale of Clone-Derived Food** - A Commission proposal to allow the sale of food from descendants of cloned animals sparked strong criticism in Strasbourg from the Parliament's S&D Group. : "European consumers have the right to know what they are eating and to choose. As long as this right cannot be guaranteed and if there is no reliable scientific proof that these technologies pose no risks for human health or for animal welfare, a total ban on food from cloned animals and their offspring is the only acceptable proposal", said Said Daciana Sarbu, S&D rapporteur on novel food

**Framework Agreement gets Clear Backing** - The new framework agreement between the Parliament and the Commission was formally adopted by the plenary in Strasbourg, and will take effect immediately. The observer status - strongly contested by the Council - was granted and the EP will now have access to Commission meetings and information equal to that of the Council. Despite not having been formally adopted then, Barroso's State of the Union' speech, delivered on 7 September, is also a novelty of the framework agreement.

**The House Approves Fishing Agreement in the North Atlantic** - The Parliament, meeting in Strasbourg, approved changes meant to modernise the Northwest Atlantic Fisheries Organisation and to create a new dispute settlement procedure. It also approved a regulation that transposes into EU law the agreement on combating illegal fishing in the North-East Atlantic. The EP's decisions represent the first use of its new powers in the field of fisheries acquired with the Lisbon Treaty (co-decision).

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