



Socialist Group in the  
European Parliament

Final 14.05.09

## **A PROUD RECORD OF ACHIEVEMENT**

*Socialists at work in the European Parliament of 2004-2009*

## A PROUD RECORD OF ACHIEVEMENT

### *Socialists at work in the European Parliament of 2004 –2009*

The Socialist Group is proud to show in this paper what a huge difference it has made to the quality of life for millions of people in our European Union.

We sum up our vision of the EU's 27 countries working together to share prosperity and create more and better jobs as "The New Social Europe". But we work to translate such concepts into meaningful detail in people's lives.

The questions we deal with are wide-ranging. How can we best tackle climate change? What needs to be done to protect our families from terrorism? How can we safeguard gas and electricity supplies to people's homes? How can we stamp out people-trafficking, the drugs trade and organised crime? What is the best way of dealing with immigration - legal and illegal - and how can we best promote the integration of newcomers into our societies?

Socialist MEPs played a determining role in recent legislation adopted by the European Parliament. For example, our children will be safeguarded from some of the most dangerous chemicals known to mankind by tough new rules that the European Parliament Socialist Group steered through. Prices for the services we all depend on will come down because the Socialist Group way of balancing competition with protection for people working in the sector won cross-party support in the European Parliament.

The world financial crisis that erupted in late 2007 continues to be a nightmare for savers and pensioners. But to meet the crisis, Socialists in the European Parliament led demands for new rules. Make hedge funds and other financial activities more transparent, we said. Make supervision stronger. And whilst we make progress towards long-term safeguards for people's pensions and savings, European Liberals and Christian Democrat-Conservatives observe vows of silence.

We have put flesh on the bones of lifelong learning. A billion euros will be devoted to the programme every year until 2013. This will allow more than 222,000 students to study abroad under the Erasmus programme. Another 70,000 young people will have professional training and 1,400 teachers of adults will take part in mobility programmes.

Socialists in the European Parliament took the decisive steps that have led to price cuts for making mobile phone calls abroad – and we are now working on bringing down the cost of mobile phone Internet access abroad.

We are promoting technology to improve the quality of life. For example, Socialist leadership in Parliament ensures that by 2013, the EU will have a satellite navigation system offering a wide range of services beyond travel and including communications and Earth observation. It will be the EU's first major industrial project, bringing numerous technological innovations and jobs across the whole of the Union.

We also want a Europe that looks beyond its own frontiers. Among the many pressing issues of international politics, we want to contribute to peace and stability in our neighbourhood and in that respect good relations with the Muslim world is a priority. Our conferences on the Middle East, for example, have promoted contacts among high-level actors to contribute to peace-finding and conflict resolution.

We have been a staunch ally of the world's poorest countries, under pressure to open their markets to the destructive power of our highly developed international enterprises, and we continue to fight on their behalf.

The Socialist Group wants a Europe with a global vision . . . a Europe that gives a lead but that also takes its responsibilities. Determination to make Europe a better place to live in -- and an example to the rest of the world -- is what drives the Socialist Group.

This document gives chapter and verse about how we have been delivering on that vision.

## CONTENTS

### ***AN EU THAT ACTS ON WHAT MATTERS TO PEOPLE***

• Putting consumers first	4
• Safe food: clear rules for the benefit of the consumer	6
• Cutting the cost of mobile phone calls	8
• Dealing with dangerous chemicals	9
• Electricity and gas that everyone can afford	11
• Freedom of movement with tighter security and improved rights	13
• Working for the regions	15
• Proper use of taxpayers' money	17
• Investing in the future - examples for efficient spending	19
• Promoting a diverse and socially responsible media	22
• Tackling the climate change challenge	23
• Success of the farm policy review	26
• Making the EU more open, democratic and efficient	29
• Promoting equal representation, from quota to parity	31
• Zero Tolerance of violence against women	32
• Combating racism and xenophobia	33

### ***A EUROPEAN SOCIAL MODEL FOR ALL***

• Putting an end to long hours at work	35
• Working conditions fit for the 21st century	38
• <b>Socialist no to 86-hour working week for road transport workers</b>	40
• New rights for temporary workers - fight against precarious jobs	41
• <b>Subcontracting in Europe: clamping down on rogue employers</b>	42
• Cutting VAT on labour-intensive services	44
• Defending workers when businesses cross borders	45
• Stamping out discrimination	48
• High quality public services for all	50
• A Social dimension for the internal market of services	51
• Strengthening contacts between cultures	53
• Better reconciliation of family and professional life	54
• Closing the pay gap	56
• <b>Better Social Policy for all</b>	57
• <b>Renewed Social Agenda: Too little, too late</b>	58

### ***AN EU THAT BUILDS A FAIRER AND STRONGER ECONOMY***

• Financial markets at the service of people	60
• Finding the right path to economic recovery	62
• Policies to boost growth and investment	65
• Towards a high-tech, low-energy knowledge economy	67
• Coping with change: a new voice for workers	69
• Coping with change: funds for retraining, help with finding new work	71
• Investing in the EU Knowledge Triangle	72

### ***AN EU THAT GIVES A LEAD TO THE WORLD***

• A safer world	75
• Fighting to improve human rights in the world	77
• EU and the developing world: building effective aid and fair partnership	79
• Giving a real right to food	84
• Fighting for fair trade and global economic and financial governance	85
• EU enlargement - credibility and compliance	87
• Highlighting the geopolitical role of the Black Sea region	90
• Building constructive and trust-based relations with Russia	91
• Fostering peace in the Middle East Peace	92
• Barcelona process: strengthening political, economic and cultural dialogue	94

***AN EU THAT ACTS ON WHAT MATTERS TO PEOPLE***

# PUTTING CONSUMERS FIRST

## Our success

Consumer protection is essential for the internal market to work properly. That is why in all internal market policies - services, free movement of goods and professionals, telecoms and energy, the Socialist group emphasized consumer interests.

## Where we played a leading role

### ➤ **Strengthening the rights of European consumers:**

Ensuring a high level of consumer protection implies recognition of consumer rights at EU level. That is why in the **consumer credit directive of 2007, the timeshare directive, toys directive, the telecom package and the energy package**, the Socialist Group sought to strengthen consumer rights through:

- more transparent information for consumers in contracts
- more information to make comparisons easier for consumers
- sufficient time for withdrawal from a contract
- bans on dangerous chemical and allergenic substances in toys
- possibility to change operators without any additional cost especially in telecoms and energy

### ➤ **Strengthening consumer awareness**

Increasing consumer awareness is crucially important to ensure that rights are enforced. This means:

- more financial means in the budget for consumer information projects
- larger, more easily readable and in the language of the consumer warnings, and information leaflets
- single points of contact in all countries to inform consumers of their rights
- European charter for energy consumers

### ➤ **Giving special attention to the protection of vulnerable consumers**

In all legislation adopted from 2004, the Socialist Group added special provisions for vulnerable consumers such as the elderly, disabled people, and children. This included the **unfair commercial practices directive** adopted in 2005, the **consumer credit directive** which has provisions on excessive debt. The **toys directive** protects the youngest consumers by banning small toys which could be swallowed, or toys that may contain dangerous chemicals and fragrances. We made this a priority of consumer strategy from 2007 to 2013.

In the **directive on weapons and the categorisation of firearms**, Socialists won a clause that bans people under 18 years of age from acquiring or possessing firearms, except for hunting or target shooting. They need parental permission or to be under the guidance of a parent or adult with a valid firearms or hunting licence.

➤ **Ensuring a high level of safety for products and services**

For Socialists, the first goal of the single market is to ensure a high level of safety of products or services. We secured stronger market surveillance in 2007 and pushed for **stricter rules on use of the CE mark**, on which the Commission is yet to make proposals.

We are also seeking a deal on improved toy safety. The Group tabled several resolutions calling for more safety in services and this is now before the Commission. We tightened up rules on marking and traceability of weapons and ammunition, more control of sale of guns over the internet, computerisation and extension of the period of record-keeping for weapons and ammunition to 20 years and therefore helped to circumvent illegal activities.

➤ **Launching the process for a collective redress mechanism at EU level**

Throughout the parliamentary term, the Group supported the creation of a collective redress mechanism within the EU. After many discussions, we finally won a majority over the right wing in May 2008 and proposals from the Commission are expected soon.

**Our future political goals**

We will continue to expand consumer rights throughout the internal market and ensure that such rights are adequately built into all goods and services markets across the EU.

## SAFE FOOD: CLEAR RULES FOR THE BENEFIT OF CONSUMERS

In 2006, the European Commission proposed to upgrade rules on food additives and flavourings and to harmonise EU rules on food enzymes for the first time. At the time, there were about a dozen EU laws on food additives and flavourings. The idea was to clarify legislation and bring it into line with the latest scientific findings.

Food enzymes used as processing aids are not covered by EU legislation and member states' legislation differs significantly. New, harmonised EU rules will cover evaluation, approval and control of enzymes used in food and create a standard authorisation procedure for additives, flavourings and enzymes.

The European Parliament and Council as co-legislators agreed improvements to the original proposal. The new rules will ensure better health and consumer protection and will improve free movement of food within the EU.

The first regulation lays down a simplified standard EU authorisation procedure for food additives, flavourings and enzymes. Other proposals deal in detail with each of these categories. Lists of authorised products will be drawn up. Conditions of use and rules on labelling will be fixed and for flavourings, maximum levels of undesirable substances will be set. The European Commission will manage the lists of approved products, subject to risk assessments carried out by the European Food Safety Authority (EFSA).

All such substances already on the market - some 300 additives and 2,600 flavourings - will gradually be re-assessed. Additives, flavourings and enzymes that are currently authorised may still be sold but after the update substances not on the approved list will be banned.

### Our success

#### A single EU-wide authorisation procedure to guarantee a high level of consumer protection.

Improvements achieved:

- more transparency in the authorisation procedure
- a high level of human health and consumer protection as a key element of the legislation
- sufficient time for thorough scientific assessment of substances

### Our success

**Food additives must be safe and bring benefits to consumers.** The legislation states that food additives (i.e. sweeteners, colourings, preservatives, antioxidants, emulsifiers, gelling agents and packaging gases) may be authorised only if they are safe, if there is a technological need to use them, if their use does not mislead the consumer and if they have advantages and benefits to consumers. Additives will be banned in unprocessed food, as will sweeteners and colourings in food for babies and small children, except when specifically included in the EU list. Member states may continue to prohibit the use of certain food additives in traditional foods produced on their territory.

Improvements achieved:

- specific labelling for food containing certain colours ("azo-dyes") that pose a risk to children's health
- precautionary principle to guide approval of additives
- special attention for people suffering from allergies, and other vulnerable groups
- environmental concerns must be taken into account
- new authorisation and safety assessment is required if changes in production process, starting material or particle size of additives occur due to use of nanotechnology

## **Flavourings**

Food producers use many natural and artificial flavourings about 2,600 of which are currently registered.

### **Our success**

**Socialists have promoted more stringent health and consumer protection and prevented misleading of consumers.**

Improvements achieved:

- close attention to the effect of flavourings on vulnerable groups
- clearer rules on maximum levels for "undesirable substances" that might be found in flavourings due to their natural occurrence in herbs and spices
- exemptions for a very small number of substances under certain conditions, for example, if only fresh, dried or frozen herbs and spices are used as flavourings, as in certain traditional food
- stricter conditions for the use of the term "natural" when describing flavourings.

## **Enzymes**

Food enzymes have been used for hundreds of years, for example in baking, cheese-making and brewing. They play an increasingly important role in food production and can be used as alternatives to chemicals. The current legislation is the first time that common EU rules on enzymes have been established.

