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**PARLIAMENTARY HIGHLIGHTS FROM THE S&D GROUP IN THE EUROPEAN PARLIAMENT** • September 2012

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### **State of the Union Debate:**

#### **We need a social pact for equality and fairness and a relaunch for Europe**

Before moving into the Union debate, European Parliament President, Martin Schulz received a warm round of applause from Members as he announced that the German constitutional Court had approved the European Stability Mechanism Rescue fund.

Commission President José Manuel Barroso came to Strasbourg for the important annual State of the Union debate. In the plenary debate that followed, the presidents of the political groups laid out their visions for the future of Europe. Commenting on President Barroso's proposals, Hannes Swoboda, President of the Socialists and Democrats, said:

"Barroso is committed to a European social model. That is good news, but now we want to see the specific measures to implement this. The Commission must live up to its social commitment when debating the Van Rompuy proposals for the future of EMU and to support our demand add a social pillar to EMU, with a pact for social cohesion and fairness. The Commission must also demonstrate a greater social focus and ensure fairness in the work of the Troikas. Only then can we have a real partnership between the S&D Group and the Commission. "

Hannes Swoboda called for a relaunch for Europe and further European integration: "The current neo-liberal direction of Europe is driving countries deeper into recession and people into poverty. This must stop and a new, fair and just Europe must be created." The main points of Hannes Swoboda's speech were:

**An end to recession, rising unemployment and higher debt and a shift to growth, job opportunities and reducing debt** - Europe is in a deep crisis; economically, socially, politically and especially democratically. The economic crisis, largely created by the financial markets, is unfortunately being defined by neo-liberal and conservative forces as a crisis purely of state expenditure, despite plenty of evidence to the contrary. The harsh austerity policies are proving counter-productive wherever they are applied. The extreme cuts to state expenditure, pensions and salaries are creating an ever-deepening recession.

**Focusing on the social dimension** - The current policies are above all inefficient and misdirected. But they are also deeply unjust. The level of poverty is rising drastically, and not only in countries in crisis. In Germany, which is also facing a recession, 20.6% (one fifth) of employees are earning salaries that leave them in poverty – a new class of 'working poor'. One third of Germans are worried about social decline.

**We need a social pact** - We as Socialists and Democrats will not stop fighting against rising poverty, the increasing gap between rich and poor, and the ever-increasing unemployment rates. And therefore we demand a commitment on social cohesion in the Van Rompuy report and a pact for social cohesion within the treaties.

**Troikas for growth and employment** - The different Troikas are fixated on these destructive policies and we have Troikas for recession and unemployment instead of Troikas for growth and employment. We have to consider the needs of people in employment and those seeking employment, for example by asking the International Labour Organisation (ILO) to bring their expertise to the Troikas.

**A leading role for the ECB** - The European Central Bank is rightly stepping up to its role of lender of last resort, to counter the speculative attacks which have deepened the fiscal problems of Member States. The ECB's action was essential, both to restore the unity of the single financial market and to combat the outlandish spread in interest rates, far exceeding what is justified by economic fundamentals . But the ECB's action alone will not generate recovery. Europe urgently needs private and public investment to create employment opportunities.

**Time to act: investment for jobs** - There is an alternative to the current, unsuccessful austerity policies. We need stronger private and public investment to create employment. But Europe is seeing a reduction in public investment, while in the US and Japan it is rising, building their economies for the future. And Europe can find money for investment. Tax evasion costs €1 trillion a year in Europe. Just one quarter of this money could boost public investment by 40%.

The job of financial markets is to channel money into the real economy. They have failed in that task and it is now the responsibility of public authorities to reform the financial system and restore it to its historic purpose.

- The **financial markets must be better regulated** and the rating agencies must do their job transparently.
- We have to control high-frequency trading.
- We have to tackle **tax evasion and avoidance**.
- We need a **financial transaction tax**.
- Europe must launch an efficient union for **banking supervision** that reaches beyond the eurozone, accompanied by comprehensive banking reform across Europe.
- We need an adequate **European budget** that stimulates growth.

**A democratic renewal** - We must not only solve the economic and social crises but also the democratic one. In several countries, notably Germany, parliamentary participation and national sovereignty are at the heart of the debate. But the biggest threat to sovereignty comes from the financial markets and the rating agencies which dictate interest rates and spreads. But we are also seeing increasing de-democratisation. The European Council is increasingly taking more

and more decisions, including on the EU budget. But who are the Council and the President of the Council accountable to? Neither the national parliaments nor the European Parliament. The Troikas too act in a democratic vacuum with no accountability.

**More democracy, more parliamentary participation** - Yes, citizens feel less and less at home in Europe. This is why we need a renewal of democracy. And this means strengthening parliamentary participation and the European Parliament and the national parliaments must co-operate closely. [Please click here to watch the State of the Union debate](#)

### **BANKING UNION: "THE EUROPEAN PARLIAMENT SHOULD HAVE ITS SAY"**

European lawmakers welcomed in Strasbourg the Commission's plan to establish a banking Union but warn that the Parliament needs to be fully involved in the decision making process. S&D Group Leader Hannes Swoboda told the press that: "the banking Union is crucial in the long term in stabilizing the euro zone. The proposals should be seen as a global package to be negotiated on an equal footing between EU governments and the European Parliament. The establishment of a single supervisory mechanism over banks is an important step forward. The EU should ensure that citizens' and businesses' deposits are fully protected. At the same time that no taxpayers' money is used to bail out banks in the future. This requires the establishment of a European resolution fund financed by the banks themselves. We also called for strong rules for capital requirements for banks. We urged EU governments to unblock discussions on all these issues".