As with additives, under the new rules enzymes will be authorised only if they do not mislead the consumer. The compromise specifies that misleading the consumer relates to the freshness, nature and quality of ingredients and the naturalness and nutritional quality of the product.

### **Our success**

In the negotiations with Council, we managed to convince all actors to strengthen consumer protection, to increase transparency to enable consumers to make informed choices and to introduce provisions paying special attention to vulnerable groups.



# CUTTING THE COST OF MOBILE PHONE CALLS

## Roaming regulation: I and II

### Our success

Securing a highly consumer-friendly legislation against pressure from industry and right-wing resistance in the European Parliament.

The Roaming regulation, which entered into force on 30th June 2007 brought a new era in mobile communications. Citizens travelling within the EU would be able to communicate across borders at affordable and transparent prices.

Prices paid for international roaming when travelling within the EU have been capped by a Eurotariff unless the customer opts for a special package offered by an operator. As a result, consumers have seen a substantial reduction in roaming charges, even 3-4 times lower than they used to pay.

In April 2009 European legislators decided to extend the regulation even further. Amended regulation cuts roaming charges for calling, texting and internet surfing on mobile phones.

Prices that operators charge each other (wholesale charges) for calls, SMS and data services on mobile devices are also being capped over the next three years. This ensures that all operators will be in a position to offer lower retail tariffs.

As a result of the measures and in addition to previous price reduction over the period of 2007-2009, the price of 'roaming' calls will drop continuously over the next three years. Eurotariff prices (excluding VAT):

- outgoing calls 0,43 EUR; incoming calls 0,19 EUR in 2009
- outgoing calls 0,39 EUR; incoming calls 0,15 EUR in 2010
- outgoing calls 0,35 EUR; incoming calls 0,11 EUR in 2011

Texting while abroad will cost a maximum of 11 cents from 11 July 2009, reducing the prices by an average of 3 times. The cost of other data roaming services such as sending emails and web-browsing is also expected to drop as the legislators introduced maximum limits at the wholesale level.

Transparency of roaming charges for consumers has been enhanced even further. Since 2007 customers have been receiving an SMS while roaming providing information of the price they are expected to pay for making and receiving calls. They can also request more detailed information by means of a voice call or SMS. New regulation will introduce a system of transparency for 'data roaming'. For example as of 1 July 2010 all customers who have not opted for a special default limit by an operator will be placed under a cut-off limit of 50 EUR in order to avoid future bill shocks.

### Where we played a leading role

The Socialist Group played a key role in securing this victory for consumers and stood firm against pressure from industry and the member states opposing the regulation. Substantially lower prices and enhanced transparency were the key elements of the Group's position.

### Our future political goals

The Socialist Group will remain vigilant in watching the retail price of internet services, which are not covered by the regulation. Transparency of roaming charges remains essential.

## DEALING WITH DANGEROUS CHEMICALS

The Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) is a major piece of legislation, both in terms of its social and economic dimensions and its implications for public health, the protection of workers and the environment.

In the 1970s, the European Union drew up a basic directive to align member states' restrictions on the sale and use of certain dangerous substances. Over some 30 years this directive was amended to cover new chemicals considered dangerous to consumers and the environment. Since 1981, manufacturers have had to test and register new chemicals that they produce or import for sale in the EU. In 1998, EU environment ministers asked the Commission to overhaul the directive to increase protection for consumers and the environment. In 2006, after three years of difficult negotiations, the REACH Regulation was adopted, giving the European Union new legislation on chemicals. It took effect on 1 June 2007.

### KEY POINTS

It is widely acknowledged that the former testing system was inefficient and lacked ambition. REACH shifts the burden of proof to producers and importers. They will have to meet their social and environmental responsibilities by registering their products, under the supervision of a European agency.

The regulation aims to inform people about the dangers that chemicals might have for their health or the earth's ecological balance. It affects about 30,000 commonly-used chemicals although there are more than 100,000 products altogether.

REACH provides for:

**Registration** of chemical imports or production of a tonne or more per year. The amount of information to be submitted depends on how dangerous the substance is, how much is produced or imported and the degree of exposure to it, beginning with the most hazardous substances and the gross tonnages.

**Sharing information.** This is built into the regulation with exemptions allowed for reasons of confidentiality, if the cost is disproportionate or if companies cannot agree on the data to share.

**Scientific evaluation** of the impact of these substances on health and the environment; evaluation of the testing programmes proposed by the companies.

**A stricter authorisation** procedure for the most hazardous products. Manufacturers have to show that the risks can be controlled, which should encourage them to use alternative, less harmful products.

**Duty of care.** The production, import and sale of chemicals should ensure that neither human health nor the environment is adversely affected.

**Animal welfare.** To prevent tests on animals being repeated, interested parties must register 45 days before each new project. Information about toxicity for humans must, if possible, be obtained by means other than tests on vertebrates, using alternative means such as *in vitro* methods.

The creation of a European Agency from 1 June 2008 to monitor and register these substances.

### **Where we played a leading role**

The REACH procedure demonstrates the Socialist Group priority of balancing competitiveness and development on the one hand with consumer protection on the other.

From the vote at first reading, the Group supported the general principles of the responsibility of companies for the products they sell, the shift of the burden of proof and the principle of substitution, to give the EU rules that are unique in the world's chemicals sector and that safeguard Europe's general interests.

The compromise with the Council on 30 November 2006 was approved in the EP by 529 votes to 98, with 24 abstentions. The Socialist Group voted unanimously in favour.

### **Future political goals**

The Socialist group will continue to monitor the implementation of this important legislation at member states' level based on the regular reporting of the European Commission."

# ELECTRICITY AND GAS THAT EVERYONE CAN AFFORD

## Our success

One of the great achievements of the Socialist Group in recent years has been putting the consumers back at the centre of the internal energy market reform and tackling the issue of energy poverty. The EU 'Energy Package', which was adopted by the European Parliament in its April 2009 session and which will be fully applicable from 2011, endorsed the main priorities of the Socialist Group - consumer and energy poverty.

## Where we played a leading role

**Socialist amendments reinforced consumer issues** and the definition of energy poverty. Consumers' rights, transparency and access to information for consumers have been enhanced, as there will be channels of appeal. To this end, single points of contact should be established in each member state. Clear and comprehensible information will be made available to consumers concerning their rights in relation to the energy sector. The Commission should put forward a clear and concise 'Energy Consumer Checklist' an accessible, user-friendly Checklist listing the rights of energy consumers.

An independent energy ombudsman or consumer body has to be set up in each member state to enable independent mechanisms for efficient treatment of complaints and out-of-court dispute settlements.

**The concept of "energy poverty" is recognised in the Directive.** Member states should take 'appropriate measures' such as National Energy Action Plans or benefits in social security systems in order to ensure that the number of European citizens who suffer from energy poverty decreases in real terms.

As part of the package of measures tackling energy poverty and in order to promote energy efficiency, member states or the regulatory authorities should have a means to mandate electricity undertakings to introduce pricing formulas which increase with greater levels of consumption, and provide energy management services, introduce smart metering systems and smart grids

The new European legislation will ensure that every household in the EU must be fitted with a so-called 'smart meter' by 2022. Smart meters will ensure customers are able to better control their energy usage as well as cutting energy costs.

**Switching between electricity suppliers will be made easier** and deadlines are set to facilitate the switching process. Consumers will have the right to change their suppliers within three weeks and free of charge, to receive the final closure account at the latest six weeks after switching suppliers, to receive all relevant consumption data, get compensation if service quality levels are not met and receive information on their rights through bills and company websites. All consumer rights should be enforced by the national regulators. Regulators also have a new tool to set standards for service quality and supply, accompanied with appropriate monitoring.

Finally, Socialists included measures in the energy poverty plan "**prohibiting the disconnection of vulnerable customers in critical times**". In this context member states shall provide definitions of vulnerable consumers, which may refer to energy poverty and they must ensure that the rights and obligations towards vulnerable consumers are actually applied.

## Guaranteeing universal service of electricity

The new legislation would oblige member states to guarantee a universal service to all household customers and, if necessary, small enterprises (with fewer than 50 employees and an annual turnover or balance sheet of less than EUR 10 million). Those customers would then have the right

to be supplied with gas and electricity of a specified quality at reasonable, easily and clearly comparable, transparent and non-discriminatory prices.

Albeit in a different context, reducing energy poverty has been a Socialists' priority throughout our legislative activities. The Socialist rapporteur insisted that when member states draw up their national action plans for meeting the requirements of Energy Performance of Buildings Directive, they shall include measures to support households at risk of energy poverty. Experts believe that the best way to address energy poverty and social impacts of energy price rises is through the increase of energy performance of buildings.

### **Our future political goals**

As Socialists, we will remain vigilant to defend the consumers' interest and tackle energy poverty.

## FREEDOM OF MOVEMENT WITH TIGHTER SECURITY AND IMPROVED RIGHTS

- **The Second Generation Schengen Information System**

Freedom of movement is a fundamental freedom and a pillar of EU citizenship; an important condition for its exercise is the security of external borders and cross border effective action of police and magistrates.

The enlargement of the Schengen Area to ten new member states in December 2007 has been made possible through the definition of reinforced controls at borders that will be better ensured as from the end of 2008 by the "SIS II", the second generation of the Schengen Information system for border controls, including biometric data and new alerts on European Arrest Warrants issued by member states, on missing and researched persons and stolen vehicles.

### **Our success**

The Socialist Group has endorsed the swift adoption in codecision of the Regulation and the Decision creating this essential tool, winning support for:

- the introduction of **strict requirements for the material security of the system** and of the sensitive data it contains
- the definition of **high standards for the protection of personal data** and the introduction of appeal and redress mechanisms for data subjects
- a **clear definition of border authorities having access to the system** and limitations to the access by law enforcement authorities, via border authorities and based on judicial authorisation
- the **creation of a centralized authority at EU level in charge of monitoring** the respect of security and data protection rules at EU level

The SIS II will only become operational in 2008 due to a considerable delay by the Commission in tenders and contracting procedures. The Socialist Group will continue to put pressure on Commission and Council to ensure that the system enters into force as foreseen and no modifications are made without the necessary involvement of the European Parliament.

- **The Visa Information System**

The issuance of a visa is still a necessary requirement for many third country citizens wanting to visit the EU for tourism, work and study purposes. Mobility through external borders is essential to economic, scientific, cultural exchanges and to political cooperation between the EU and third countries. Visa policy is a decisive tool in this respect.

In order to simplify procedures for *bona fide* travellers and, at the same time, support the management of migration flows, the Socialist Group has negotiated the adoption in first reading of the regulation and decision creating the Visa Information System - VIS, a database of all visas issued including biometric data of visa holders.

### **Our success**

While negotiating in codecision with the Council, Socialists have obtained:

- that **the reasons for denial of entry must be stated in writing** and that appeal and redress procedures be provided;
- **strict data protection rules**, especially for the use of biometric data stored on visas: these can be used only when enhanced checks are needed for the verification of the visa holder's identity;
- indirect **access of law enforcement authorities to the VIS** for the control of illegal immigration and the fight against terrorism and organized crime, via visa authorities, based on strict rules and subject to judicial authorisation.

The Socialist Groups deems it essential to complement the entry into force of the VIS with the definition of a new EU Visa code, defining clearer and uniform procedures for the of visas by consulates of member states as well as a unique and equitable fee for all. The examination of the proposal for a new visa code is lagging behind in Council. The Socialist group will continue to put all the pressure necessary to achieve this further and necessary goal.

- **The right conditions for admitting highly skilled workers: the Blue card system.**

The European Blue Card system that the EP adopted in 2008 establishes common conditions and criteria for admitting highly skilled third country workers to the EU.

### **Our success**

Highly skilled labour is of clear benefit to the EU. Socialists improved the Commission text by amendments aimed at protecting both EU workers and migrant workers, and avoiding a "brain drain" from third countries, in particular by:

- ensuring **that the level of salary must be equal to or higher** than that for a comparable worker in the host country;
- requiring **professional experience of at least five years** or a recognised university diploma;
- allowing the Blue Card to be granted to **third country nationals residing legally in the member state**;
- allowing the Card holder who has lost employment six months to find **alternative employment**.

- **The return of illegally staying third country nationals**

The Commission proposals to establish common EU systems for the return of illegally staying third country nationals were highly controversial and divided public opinion.

Socialists had particular concerns over:

- the maximum detention period (we wanted a maximum period of 3 months);
- the conditions of detention;
- the priority to be given to voluntary return;
- the definition of the risk of absconding;
- the protection of minors;
- the specific situation of seriously ill people;
- the availability of legal aid; and
- the ban on re-entry

As the proposal went through the EP, the EPP-ED rapporteur reached an agreement with the Council (which we could not accept) and in an abuse of parliamentary procedure, attempted to prevent our amendments being put to the vote in plenary. We succeeded in having these manoeuvres overturned.

While accepting the need for an EU system for entry and returns, the Group worked hard to ensure that **fundamental rights and human dignity were respected and the vulnerable and minors protected**. Our arguments were consistent and coherent and earned the majority support of progressives in the EP on this difficult and divisive issue

Key socialist amendments were not adopted (EPP-ED and Liberals voted against) and the Group's position was to vote against the adoption of the directive, which went through thanks to a right wing majority.

## WORKING FOR THE REGIONS

Regional policy is one of the least controversial EU policies, not just because it is clearly defined in the treaties but because it produces direct results that citizens can see at local, regional and national level.

In the current Parliament, the main task for Socialist MEPs was to have new rules for regional policy funds in line with our priorities to be adopted promptly. This meant taking into account past experience, global challenges and enlargement issues. Despite overall agreement on the policy principles, we needed to focus on the way it was put into effect, on the scope and beneficiaries of actions and on programmes and funding. In that respect, the Socialists' fundamental policies, values and principles of solidarity and social justice shaped our contribution.

The Socialist Group supported the quick and effective application of Council Regulations laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund. We stressed references to sustainable development, the urban dimension, rejection of double standards, relocation of firms, regions with natural or demographic handicaps and the outermost regions.

A Socialist MEP drafted a report on the European regional fund. This extended the scope of the regulation, covering town and country areas, areas dependent on fisheries, the outermost regions, island regions, cross-border regions, areas with serious and permanent natural or demographic problems and mountain areas.

**Adequate funding, environment protection, the partnership principle**, and across-the-board Socialist Group priorities were matters on which we broadly achieved our aims. In the final vote, we felt that achievement of the regional competitiveness and employment goal remained central to this regulation and we therefore supported it.

The regulation to establish **European cross-border cooperation groupings** (EGCC) was also drafted as part of the legislative package on cohesion. The Socialist Group strongly supported the purpose of the Commission's proposal, believing that it would strengthen cross-border, transnational and inter-regional cooperation and help to secure social, economic and territorial cohesion.

The Socialist Group supported **the creation of a cohesion fund for peripheral member states and islands** whose development suffers from natural and demographic handicaps. Our concern was to ensure that this regulation corresponded to treaty provisions and was in line with the Lisbon and Göteborg strategies. We also wanted to adapt existing law to the needs of an enlarged EU, bearing in mind that this fund becomes more important in 2007-2013 when more than half the member states should receive funds from it.

We've also closely followed the **European Union solidarity fund**, which lays down rules on aid in natural disasters, industrial and technological disasters, public health emergencies and acts of terrorism. We supported **more transparent use of the solidarity fund by lowering the threshold for its use and abolishing complex regional criteria**.

The Socialist Group coordinator drafted the final report on community strategic guidelines 2007-2013 (cohesion policy in support of growth and jobs). The aim was to boost the strategic content of cohesion policy and strengthen synergies with the renewed Lisbon agenda. The report was adopted almost unanimously in the regional affairs committee. We ensured that the EP gave its assent as quickly as possible so that the guidelines could help governments preparing national programmes for 2007 to 2013.

Finally, a Socialist Group initiative report on best practices in the field of regional policy and obstacles in using the structural funds, recommended the necessary measures so as to better programme, analyze, apply, evaluate, improve and exchange regional policy projects.



## Result of the vote

An indicative result shows the "aggressive" way in which **our political priorities on cohesion and regional development invaded mainly our conservative rivals** and led to almost unanimous votes in plenary on the European Parliament's resolution on community strategic guidelines 2007-2013.

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-DE	244	99,6	0	0	1	0.4
<b>PSE</b>	<b>176</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
ALDE	77	100	0	0	0	0
V/ALE	39	99,2	0	0	1	0.8
GUE	1	3	8	24,2	24	72,8

## Our success

The Socialist Group Members in the Regional Development Committee followed closely the developments in local and global level and the way that these developments affected citizens' prospects, economic and social cohesion and regional growth. Our positive contribution on all steps of programming and implementing this policy was fundamental, obliging our political rivals to follow the core lines of our priorities on economic and social cohesion.

Especially with the recent turmoil due to the **international economic crisis**, Socialist Group members have been have been rapporteurs or draftpersons of proposals amending the general and specific regulations of structural funds which target **quick and direct measures simplifying rules, accelerating the availability of cash flow and advancing payment** and enhancing Europe's longer term growth potential.

## Our future political goals

Our political family "invented" and supported the concept of implementing rules on regional and cohesion policy through all stages of European integration. Balanced and coherent development of all European regions and the elimination of disparities remain our goals especially in a period of global instability and increasing problems of environmental preservation, energy resources, economic growth and social cohesion.

Regional and Cohesion policy, with its direct effect in real economy is an efficient and indispensable tool that we also envisage developing and applying in the future while taking into account the concrete needs of all EU regions and the rules of sound financial management of tax payers contributions.

## PROPER USE OF TAXPAYERS' MONEY

The Socialist Group is more aware than any other political group in the European Parliament that the taxpayer works hard to provide every euro spent by the European Union. So the spending of public funds must be justified, transparent and of benefit to the taxpayer.

The Socialist Group continues to fight for that goal.

### Transparency in the use of EU funds

The Socialist Group led demands for **full public information** about who benefits from EU funds. It is thanks to the engagement of the Socialist Group that the new financial regulation requests that the final beneficiaries of EU taxpayers' money are published. Other political groups, in particular the EPP-ED, tried to limit public access to this information, but the Socialists won - and from May 2009 all beneficiaries of agricultural subsidies have to be published by their respective national authorities. This allows any EU taxpayer to find out exactly where his or her money has gone and what was done with it.

### Control of the use of EU funds

Sound financial management and efficiency is a major Socialist Group concern. Parliament has the power to grant discharge to the Commission and other EU institutions for their budgetary management. Even though discharge was given to the Commission in recent years, the **Socialist Group has insisted on further improvements in financial management.**

Areas concerned include:

- **Structural funds**, where the European Court of Auditors established an error rate of 12 per cent of payments being undue. The Socialist Group cooperated immediately with all responsible to set up an action plan for use of the structural funds. This will improve first level control mechanisms in the member states - and deal with the main reason for the high error rate.
- **Agricultural funds** (the Socialist Group is leading demands for full implementation of the integrated administrative and control system (IACS) which allows member states to manage agricultural funds at a very low error rate.)
- **Framework programmes for research** (when in 2006/7 it became clear that there were major management problems, the Socialist Group immediately took measures to ensure that a Commission action plan was put in place to improve controls and financial management. The first results are now being seen.)
- **External actions** (the Socialist Group insists that when EU funds are used around the world, EU values should also be promoted. We insist on ensuring visibility, EU political guidance for assistance programmes and full EU control over the funds).

The Socialist Group was responsible for the discharge of the EU budget 2006 (report adopted in April 2008) and the discharge of the European Parliament for year 2007 (report adopted in April 2009).

In the current financial crisis the Socialist Group is even more conscious that funds in the area of Agricultural and Cohesion Policy as well as Research should be much simpler to apply for and to implement. Therefore, in April 2009 the Socialist Group voted in the framework of the discharge reports for a simplification of access to these funds and their implementation. The cost-benefit ratio of controls should play an increasing role. It cannot be that controls cost more than the actual benefit they bring and controls should not hamper the use of the funds which are needed more than ever before to support the recovery from the current crisis.

The Socialist Group was the driving force in creating a common statute for all MEPs and an assistants' statute. After many years we finally succeeded in ensuring equal treatment for all MEPs as well as decent working and insurance conditions for all assistants to MEPs.

With the April 2009 vote on the European Parliament's discharge the Socialist Group underlined that no taxpayers' money should be used to bail out the voluntary additional pension fund for MEPs.

## Investing in the future - examples for efficient spending

### Fostering EU Social dialogue

The Socialist Group firmly believes that the success of the Lisbon strategy relies among other things on a lively and strong social dialogue both at national and EU level. After strong pressure from our political group, the European Commission eventually decided to present an important Communication during summer 2008 entitled "A renewed social agenda: opportunities, access and solidarity in the 21st century Europe" which encompasses a series of welcomed measures and a clear and unambiguous call for the social partners to be further involved in the shaping of EU social policy.

We believe that to achieve this aim, trade unions have to be wholeheartedly supported in order to give them the means to actually take part in negotiations, launch public campaigning, and develop expertise and training for their members, etc. so that they can make their voice heard.

On many occasions, Socialist members have asked for a better and more appropriate financing of Trade Union activities at EU level. But a strong coalition of Liberal and EPP members have always managed to defeat this legitimate goal. The most recent example took place during the vote on the 2009 Budget, two months after the publication of the above mentioned Communication by the European Commission.

### Result of the vote

Roll Call Votes on the Haug Report - Budget 2009 - Section Commission, taken on 23.10.2008

Budget Line - Preliminary consultation meetings with trade union representatives  
(Increasing appropriations for Budget 2009 over amount proposed by the European Commission to raise it at least at BU 2008 level, account being taken of inflation)

	for	%	against	%	abstentions	%
<b>EPP-ED</b>	<b>11</b>	<b>49%</b>	<b>209</b>	<b>94,5%</b>	<b>1</b>	<b>0,4%</b>
<b>PSE</b>	<b>162</b>	<b>99,3%</b>	<b>1</b>	<b>0,7%</b>	-	
ALDE	9	12,1%	65	87,8%	-	
GREENS	33	97%	-		1	3%
GUE	24	96%	1	4%	-	

Budget Line - Industrial relations and social dialogue

(Increasing appropriations for Budget 2009 over amount proposed by the European Commission to raise it at least at BU 2008 level, account being taken of inflation)

	for	%	against	%	abstentions	%
<b>EPP-ED</b>	<b>1</b>	<b>0,4%</b>	<b>217</b>	<b>99,5%</b>	-	
<b>PSE</b>	<b>162</b>	<b>98,7%</b>	<b>2</b>	<b>1,3%</b>	-	
ALDE	8	10,8%	66	89,2%	-	
GREENS	30	85%	4	11,4%	1	2,8%
GUE	24	96%	1	4%	-	

Budget Line - Information and training measures of workers organisation

(Increasing appropriations for Budget 2009 over amount proposed by the European Commission to raise it at least at BU 2008 level, account being taken of inflation)

	for	%	against	%	abstentions	%
<b>EPP-ED</b>	<b>3</b>	<b>1,4%</b>	<b>217</b>	<b>98,6%</b>	-	
<b>PSE</b>	<b>162</b>	<b>99,3%</b>	<b>1</b>	<b>0,7%</b>	-	
ALDE	8	10,8%	66	89,1%	-	
GREENS	-		33	97%	1	3%
GUE	24	96%	1	4%	-	

Budget Line - Information, consultation and participation of representatives of undertakings  
(Increasing appropriations for Budget 2009 over amount proposed by the European Commission to raise it at least at BU 2008 level, account being taken of inflation)

	for	%	against	%	abstentions	%
<b>EPP-ED</b>	<b>3</b>	<b>1,3%</b>	<b>214</b>	<b>98,6%</b>	-	
<b>PSE</b>	<b>165</b>	<b>100%</b>	-		-	
ALDE	9	12,3%	64	87,6%		
GREENS	-		35	97,2%	1	2,7%
GUE	24	96%	1	4%	-	

Budget Line - EURES (European Employment service)  
(Increasing appropriations for Budget 2009 over amount proposed by the European Commission to raise it at least at BU 2008 level, account being taken of inflation)

	for	%	against	%	abstentions	%
<b>EPP-ED</b>	<b>3</b>	<b>1,3%</b>	<b>218</b>	<b>98,6%</b>	-	
<b>PSE</b>	<b>163</b>	<b>100%</b>	-		-	
ALDE	7	9,8%	64	90,1%	-	
GREENS	1	2,7%	34	94,4%	1	2,7%
GUE	25	100%	-	-	-	

### **- The EU as a global player: spreading peace, stability and sustainable development beyond our borders**

To improve decision-making in foreign affairs, Socialists strongly pushed for the creation of a conflict prevention network. Today its role is fully recognised in the European budget.