S&D spokeswoman for economic and monetary affairs Elisa Ferreira added: "The European Central Bank will have the power to supervise, sanction and possibly to close banks. The ECB should work in close cooperation with the European Banking Authority and national regulators in order to safeguard the full integrity of the single market. This new transfer of powers to the European Central Bank requires also proper parliamentary control at EU level to ensure accountability", she concluded.

### **IN SHORT**

**The Controversial Proposal on Workers' Rights Scrapped** - S&D Euro MPs welcomed the Commission's plan to withdraw the so-called Monti II – the highly controversial law concerning social rights in the EU – but stressed that action is still needed to safeguard the right to strike and the right to collective bargaining. In Strasbourg S&D Vice-president Stephen Hughes told the media: "The Commission's proposal – known as Monti II – has been opposed by our Group right from the beginning. However the Commission's announcement on the withdrawal of the text leaves a vacuum. There are still huge legal uncertainties left by the European Court of Justice rulings (in the Laval case) regarding the rights of workers. The problem remains and the Commission has the responsibility to act."

S&D negotiator Ole Christensen added: "The right to strike and to collective action are fundamental principles which have to be respected. Fundamental labour and social rights in the single market must be strengthened and the Commission must now work on the right way to promote fair competition, equal treatment and workers rights. These rights must not be

secondary to single market freedoms, but addressed as a priority. This principle must be laid down in primary EU legislation adopting a social progress protocol to safeguard basic social rights from any negative consequences of national reforms and austerity measures."

**Parliament votes on energy efficiency** - MEPs passed in Strasbourg the Energy Efficiency Directive as agreed with the Council. The S&D Group supported the agreement as the best solution possible given the weak commitment of many member states represented in the Council, but vowed to keep pushing for smart measures at EU level to save energy and money, and to reduce both emissions and energy price for consumers. S&D negotiator with the Council, Euro MP Britta Thomsen said: "This directive will reduce the gap to achieve the 20% energy savings target by 2020. Now we can guarantee that we will save 15% on energy consumption, as opposed to only 9% we would have saved with current legislation." S&D vice-president Marita Ulvskog told the media: "Today we achieved a good deal for citizens and we have provided a strong stimulus for national governments to invest in building renovation, which will revitalise the construction sector and create millions of jobs. [Click here](#)

**The House backs minimum rights for crime victims in the EU** - All crime victims will have the same basic rights across the EU, including an assessment of their specific needs, under a directive endorsed by Parliament on Wednesday 12 September. Free support services, such as psychological help, will be provided for victims, who will have the right to be questioned by police and heard in court in a language they understand. Some 75 million people suffer from crimes in the EU each year. [Click here](#)

**No more EU Funds to political parties against EU values** - On EU funds to political parties S&D Group leader Hannes Swoboda said: "The S&D Group warmly welcome the new rules adopted by the European Commission on initiative of Commissioner Maroš Šefčovič. European political parties are key actors in fostering citizens' participation and involvement into the EU decision making. Their role is crucial. These new rules will allow the European Parliament to thoroughly check upon the internal democracy and the respect for EU values by the European political parties as well as by their national members. It is time to stop to keep giving EU money to rightist and xenophobic parties that are systematically rallying against EU values and principles".

**No to paid donation of tissues and cells** - Donation of tissues and cells should be voluntary, unpaid and – in most cases – anonymous, says a non-binding resolution adopted on Tuesday. While healthcare remains mainly a national responsibility, MEPs recommend that EU countries should cooperate better on cross-border donations. MEPs also point to the potential benefits to medicine of using stem cells from umbilical cord blood. The resolution was adopted by 551 votes to 14 with 81 abstentions. [Click here](#)

**Cleaner ships fuels improves health** - Stricter limits on the sulphur content of shipping fuels are set to improve air quality along European coastlines and reduce the estimated 50,000 premature deaths caused each year by air pollution from ships. Parliament approved a legislation agreed with member states, which requires new general limits to be in place by 2020. The report was adopted by an overwhelming majority. [Click here](#)

**Debate on the Political Situation in Romania** - MEPs debated the political developments in Romania with Council and Commission representatives in Strasbourg. The issue revolved around the fact that July's referendum to impeach Romania's President Traian Basescu was declared

invalid by the Constitutional Court, because the required turnout (50% + 1) was not achieved. Commissioner Vivianne Reding, on behalf of the Commission told Members that in the coming days President Barroso and herself would be seeing President Băsescu. Commission President Barroso will also receive Prime Minister Ponta and Mrs Reading will see the new Romanian Minister of Justice. Before the end of the year the Commission will prepare a report on Romania which will assess the rule of law and the stability of institutions and whether there is the necessary cooperation among all political actors. S&D Group President Hannes Swoboda drew the attention of Members to "the falsehoods and lies that are circulated constantly, even here in this house," and referred to 7.4 million Romanians that actually voted to impeach President Basescu.

**S&D Group condemns murder of US ambassador and staff in Benghazi** -The President of the S&D Group, Hannes Swoboda, strongly condemns the violent assault on the US diplomatic mission in Benghazi during which the US ambassador, Christopher Stevens, and three other US officials were killed. The S&D Group maintains its solidarity with the people of Libya who are fighting for dignity and democracy in the country and calls for the authorities to restore calm to the area. "This attack shows the need for more international, and particularly European, support to the newly elected Libyan authorities to preserve the rule of law and build capable security forces", said S&D foreign affairs coordinator Ana Gomes.

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