In order to fight poverty and prevent conflicts caused by climate change, the Socialist Group secured new funds to strengthen cooperation between developing countries in water management.

The Socialists launched an initiative to fight trafficking of small arms. Three years later, the project has become so successful that a special budget line was created in 2008 to keep up the action every year.

### **- Galileo**

Galileo is a major EU industrial project to improve people's daily lives. By 2013, it will give the EU a satellite navigation system offering a wide range of services beyond travel and including communications and Earth observation.

Unlike the US system, Galileo will be run by civil authorities and will be highly reliable. It will be the 27-nation EU's first major industrial project, bringing numerous technological innovations and jobs across the whole of the Union.

Since the Commission proposed Galileo in 1999, Socialist Euro MPs have played a determining role and supported the project at all stages. They were behind efforts in 2001 and 2002 to preserve the EU character of the project at a time when others preferred a less efficient intergovernmental

and diplomatic approach. More recently, they played a leading role in the parliamentary scrutiny of texts that underpinned the project.

Finally, when it was time to sort out financial aspects of the project, and certain EU finance ministers were arguing for intergovernmental funding, Socialist Euro MPs unanimously pressed for community funding as the only guarantee of rapid progress in a project that will cost 3, 4 billion euros by 2013. After long negotiations, they managed to convince the finance ministers to release the necessary EU funds by drawing partly on unused money in the 2007 budget.

With the Socialists, the Europe of the future, the Europe of innovation, can push forward.

**- Lifelong learning: Erasmus, Leonardo, Comenius... Breathing life into the Europe of learning and promoting exchange visits.**

Socialist Euro MPs led efforts to increase funds for the lifelong learning programme of 2007 to 2013. A billion euros will be devoted to the programme every year. This will allow more than 222,000 students to study abroad under the Erasmus programme. Another 70,000 young people will have professional training and some 1,400 teachers of adults will be able to take part in mobility programmes.

Members of the Socialist Group want more people to benefit from these measures. They persuaded the European Commission to try some new ideas such as Erasmus Apprentice, Erasmus for Young Entrepreneurs and Erasmus for Secondary Schools. Soon these trials will be turned into longer term programmes with bigger annual budgets.

**- Support for small and medium sized enterprises as well as very small businesses**

More than 90 per cent of jobs in Europe are in crafts or small and medium-sized businesses. Throughout the Parliament of 2004 to 2009, Socialist MEPs have put forward new ideas to ensure that Europe takes better account of the nature of these enterprises and adapts its policies to their needs. Socialist MEPs also put forward innovative proposals on tutoring, venture capital, loan guarantees and the promotion of environmentally-friendly innovation.

## **PROMOTING A DIVERSE AND SOCIALLY RESPONSIBLE MEDIA**

In a time of rapid change in the media world, changing technologies and growing concentration of ownership in the hands of a small number of powerful conglomerates, the Socialist Group has been vigilant to defend diversity, oppose excessive concentration of ownership, promote access to new forms of communication and ensure that mass media - including new media - are responsive to the needs and concerns of Europeans.

In December 2005 the European Commission proposed an update of the TV Without Frontiers directive. In the course of its consideration by the EP (adopted in December 2006), Socialist Group amendments achieved 3 key improvements:

- new safeguards for media pluralism, ensuring for consumers a large choice of content, reflecting different points of view and different cultures;
- a requirement on EU governments to ensure that audiovisual services are gradually made accessible for people with hearing or visual disability;
- an EU-wide labelling, assessment and filtering system to give parents and other carers greater control over programmes with pornographic or violent content.

The Socialist Group also took the initiative of launching a Parliamentary report on Concentration and Pluralism in the Media in the EU, prepared by Marianne MIKKO (PSE Estonia) which was adopted by the Parliament in September 2008.

In recent years, a proliferation of new commercial outlets (e.g. in broadcasting) has taken place. However the number of companies in the media business decreased as more and more independent companies fell under the ownership of a few conglomerates. On the basis of the MIKKO report the European Parliament called for:

- full disclosure of the ownership of media outlets, to avoid the dangerous overlap between media ownership and political power (such as is seen - most notoriously - in Italy under Berlusconi)
- a series of measures to raise the quality of the media e.g. to ensure journalistic and editorial independence by appropriate guarantees, to support high-quality public broadcasting services
- improvements in working conditions for journalists.

### **Where others were divided**

Divisions in the Right: The EPP-ED opposed much of the content of the report - in particular its strong stance on concentrations of media ownership; and also on the need for media independence of the political. A resolution from the Socialist Group, supported by the Liberals and the Greens, was adopted by 307 votes to 262 in September 2008, against the opposition of the isolated EPP-ED Group whose weak alternative Resolution was resoundingly defeated.

### **Our future political goals**

The Socialist Group will continue to work for greater transparency in media ownership: to fight against monopolies, to call for higher journalistic standards and to support high quality public broadcasting; as well as to combat precarious work conditions in the media. We shall defend the European audiovisual model, based on the coexistence of public and commercial broadcasters, to safeguard pluralism, to defend freedom of expression; public access to new services (such as Video on demand); and to ensure that there is a place for content with a cultural and economic value.

# TACKLING THE CLIMATE CHANGE CHALLENGE

## EU Climate Change commitments

In 2007, the European Union had set itself a set of ambitious targets to reduce carbon emissions by 20% by 2020. If a 'post Kyoto' international agreement is achieved at the UN conference in Copenhagen in December 2009, then the EU has committed itself to reduce greenhouse gas emissions by 30% by 2020.

In addition, the EU has also committed to increase the use of renewable energy to 20% by 2020, of which 10% will be renewable energy to be used in transport.

## EP and Council adopt legislation to honour EU Climate Change commitments:

In 2008, the EP and Council adopted legislative measures which will implement the targets and show the world that Europe is a responsible and credible partner. The EU's climate change package is a world leader: No other country has set a legally binding emission reduction targets for 2013-20.

The Socialist Group in the European Parliament helped broker a deal which balanced the need to make Europe the world leader in the fight against the biggest threat facing humanity, climate change, and decrease our energy dependence. **Finding a balance between protection of the environment and job protection** through sustainable economic growth and investing in alternative energy sources is our formula for success.

## Socialist achievements in the Climate Change Package

### Emission Trading Scheme:

- A harmonised and decreasing cap is in place - which will deliver the EU carbon emissions target
- An increase in amount of earmarking of auctioning revenue which will be spent on creating and retraining smart green jobs, R&D into renewable energy sources and helping developing countries adapt to the challenges of climate change.
- All industries will have to make an effort to reduce emissions, and in some high carbon emitting industries will get support (free allowances) to help the transition process.

### Effort Sharing:

- Member states will need to meet the 20% emission reduction target for 2020, but also introduces an 80% target for 2050. The whole system is based on all countries sharing the effort to reduce emissions based on their ability to do so.
- EP introduced a penalty mechanism for member states who do not deliver - if a member state misses its annual target, the target next year will be even tougher

### Renewable energy sources:

- Incentives to increase the uptake of renewable energy sources have been introduced which will help create 1.6 million green jobs in the renewable sector by 2020.
- The production of biofuels will have to comply with sustainability criteria which will guarantee decent social standards for workers, a fair price for local communities growing bio-fuels, and will not impact food prices or destroy rainforests.
- Incentives into the uptake of new technologies and the development of second generation bio-fuels will be encouraged.
- Electric cars will be developed using different types of renewable energies sources.



### Cars and CO2 emissions

- Car companies have been given incentives to adapt the production of cars to become cleaner and pollute less.
- By 2020, car companies will be producing new cars that on average will only emit 95g/km of CO2.

### Result of the vote of the package (17 December 2008):

ETS: 610 in favour; 60 against, abstentions 29

	for	against	abstentions
<b>EPP-ED</b>	<b>224</b>	<b>29</b>	<b>4</b>
<b>PSE</b>	<b>195</b>	<b>0</b>	<b>0</b>
ALDE	86	0	2
GREENS	37	0	0
GUE	30	4	4

On this extremely important issue, the Socialist Group was the most cohesive group that allowed the resolution (which got Green support) to be adopted. The EPP-ED split - Niebler of ITRE Committee voted against the proposal.

**Effort Sharing:** 555 in favour, 93 against, 60 abstentions

	for	against	abstentions
<b>EPP-ED</b>	<b>252</b>	<b>3</b>	<b>6</b>
<b>PSE</b>	<b>181</b>	<b>11</b>	<b>7</b>
ALDE	87	0	0
GREENS	1	37	1
GUE	0	11	27

Greens voted against their own Rapporteur (Hassi), and GUE abstained on the final resolution which shows lack of maturity or willingness to take political responsibility.

### Renewable Energy

635 in favour; 25 against, 25 abstentions

	for	against	abstentions
<b>EPP-ED</b>	<b>235</b>	<b>4</b>	<b>6</b>
<b>PSE</b>	<b>199</b>	<b>0</b>	<b>0</b>
ALDE	86	0	0
GREENS	37	0	0
GUE	32	3	3

Centre right (small) split. Ouzky (Chairman of ENVI Committee abstained!!!) Fascist and anti Europeans voted against. Centre left (Socialist Group, Liberals, Greens) supported deal. Socialists are the most cohesive Group.

### CARS/CO2

559 in favour, 90 against, 60 abstentions

	for	against	abstentions
<b>EPP-ED</b>	<b>247</b>	<b>2</b>	<b>12</b>
<b>PSE</b>	<b>175</b>	<b>5</b>	<b>20</b>
ALDE	84	5	1
GREENS	2	0	37
GUE	0	28	10

This was probably the most controversial issue of the whole package. Rapporteur Guido Sacconi (PSE, Italy) who led our Group, was successful in building a large majority within the EP to get a deal which was balanced yet ambitious and which will revolutionise the car industry and help it to become an innovative and clean industry of the 21st century.

### **Our success**

The Socialist Group has consistently taken a coherent and responsible approach to the issue of climate change.

Unlike the centre right, we used our leverage to ensure that proposals were fairly balanced between fighting climate change and helping European industry adapt to the challenges of climate change as well as protecting jobs and Europe's competitiveness. This is particularly important during these difficult times.

### **Our forthcoming political goals**

1. Securing an international deal in Copenhagen to tackle climate change after 2012
2. Ensuring that the European Union is ready to implement a 30% reduction in CO2 emissions by 2020 in the framework of the international agreements
3. The PES manifesto 2009 has made 'saving our planet' a priority issue for the elections. Our ambitions are:
  - Meet our emission targets to reduce CO2 emissions and develop a sustainable, independent and secure energy for Europe
  - Invest in smart green growth
  - Take action at all levels to ensure that citizens are able to meet the challenge of climate change in a cost effective and equitable way
  - Provide leadership at a global level in order to provide equitable solutions for both industrialised and developing countries.

## SUCCESS OF THE FARM POLICY REVIEW

The farm policy review, known as the common agricultural policy (CAP) health check, set out to:

- **Evaluate** and continue the major CAP reform of 2003;
- **Prepare** the CAP for new challenges such as climate change, water management and bio-energy;
- **Adapt** the CAP to international trade rules (WTO).

The health check brought change in three main areas:

- the **direct aid scheme** - support for farmers, known as the first pillar of the CAP
- **market tools** - public intervention, milk quotas, setting aside land and export refunds;
- **rural development policy** (the second pillar of the CAP) in order to face new challenges.

The Socialist Group played a key role in these issues. It set out its strategy in "*Agriculture and the rural world: facing the present to prepare the future*" adopted in October 2007 in Madrid. This strategy was the basis of all the negotiations on the CAP health check. The rapporteur for the legislative package was Group member Luis Manuel Capoulas Santos, who is Group spokesman on the EP's agriculture committee. Given the importance of the subject, the French Presidency treated the European Parliament on an equal footing with the Council, even if officially no co-decision procedure was envisaged.

The Socialists led efforts to counter the European Commission's liberal position by seeking a proper balance between, on the one hand adapting the CAP to new challenges and the international context and on the other, protecting farmers and the environment.

The outcome, detailed below, was that:

1. The direct aid proposal was adopted by two thirds of the members voting (441 out of 660)
2. The market tools proposal was adopted by 383 of the 636 members voting (60%)
3. The rural development proposal was adopted by 510 of the 644 of the members voting (79%)

### 1. DIRECT AID

A number of fundamental decisions were taken, including:

#### CONTRIBUTION TO SECTORS WITH SPECIFIC PROBLEMS

Socialists managed to give member states more flexibility in using up to 10 per cent of funds to cope with specific problems such as in the beef, dairy, sheep and goat sectors.

Council did not accept the Socialist proposal for an extra five per cent for insurance against plant and animal disease, climate risks and natural disasters.

#### ➤ **Coupled and decoupled aid**

The CAP reform of 2003 introduced the "decoupling" of direct payments to farmers, in other words, the suppression of the link between these payments and a particular production. Nevertheless, this reform leaves to the member states the possibility of maintaining certain payments "coupled", i.e. related to the production, for certain vulnerable sectors.

With the support of the other political groups and the Council, Socialists restricted the excessive market liberalisation proposed by the European Commission. It wanted to end the last coupled payments and incorporate them into the Single Payment Scheme (SPS).

Under the final agreement, the suckler cow premium and sheep and goat premiums will escape the general rule of the total decoupling of aid. For other sectors, total decoupling was more spread out over time.

➤ **Conditionality of aid**

Socialists stressed the need to make farm aid dependent on meeting environment, animal welfare and food quality standards. Farmers who fail to comply with the rules face cuts in aid.

## **2. MARKET TOOLS**

Current market support tools, devised for the original six EU member states, need to be adapted to a Europe of 27 because of overproduction and completely different world circumstances.

The Commission at first wanted to end intervention for most sectors but the Socialists secured rejection of this total liberalisation approach.

The final agreement retains the legal basis of the intervention system, for example for durum wheat, rice, barley and sorghum. Intervention in the dairy sector is also maintained, including official purchases of up to 30,000 tonnes of butter and 109,000 tonnes of milk powder.

➤ **Dairy quotas**

From the outset, Socialists stressed the need to guarantee a soft landing for the end of dairy quotas, envisaged for 2015. The final agreement envisages five annual quota increases of one per cent between 2009 and 2014. In addition, supporting measures are set up for producers likely to be affected by the quota increases. Flexibility is available for some member states, as with the possibility of "frontloading" for the Italian quota.

➤ **Setting aside of land**

The food crisis led Socialists to maintain the decision against taking land out of production.

➤ **Export refunds**

In an effort to align the farm policy with WTO rules, the European Parliament adopted a Socialist proposal to end export refunds for cereals and rice (which have anyway decreased significantly during recent years and have only a minimum value). However, the Council did not accept these proposals.

➤ **Risk and crisis management**

Under Socialist Group pressure, the EP and Council agreed on new tools (insurance and mutual health funds) to guarantee better risk management.

In order to cover economic losses caused by unfavourable climatic phenomena, animal or vegetable diseases or parasitic infestations, an increased EU financial contribution was approved.

## **3. RURAL DEVELOPMENT POLICY**

The CAP should be able to adapt to current changes and to meet new challenges.

The farm policy budget ceiling was fixed up to 2013. The only way to find extra resources for rural development lies in modulation, in other words transferring funds from the first pillar (direct aid) to the second pillar (rural development).

Socialists, supported by Council, raised the obligatory modulation factor by five per cent above the five per cent already in force, to make ten per cent. An extra modulation of four per cent is added for farmers receiving more than €300,000

This will allow financing of four new challenges: 1) the fight against climate change, 2) biodiversity, 3) water management, 4) bio energy. The European Parliament added two other fields: 1) the innovation in the previous four sectors and 2) the adaptation of the dairy sector. The co-financing of these measures by the Community budget was raised to 75 per cent, and to 90 per cent for the regions of convergence.

The reforms approved by the health check will also enable the CAP to respond with concrete action to the European Economic Recovery Plan, proposed by the European Commission.

## **MAKING THE EU MORE OPEN, DEMOCRATIC AND EFFICIENT**

The EU must be a more efficient Union if it is to respond to the challenges that we all face, not least the global financial crisis, climate change, and the threat of international terrorism. We cannot expect structures established over 50 years ago for a Common Market of six member states to function effectively for a much wider, more diverse and more complex Union of 27 states and 500 million citizens.

To bring the Union closer to its citizens, the EU needs to become more open, and its decisions must be subject to clear democratic control and scrutiny. In an interdependent world, the EU must be able to speak with one voice. Nationalist, Eurosceptic, isolationist and outright anti-European forces have no answers to global problems.

### **Our success**

The Socialist Group's unified, consistent, and coherent approach has allowed us to have an impact that is disproportionate to our numbers on the European Parliament debate on the direction Europe should take. Other groups, in particular the EPP-ED, are severely divided on basic questions about the future of Europe, and act like technical federations of national interests.

### **A New Treaty for the New Europe**

The Socialist Group has been the driving force in the EP debate on the reform of the EU's structures.

The EP's 2004 Corbett/Mendez de Vigo report on the Constitutional Treaty emphasised the need for Europe to become more democratic, efficient, accountable and transparent. Our active role (the report had the almost unanimous endorsement of our members, while other groups were divided) led to the EP's swift endorsement of the Treaty. At the same time, to ensure greater public involvement, we organised a series of citizens' forums on the need to reform the new and enlarged Union.

Our priority throughout the process was to ensure the earliest possible settlement of institutional issues and to stress the EU's role in facing global challenges, and developing social Europe.

The June 2007 Baron/Brok report on the roadmap for the Union's constitutional process gave the EP's message to the Berlin European Council. We welcomed the breakthrough in the constitutional deadlock and greater democracy through greater powers for the EP, while criticising the more complex language and procedures adopted. The report was adopted by 459 votes in favour, 141 against and 32 abstentions. Again, our Group was united and others were divided.

In the February 2008 Corbett/Mendez de Vigo report, the EP endorsed the Lisbon Treaty, saying that it will make the Union more democratic and fit for the future. It also praised more effective EU decision-making. The report was adopted by 527 votes in favour, 113 against and 29 abstentions.

The December 2008 European Council has set out a way forward for ensuring that the ratification of the Lisbon Treaty can proceed. We will seek to ensure that within and beyond the EP debate, the importance of citizens' concerns and a social Europe are at the forefront. Worries about threats to social Europe were among the prime reasons for the rejection of the Treaty in the Irish referendum.

After several weeks of hesitation motivated by the fear of adversely interfering with the forthcoming referendum in Ireland, the European Parliament finally debated and voted on the five key reports linked to the Lisbon Treaty in its last plenary session on Thursday 7 May 2009.

The reports in question are on the Union's new institutional balance, Parliament's new role and new responsibilities, relations between the European Parliament and national parliaments, and on

the implementation of the citizens initiative. The European Parliament approved all these reports by very clear majorities. "The Socialist Group has been active in supporting these reports, drafting and amending them so that the final texts reflect our position on these key issues."

***EP's New Role and responsibilities implementing the Treaty of Lisbon (LEINEN, PES-DE)***

With approval of this report by 441 votes in favour to 77 against and 18 abstentions, MEPs welcome the fact that, with just a few exceptions, the new treaty will place the EP on an equal footing with the Council as EU legislator, including in key areas such as the budget, agriculture, justice and home affairs.

***The impact of the Treaty of Lisbon on the development of the institutional balance in the European Union (DEHAENE, EPP-BE)*** was adopted by 363 votes in favour to 93 against and 19 abstentions. The report formulates a number of recommendations and highlights that Lisbon Treaty strengthens Union's institutions each in their field of competence.

***Development of the relations between the European Parliament and the national parliaments under the Treaty of Lisbon (BROK, EPP-DE)*** was approved by 379 votes in favour to 65 against and 16 abstentions. MEPs wish especially for a new form of "pre-legislative and post-legislative dialogue" with national parliaments, once the Lisbon Treaty has taken effect.

***Guidelines for a proposal of a regulation of the European Parliament and the Council on the implementation of the citizens' initiative (KAUFMANN, GUE-DE)***. The report was adopted by 380 votes in favour to 41 against and 29 abstentions. The Parliament calls on the Commission to present a proposal for a regulation on the citizens' initiative, immediately after entry into effect of the Lisbon Treaty.

**The Group has also promoted:**

- the strengthening of the European Parliament's role, encouraging the other institutions become more democratic even before the new treaty takes effect;
- openness and transparency, with full public access to institution documents including those of the Council when it passes legislation;
- widening the role of the ombudsman;
- promoting transparency by strongly influencing the EP report on lobbyists and
- partnership and dialogue between non-governmental organisations and EU institutions, in particular in Genowefa Grabowska's report on developing civil dialogue

**European citizenship**

For us, the Charter of Fundamental Rights is at the heart of our democratic system based on the rule of law. Socialist Group member Jo Leinen's report on the Charter of Fundamental Rights of the Union gave a mandate for the Charter to be proclaimed on 12 December 2007 in the Chamber.

## **PROMOTING EQUAL REPRESENTATION FROM QUOTA TO PARITY**

The Group is very concerned about the imbalanced representation of women and men in decision-making; women are under-represented in politics as well as in the business sphere. This marks a democratic deficit at European level and beyond. The EU has long recognized the need to promote gender equality in decision-making. In 1996, the Council of Ministers made a recommendation to member states to introduce measures to promote balanced participation in decision-making. The Commission supports transnational projects and has set up a database to provide statistics, record improvements and monitor progress towards gender equality.

### **Our success**

The Committee on Women's Rights and Gender Equality's annual report on Equality between Men and Women takes stock of the situation and determines any signs of improvement. In 2008, the report drafted by Socialist Rapporteur, Iratxe García Pérez, highlighted the continuing acute under-representation of women in decision-taking at all levels and urged parties to take specific action to improve the situation. The report emphasized the positive impact of political quotas as a means of bringing more women into the process.

Socialist member, Teresa Riera Madurell drafted a report on the transposition and application of the directive on the principle of equal treatment for men and women as regards access to employment, vocational training and promotion and working conditions. It concluded that the directive is not being fully implemented in the member states, which means that it is not being fully benefited by citizens, particularly women.

The Group celebrated International Women's Day in March 2009 with a conference entitled '50-50: From Quota to Parity', which brought together representatives from various socialist parties and civil society to discuss the situation in member states and to stress the importance of this issue in the European elections.

### **Where we played a leading role**

The Group, following the strong lead of Zita Gurmai MEP, has been active in the drafting of the PES manifesto, which sets championing gender equality as a priority, and supports the European Women's Lobby's '50-50 Campaign for democracy', endorsed by Commissioner Wallström. This campaign calls on decision-makers to ensure that women are equally represented on election lists for the European elections, and for the high level posts in the European institutions. The Group also fully supports the 'Females in Front' campaign launched by Socialist member, Cristel Schaldemose. We will continue lobbying governments to stress that this lack of equality has to be drastically improved within our own political structures in order to take the message forward and convince others.

### **Where others are divided**

The Socialist Group is a strong advocate of using the quota system to redress this under-representation, and calls for quotas similar to laws in force in Norway where women have to be represented by up to 40% on company boards. This is systematically opposed by the EPP-ED.

### **Future political goals**

In this legislature, the Group has continued to increase its percentage of women MEPs. This currently stands at 41.4% women, 58.6% men. This is in contrast to the EPP-ED Group which has 24% women, 76% men. PES parties, with their quota systems, will strive to improve on this figure in all elections. Discrimination is still widespread. Our Group will work for major improvements on the transposition and application of the directive on the principle of equal treatment for men and women as regards access to employment, as well as on the directive on anti-discrimination.



## **ZERO TOLERANCE OF VIOLENCE AGAINST WOMEN**

The Socialist Group is opposed to all forms of violence. Women are the main victims of gender-based violence, which is a breach of the fundamental right to life, safety, freedom and dignity. We believe that the violation of these rights cannot be tolerated or excused. Prevention is essential and requires education, knowledge, the development of networking and partnership and the exchange of good practices. We call for urgent action to eliminate customary or traditional harmful practices, including female genital mutilation, forced marriages and honour crimes.

### **Our success**

The Group consistently urges the Commission to strengthen measures to protect women and children against violence. We call for better legislation to tackle the causes, to improve prevention measures and victim support, and to promote awareness-raising and the exchange of best practices.

The Commission's specific funding programme, the DAPHNE programme, provides financial assistance to NGOs involved in helping victims of physical, sexual and psychological violence, such as children, young people and women. We succeeded in rejecting Commissioner Frattini's proposal to merge the DAPHNE programme with the programme dealing with the fight against drugs. The result is a strong anti-violence programme.

Socialist Rapporteur, Lissy Gröner, successfully defended DAPHNE III and led tough negotiations with the Council to launch the programme for 2007-2013. Thanks to the determined position of the Rapporteur, the outcome was a 50% increase in the budget to €116m, as well as further improvements including the setting up of a helpdesk service and a think-tank of experts.

### **Where we have made a difference**

The Group succeeded in its goal of obtaining a joint statement from the EP and the Council to consider having a European Year dedicated to combating violence against children, young people and women. The Group will continue to press for this statement to be made a reality.

Socialist Rapporteur, Christa Prets, who has been dealing with reports on the trafficking of women and children for sexual exploitation, has been very active against gender violence and has represented the Socialist Group and the European Parliament in international conferences and campaigns on this issue, such as the Council of Europe campaign on domestic violence in 2008.

The Socialist Group also respects the 25 November as the International Day for the Elimination of Violence against Women, and continues to mark this day with an event or a statement to raise awareness.

### **Where others are divided**

The Group is putting pressure on the Commission to establish a legal base for gender violence, which would be a way forward in dealing with it more effectively. This is opposed by the EPP-ED.

### **Future political goals**

We will continue to work to tackle gender violence and to promote best practices against domestic violence in the member states. We will continue to press the Commission to establish a legal base for action against gender violence, and to nominate a European year dedicated to violence against women and children.

# COMBATING RACISM AND XENOPHOBIA

## Action to combat racism and xenophobia

The EU is based on values of tolerance, multiculturalism and protection of fundamental rights. The fight against racism and xenophobia is one of our priorities, bearing in mind the Charter of Fundamental Rights which enshrines freedom of thought, conscience and religion with full respect for free speech.

The Commission presented a framework decision proposal on racism and xenophobia in November 2001. Long discussions were necessary for the Council to give way to the pressure of the EP and more specifically that of the socialist rapporteur, Martine Roure. At the beginning of 2007 she took the initiative of drafting a recommendation to the Council which defines reproachable behaviour, proposes guidelines, and thus sends a strong political message to the Council. After the almost unanimous adoption by the LIBE committee of this recommendation, the EP was reconsulted on the basis of a political agreement reached under the German presidency.

Socialists are pleased that the Council reached agreement on a proposal for a framework decision on racism and xenophobia. The member states will have to put into place harmonised criminal penalties (from one to three years in prison) for any incitement (by persons or legal entities) to violence or to hatred, including the distribution of tracks, photographs or other materials against a group of persons or a member of such a group defined by reference to race, colour, religion, or national or ethnic origin or ancestry. Gross trivialisation of genocide, crimes against humanity, and war crimes should also be punishable by effective, proportionate, and dissuasive criminal penalties.

It is an important first step but we are concerned about the restriction of its scope:

- Insults or leadership of a racist group are no longer crimes as was proposed in the initial text.
- The limit imposed on the scope by the addition of article 1, paragraph 1f excludes racism based on religious belief.
- As regards public advocacy, holocaust denial or gross trivialisation, the addition of the need for the punishable behaviour to lead to the risk of incitement to hatred and violence should also be noted (paragraphs 1c and 1d of article 1).

## Where we played a leading role

Socialists proposed the addition of a paragraph which provides for:

- A non-regression clause so that the framework decision does not weaken the existing protection under article 6 of the "Race directive"
- The guarantee that the framework decision will not allow less protection than under the International Convention for the Elimination of all forms of Racial Discrimination.

## Future political goals

Socialists will insist that the EU goes further when the framework decision is reviewed in three years.

***A EUROPEAN SOCIAL MODEL FOR ALL***

# PUTTING AN END TO LONG HOURS AT WORK

## The 48-hour Average Working Week

New rules on working time represent one of the Socialist Group's biggest victories in the current Parliament. In the crucial second-reading vote on the Working Time Directive, European law makers voted by a large majority to ban long working hours for millions of people throughout the EU, closing the loophole which has allowed some Governments to opt out of the rules.

## Our Great Success

Negotiations led by Socialist Group rapporteur Alejandro CERCAS (PSE, Spain) managed to split the right-wing EPP-ED & ALDE Groups and win a resounding victory in the Parliamentary votes. On every single amendment, the Socialists put together a majority well in excess of the "qualified majority" (393 votes) we needed to overturn the Council of Ministers position, which would have continued to deny protection to millions of workers.

Instead, European lawmakers voted for a 48-hour average working week, with no opt-outs for individual Member States. The day before the crucial vote, some 15 000 workers from across Europe, joined by leading Socialist MEPs, demonstrated on the streets of Strasbourg, demanding working hours that respect health and safety. The Parliament amended the draft Working Time Directive to provide:

- **protection of all workers against long working hours** which threaten their health and safety
- **recognition of time spent on-call** at the workplace as working time
- new rights to information and consultation on the organisation of working time, with a role also for collective bargaining
- **new rights for workers to adapt their working hours to cope with family and other responsibilities**

## Dispelling the Myths and our Political Goals

The European Parliament's historic vote reflected the Socialist Group's insistence that limits on excessive working hours are a matter of health and safety, as recognised by the European Court of Justice. As such, they must be respected by all European Governments in order to protect workers from the ill health and accidents proven to be linked to persistent long working hours - and to protect European business from unfair competition in the internal market. The new directive also aims at raising European competitiveness, in the light of massive evidence that workers are more productive when they have adequate resting time.

The Parliament's position, brokered by Alejandro CERCAS, is careful to allow for enough flexibility to accommodate peak periods in the organization of working time. For example, a worker who needs to work more than 48 hours for several weeks or months is accommodated by the new rules, which allow working time to be averaged over 12 months, to meet the 48-hour average.

## Result of Key Votes - End of the Opt-out (Amendment 16)

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-DE	83	33	166	66	4	1
<b>PSE</b>	<b>188</b>	<b>94</b>	<b>11</b>	<b>5,5</b>	<b>1</b>	<b>0,5</b>
ALDE	29	32	58	65	3	3
V/ALE	37	95	2	5	0	0
GUE	38	100	0	0	0	0
IND/DEM	6	32	11	58	2	10
NI	13	46	15	54	0	0
UEN	27	71	10	26	1	3

## Result of Key Votes - On-call time (Amendment 9pc)

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-DE	190	74	64	25	4	1
<b>PSE</b>	<b>183</b>	<b>92</b>	<b>13</b>	<b>7</b>	<b>2</b>	<b>1</b>
ALDE	74	82	13	15	3	3
V/ALE	38	95	2	5	0	0
GUE	39	100	0	0	0	0
IND/DEM	7	37	10	53	2	10
NI	17	61	10	36	1	3
UEN	28	72	10	26	1	2

## Our Future Political Goals

The battle's not over!

Following the Parliament's comprehensive defeat of the Council's position in December 2008, negotiations between the European Parliament and EU Ministers, began at the end of January 2009 to find agreement between the two institutions and finalise legislation on a 48-hour average working week.

After arduous and lengthy negotiations between the Parliament and the Council, the so-called Conciliation Committee on the Working Time Directive held its third meeting in the evening of Monday, 27 April 2009. After four and a half hours of negotiations, the Parliament's delegation rejected the last offer from the Council with no votes in favour, 15 against and 5 abstentions. It should be noted that the Parliament had throughout the negotiations submitted several compromised texts which were deemed unacceptable by the Council. Furthermore, this was the first time since the entry into force of the Amsterdam Treaty that an agreement was not reached between Parliament and Council.

The main issues for not finding an agreement were:

### Opt-out

The Socialists and the majority of the EP Delegation insisted on ending the "opt-out" after a transitional period. Due to a blocking minority in the Council no compromise proposal on this issue was acceptable to the Council. In addition, the Council could not consent to a toughening of the conditions for making use of the "opt-out".

### On-call time

The Socialists and the majority of the EP Delegation considered on-call time as working time. The Council insisted on a discrimination between *active* and *inactive* on-call time whereby the inactive

one could be calculated in a specific manner. This was totally unacceptable for the Socialist Group. The EP delegation submitted a compromise which was rejected by the Council.

### **Multiple Contracts**

The Council could not agree to the Socialist's request to lay down provisions in the recitals of the Directive, stating that the Directive should apply "per worker" and not "per contract" (so as to avoid multiple employment contracts).

Finally, **ETUC's General Secretary John Monks said** to the media after negotiations failed:

*'This is certainly not a victory for social Europe. We regret that it was not possible to reach an agreement that would have meant genuine social progress in Europe; for that, the individual opt-out should have clearly been put on hold and be recognised as a temporary exception that does not have its place in health and safety legislation. Also, the situation of the millions of European workers with on-call duties in sectors such as healthcare should have been properly safeguarded.'*

*However, we agree with the European Parliament that, unfortunately, an agreement was not possible. A group of countries has become so much addicted to the individual opt-out that, by now, they consider it as their fundamental right to keep it forever. This is unacceptable for the majority in the European Parliament and the trade union movement.*

*The European Parliament has played an essential role, with our support, to stop an important piece of European social law to be considerably weakened. The challenge is now to ensure that the Working Time Directive regains its key role in providing minimum standards on working time in Europe. This is especially important in a time of economic crisis and a globalising world. ETUC will continue to fight for this with its members, both at national and European level.'*

## WORKING CONDITIONS FIT FOR THE 21st CENTURY

In 2007 the Parliament adopted a report setting out a broad statement of its approach to **Reform of European Labour Law** and a closely related report on what the European Commission called a **Flexicurity** approach to the labour market - that is, in theory, an approach which would combine flexibility for employers with security for employees. In truth, for politicians from the Right, both reports were seen as opportunities to promote deregulation of the labour market and an erosion of employees' rights.

### Where we played a leading role - splitting the right

In the face of a right-wing majority in the current European Parliament, the Socialist Group realised that the only chance of defending workers' rights in these two reports lay in 100% unity. On the Labour Law report, all Socialist MEPs empowered the Socialist Group's Employment and Social Affairs spokesperson Stephen HUGHES (UK) to table amendments in the name of the whole Group. With this mandate, he was able to table amendments finely calculated to split the right-wing groups and build a progressive majority on almost all the key votes. On the Flexicurity report, the Socialist rapporteur CHRISTENSEN (DK) was equally successful in splitting the right and building a winning coalition.

The term 'flexicurity' has raised concerns among our citizens. All too often it has been a device to allow firms to get rid of staff more easily, with no counterbalancing benefits for employees. In 2007, the European Commission proposed a set of common principles on flexicurity which claimed to balance the interests of employees and employers, but which in fact put too much emphasis on flexibility and not enough on job security. The Socialist Group's victory in the European Parliament managed to radically transform the flawed proposal.

### Key Victories on Basic Legal Protections

In recent years new and precarious forms of employment contract have spread like wildfire across Europe. In response, the two EP reports laid down the principle that, in EU labour market laws and policies, a full-time standard contract is the norm. They also renewed the EU's commitment to adequate legal protections for all workers. Among the key provisions:

- **"...any form of employment, whether non-standard or otherwise, should carry with it a core of rights regardless of the specific employment status**, including equal treatment, health and safety protection, provisions on working/rest time, freedom of association and representation, collective bargaining, collective action, and access to training."- *Labour Law report*
- promotion of **both employment security and job security** (The Commission wanted to have employment security - based on access to retraining, employment services etc - at the expense of job security). - *Flexicurity report*
- keeping the **traditional model of permanent contracts**, which forms the basis of the social security systems in Member States, at the heart of all EU employment policies.- - *Flexicurity report*
- promotion of **decent work**, and **condemnation of abusive labour practices**, particularly in certain non-standard contracts as well as the right to protection against unfair dismissal; - *Flexicurity report*

### Result for the end vote of the Labour Law report

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-DE	203	92	12	5	6	3
<b>PSE</b>	<b>138</b>	<b>82</b>	<b>8</b>	<b>5</b>	<b>23</b>	<b>13</b>
ALDE	79	95	4	5	0	0
V/ALE	27	84	1	3	4	13
GUE	0	0	17	47	19	53
IND/DEM	6	43	6	43	2	14
NI	6	86	1	14	0	0
UEN	18	90	2	10	0	0
ITS	2	17	10	83	0	0

### Result for the end vote of the Flexicurity report

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-DE	215	94	6	3	8	3
<b>PSE</b>	<b>152</b>	<b>83</b>	<b>13</b>	<b>7</b>	<b>18</b>	<b>10</b>
ALDE	81	98	2	2	0	0
V/ALE	1	3	24	68	10	29
GUE	0	0	24	83	5	17
IND/DEM	3	16	15	79	1	5
NI	10	40	8	32	7	28
UEN	34	100	0	0	0	0



## SOCIALIST NO TO 86-HOUR WORKING WEEK FOR ROAD TRANSPORT WORKERS

The Socialist Group, in alliance with a strong trade union mobilisation, confounded expectations in May 2009 to win an EP majority to reject a Commission proposal on a revised Working Time Directive for Road Transport. The proposed legislation - supported by the EPP and the Czech Presidency - could have led to an 86-hour working week for road transport drivers. However, the European Parliament adopted by 332 votes to 307 our Socialist amendment to reject the draft Directive.

The EP vote means that the existing Directive (15/2002) will now apply equally to employed and self-employed drivers - overcoming a potential threat to road safety and to occupational health, in the shape of over-tired drivers at the wheels of commercial vehicles. Trade unions across Europe have welcomed Parliament's vote as a great victory.

"For us, it is essential that all road transport operators are treated equally", declared Stephen Hughes, Socialist Group spokesman for social policy. "When workers' health and road safety are in play, everyone has to be treated on an equal footing. The adoption of the Commission proposal would have created unacceptable discrimination between the employed lorry drivers, protected by European legislation, and the self-employed persons. It would have opened the way to social dumping ", added Mr Hughes.

### Result of End Vote

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-ED	22	10	200	89	1	1
<b>PSE</b>	<b>187</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
ALDE	18	26	50	70	3	4
V/ALE	38	99	0	0	1	1
GUE	32	100	0	0	0	0
IND/DEM	1	1	12	99	0	0
NI	16	70	7	30	0	0
UEN	18	56	14	43	1	1

## **New Rights for Temporary Agency Workers**

### **The fight against precarious jobs**

One of the EU's main aims in the field of employment - laid down indeed in the Treaty - is to improve the working conditions of its workers and fight precarious jobs. Agency workers represent around 2% of the workforce - many more in some member states - and their numbers are growing all the time. Until now, they have been denied many of the rights guaranteed to most workers; with no right to job security, they have faced precarious conditions and exploitation.

#### **Where we played a leading role**

In October 2008, the European Parliament adopted legislation brought forward by the Socialist Group, recognizing the right of agency workers across the European Union to equal treatment with workers directly employed in companies. The Socialists had a leading role from start to finish, with the initial proposal drafted by Ieke van den Burg (PSE Dutch) and then final negotiations led by Harlem Désir (PSE French).

#### **Our success**

The Socialist Group demanded that agency workers enjoy equal treatment from their first day of employment, while the Council of Ministers wanted the new rights restricted to workers who had been several months on the job. The Council blocked the whole proposal for six years because of disagreements among member states. But after intense pressure from the Parliament and the trade union movement, the Council finally took up the great majority of the Parliament's proposals: most importantly, equal treatment from day 1, with an option for the social partners in individual member states to agree on a limited qualifying period and the inclusion of pay in the definition of general working conditions.

#### **Where others were divided**

To overcome a threat of weakening or renewed blockage of the Agency Workers Directive by the Council at the next stage of the legislative procedure, our Group - faced with splits in the EPP-ED & Liberal Groups - pushed the Directive through without amendment. As a result, the Directive did not return for a second consideration by the Council. It is now EU law and must be transposed by the member states into national legislation by 2011.

## **Socialist Lawmakers Win Ideological Vote on**

### **Subcontracting in Europe: clamping down on rogue employers**

In April 2009 the European Parliament adopted a resolution calling on the Commission to establish clear cut rules on 'joint and several liability'<sup>1</sup> at European level. Thanks to the work of the Socialist Group, this was a great victory for workers as only through the principle of joint and several liability can we ensure that workers' social and employment rights across Europe are properly guaranteed. Introducing joint and several liability is an important piece of legislation in completing the internal market for workers and companies alike. Without it, (there is unfair competition as) those who follow the rules risk losing to players in the grey economy. Small enterprises are the most vulnerable.

Immediately after the vote, the European Trade Union Confederation (ETUC) told the press that it strongly supported the resolution adopted by the European Parliament. ETUC Confederal Secretary stated:

*"This issue is very important as one element of a package to ensure that the internal market for services is developing in a context of social responsibility. Providing for clear rules that prevent unfair competition on wages, working conditions, taxes and social security is not only in the interest of workers, but also of companies and especially of small and medium-sized enterprises who are currently suffering from such unfair competition. We urge the Commission now to take the necessary action".*

Subcontracting has experienced a boom in the EU during the past decades, not just in the construction sector but also in other economic sectors such as the cleaning industry, transport, tourism and the shipyard industry. While subcontracting is often a possibility for a company to use a specialised workforce in a flexible way, it has also created problems especially in cross-border chains because long chains of subcontractors give rise to abuses. It is not just labour that is subcontracted. Associated legal and financial obligations, such as, observing standards on wages and working conditions, as well as the payment of taxes and social security contributions are also externalized to subcontractors and employment agencies. Therefore, subcontracting may increasingly be used as a way of reducing direct social responsibility.

Implementing the rules in cross-border subcontracting processes is especially difficult when member states have different systems in place. Therefore, the Parliament now wants the Commission to launch an impact assessment on the added value and feasibility of a Community instrument on chain liability as a way of increasing transparency in subcontracting processes. MEPs believe that the scope of liability in such an instrument should cover at least wages, social security contributions, taxes and damages in relation to work-related accidents.

In addition, the House stressed the need to promote incentives for companies to make every reasonable effort in good faith to eliminate labour law infringements by subcontractors, such as systems of certification and codes of conduct, including reporting to the authorities and terminating a contract with a subcontractor who engages in illegal practice in order to avoid the possibility of being held jointly and severally liable for that infringement.

#### **Where we played a leading role**

The report was drafted by Socialist MEP, Lasse Lehtinen, and despite a successful vote in committee, an alternative motion was tabled to plenary by the EPP-ED Group striking out any calls for establishing a clear-cut legal instrument for joint and several liability. The conservatives have always been opposed to respecting basic labour law in the subcontracting chain!

---

<sup>1</sup> The principle of "joint and several liability" refers to a contractual arrangement whereby the partners in a consortium bear collectively the risks related to the work they agree to undertake as a team.

The Socialist Group took immediate counter-measures and introduced a joint resolution with the Greens and the majority of ALDE (as well as receiving the silent support from the GUE). There was fierce lobbying but in the end the progressive resolution was carried with 321 votes in favour, 235 against and 11 abstentions. Once again group cohesion played a very important part in the victory. The **vote below shows a clear right-left divide**.

**Result of End Vote (Progressive joint resolution)**

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
PPE-DE	6	1,9	203	86,4	1	9,1
<b>PSE</b>	<b>160</b>	<b>49,8</b>	<b>1</b>	<b>0,4</b>	<b>0</b>	<b>0</b>
ALDE	64	20	5	2,1	1	9,1
V/ALE	33	10,3	2	0,9	1	9,1
GUE	21	6,5	1	0,4	1	9,1
IND/DEM	4	1,2	7	3,0	2	18,2
NI	5	1,6	12	5,1	4	36,3
UEN	28	8,7	4	1,7	1	9,1

## CUTTING VAT ON LABOUR INTENSIVE SERVICES

Reduced VAT rates for a limited number of labour-intensive services are allowed under the VAT directive of 1999. Their use was at first limited to an experimental period of three years during which their impact on job creation and combating the black economy was to be assessed.

The reduced VAT rates were allowed for:

- Repairs to bicycles, shoes and leather goods, clothing and household linen (including mending and alteration) as well as renovation and repair of private dwellings;
- Window cleaning and cleaning in private households;
- Domestic care services such as home help and care of the young, elderly, sick or disabled;
- Hairdressing.

Nine member states asked to carry out the experiment until 2003. It was then prolonged until the end of 2005, with Socialist Group support.

### Where we played a leading role

Led by the Socialist Group, the EP adopted a joint resolution in November 2005 asking the Council to further prolong the experiment until the end of 2006. There was to be a comprehensive evaluation of job creation from the measure as well as a broad overview of its economic impact. The Group also supported extension of such derogations to new member states.

### Our success

Following the Commission's presentation in 2007 of a revised directive to allow for a permanent derogation on VAT rates, the EP adopted a report that supported the idea, taking the view that lower VAT would also reduce the attractiveness of the black economy for the businesses concerned.

### Result of the vote

Subject	RCV, etc.	Vote	RCV/EV
<i>single vote</i>	RCV	+	582,9,25

Again in 2008, when the Commission proposed to enlarge the scope of the directive to increase the range of goods and services subject to reduced VAT, the Socialist group took the lead to support the initiative and had this proposal successfully approved by a wide majority in the EP.

Member states are now allowed flexibility on how to use taxation to supplement other policies, especially where there is no single market argument against rate differences. The objectives in mind are:

- making basic goods and services affordable for every citizen;
- reinforcing the existence of locally-supplied services as well as their role in the formal economy.

### Our future political goals

We will of course support maintaining these reduced rates and promoting their extension to any member state interesting in using this option to support some parts of its economy.

# DEFENDING WORKERS WHEN BUSINESSES CROSS BORDERS

## Socialist Group Wins Crucial Vote on Safeguarding Workers' Rights

A series of rulings by the European Court of Justice in 2007 and 2008 raised alarm among European workers and revealed ambiguities in EU laws, allowing single market rules to over-ride employees' rights to equal treatment and to breach ILO Conventions on rights of collective bargaining and industrial action. These rulings - known as the Viking, Laval, Ruffert and Luxembourg judgements<sup>2</sup> - also called into question a key principle of subsidiarity, which is supposed to guarantee that member states are responsible, without interference, for defining their national collective bargaining systems.

In response to these rulings, the Socialist Group launched a campaign for revision and clarification of all relevant aspects of the European legal framework. We persuaded the European Parliament to commission a detailed report on the changes needed - and succeeded in getting Jan ANDERSSON (PSE, Sweden), Chair of the EP's Employment Committee, appointed to write the report.

### Where others were divided

On 22 October 2008, with the EPP-ED & Liberal Groups split, the Parliament adopted the report with a commanding majority (474 votes in favour, 106 against and 93 abstentions). Parliament called on the Commission to review, in particular, the EU's Posted Workers Directive and to bring forward legislation to set a clear legal framework, in line with the following principles:

- **Economic freedoms, such as the freedom to provide services, are not superior to fundamental social rights**, such as the right of trade unions to take collective action.
- **Trade unions have a right to take action** to ensure non-discrimination, equal treatment, and the improvement of their members' living and working conditions.

The report also calls for a re-assertion in primary law of the balance between fundamental rights and economic freedoms, to prevent a race to lower social standards. In particular, the exercise of fundamental rights as recognised by the member states and the Charter of Fundamental Rights should not be put at risk.

### Result of End Vote

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-ED	189	76	42	17	17	7
<b>PSE</b>	<b>160</b>	<b>87</b>	<b>2</b>	<b>1</b>	<b>22</b>	<b>12</b>
ALDE	53	60	26	29	10	11
V/ALE	35	95	0	0	2	5
GUE	1	3	8	22	27	75
IND/DEM	5	33	8	53	2	14
NI	6	21	12	41	11	38
UEN	25	71	8	23	2	6

<sup>2</sup> In December 2007, the ECJ found that collective actions by trade unions against the Viking company - which had reflagged a vessel in order to bypass collective bargaining agreements - restricted the Viking's freedom to operate across borders. In the second case, a trade union took industrial action to uphold a collective agreement which the Laval construction company had refused to recognise. In the third, Ruffert Case, the right of public authorities to demand tendering companies to pay wages in line with local collective agreements was ruled to be a restriction on the freedom to provide services. In the latest Case, the Commission took Luxemburg to court for insisting that foreign service providers meet certain local employment standards.

## Our success

The Socialist Group's achievement in putting the Viking, Laval, Ruffert and Luxembourg judgments on the European Parliament's agenda, and winning support for a radical reform of European law, has been praised and welcomed not only by the European trade union movement but also among NGOs, grass root party members and activists. John Monks, General Secretary of the European Trade Union Confederation, told the Press:

*'The EP has succeeded in finding a compromise that safeguards the European Social Model and protects the industrial relation systems in the Member States. I thank all those MEPs that understood the importance of this issue for the future of Europe and worked hard to get this report adopted. Fair competition between companies and respect for collective bargaining is a concern that all trade unions share in Europe, be it in 'old' or 'new' Member States. I particularly welcome the fact that the EP is looking at ways to re-establish an adequate balance between fundamental social rights and economic freedoms. The ETUC renews its call to the EU institutions to give serious and urgent consideration to the adoption of a social progress protocol to be attached to the EU treaties.'*

## Our future political goals

Victory in the EP was a big step forward, but the battle goes on. Many Commissioners in the current, Right-dominated Commission oppose the Parliament's position and in January 2009 the Commission announced it saw no need for legislative action. The Socialist Group has condemned this inaction in the strongest terms.

### Socialist Group Position Paper on Social Progress

On 23 April, as a direct response to the recent ECJ judgements and the ANDERSSON report, the Socialist Group adopted a far-reaching position paper on social progress in Europe. As stated earlier, the judgements in the Viking, Laval, Ruffert and most recently Luxembourg cases have called into question member states' established employment rights and recognized social standards. In this paper, the Socialist Group sets out some very practical steps needed to put Europe on a new and better path, towards a New Social Europe, as an essential part of the PSE Group's and PES' claims based on the PES Manifesto 2009: "People First - A New Direction for Europe".

The position paper states:

*"The PSE Group calls for a clarification in EU primary law that neither economic freedoms nor competition rules take priority over fundamental social rights. Where there is a conflict, fundamental social rights must come first. The way to establish this clearly in legal terms is a Social Protocol." In addition, the PSE Group also calls "for the revision of the Posting of Workers Directive. The interpretation of this directive as a "maximum standards" directive did not reflect the will of the legislator. In view of the recent interpretation by the ECJ the European Commission must present a proposal for revision of the directive in order to remove the ambiguities in the current text. The objective must be to establish in law the principle of "equal pay and equal working conditions for equal work in the same workplace". The paper states that "in order to prepare for the introduction of a Social Progress Clause into EU primary law and the revision of the Posting of Workers Directive, and in order to ensure already the necessary clarification, recognition and reinforcement of social rights in the EU, the PSE Group calls on all European institutions to make a commitment to social progress in Europe."*

Furthermore the PSE Group recommends "to make the appointment of a new President and other members of the European Commission dependent, as one of the essential conditions, on their commitment to an agreement on social progress with the European Parliament and Council, to bring about far-reaching change in the relationship between the European Union's economic and

*social objectives and obligations and a new deal for social Europe. The pre-eminence of social goals over economic goals and the consistency of those goals must take into consideration and assure social and territorial cohesion within the EU by guaranteeing, among others, both equal opportunities and mobility of labour without protectionism, in the spirit of solidarity among all Europeans."*

*"Declarations in favour of fundamental social rights, a Social Progress Protocol and revision of the Posting of Workers Directive to establish in law the principle of "equal pay and equal working conditions for equal work in the same workplace" are central demands from the PSE Group to the new Commission and its President. A common agreement on these matters will be an essential stepping stone."*

*"The PSE Group also expects a gender balanced composition of the Commission, reflecting society. A new deal for social Europe must also mean an end to the hesitations of a majority of Commission members regarding social legislation throughout most of the current legislature. There must be a commitment from the Commission to put its full weight behind an unblocking of progress on much-needed social legislation which has been blocked for years by Council, Commission or both."*

To read the paper "For a Europe of social progress" in full, please log on to:

<http://www.socialistgroup.eu/gpes/searchdisplay.do?id=129824&lg=en&targetsite=main&type=8>



## STAMPING OUT DISCRIMINATION

The principles of equal treatment and non-discrimination are the cornerstones of our fundamental rights and values. EU anti-discrimination laws have considerably raised the level of protection across the Union and have also been used abroad.

Current EU anti-discrimination law covers direct and indirect discrimination on the grounds of gender or racial and ethnic origin in employment, training, education, social security, healthcare, housing and access to goods and services. Discrimination at work on the grounds of religion or belief, disability, age and sexual orientation (the "Employment Equality Directive") is also banned. But discrimination on those grounds outside the workplace has remained unregulated at EU level.

The Socialist Group has consistently made clear that it cannot accept a "hierarchy of discrimination" in the EU, with some forms of discrimination outlawed and others tolerated. The Group led moves to ensure that anti-discrimination provisions in Article 13 of the Treaty covered the widest possible grounds.

On becoming Commission President in 2004, José Manuel Barroso made a commitment to the European Parliament to work for a horizontal framework directive against discrimination outside the workplace. This commitment was given after it became clear that the Group could not endorse a Commission including Rocco Buttiglione, who had made homophobic statements. Following pressure from our group, Mr Buttiglione's candidature was withdrawn.

Mr Barroso's pledge was taken forward in the Commission work programme for 2008 and a draft horizontal directive was expected from the Commission during the spring of 2008. The Socialist Group motion on the work programme welcomed the proposal, whereas the EPP-ED group's motion deplored it. Reports suggested that the directive might not be presented because of opposition from some member states. Instead, only a directive about discrimination against people with disabilities would be put forward, the remaining grounds being covered merely by recommendations to the member states.

The Socialist Group lobbied strongly for the Commission to honour Mr Barroso's commitment, both informally and within the EP. The Lynne report of 17 April 2008, on progress in equal opportunities and non-discrimination, was amended by our group to stress the importance of having a new directive covering all outstanding forms of discrimination. That amendment had the almost unanimous support of our group, in the face of EPP-ED opposition, and with the Liberals divided:

### Result of the vote

Roll Call Vote on the Lynne Report on Progress Made in the Equal Opportunities and Non-Discrimination in the EU (The Transposition of Directives 2000/43/EC and 2007/78/EC), taken on 20.05.2008:

	for	%	against	%	abstentions	%
EPP-ED	13	5%	179	73%	54	22%
<b>PSE</b>	<b>191</b>	<b>99.5%</b>	<b>1</b>	<b>0.5%</b>	-	-
ALDE	79	91%	7	8%	1	1%
GREENS	38	97%	-	-	1	3%
GUE	35	97%	-	-	1	3%

## Our success

Recognising the progressive majority in the EP for a wide-ranging text, on 2 July 2008 the Commission brought forward a proposal for a directive outlawing discrimination outside the workplace on grounds of religion or belief, disability, age or sexual orientation.

## Our ongoing work and future goals

The work on the Commission proposal is ongoing at the moment. The LIBE Committee voted on the report on 16 March 2009 and the end result was mostly favourable to us Socialists. We managed to incorporate extremely important concepts into the text, including the concept and definition of multiple discrimination, discrimination by association and the suggestion of public procurement as a positive tool to promote anti-discrimination.

Profound political disagreements were evident vis-à-vis the EPP-ED especially in the areas of education, marital status and reproductive rights, collective action and insurance and financial service provision. The result of the vote in Committee was 34 in favour, seven against and four abstaining.

At the Plenary vote 02.04.2009 we managed to keep the victories achieved at the LIBE Committee.

Below are the roll call votes on 1) the EPP proposal to reject the Commission proposal and 2) the legislative resolution on the Equal Treatment of Persons Irrespective of Religion, Belief, Disability, Age or Sexual Orientation:

	<b>for</b>	<b>%</b>	<b>against</b>	<b>%</b>	<b>abstentions</b>	<b>%</b>
<b>1) Proposal to reject the Commission proposal</b>						
EPP-ED	184	78%	42	17.8%	10	4.2%
PSE	6	3.3%	175	96%	1	0.7%
ALDE	12	14.1%	71	83.5%	2	2.4%
GREENS	2	5.1%	36	92.5%	1	2.4%
GUE	-		27	93.5%	2	6.5%
<b>2) The final vote on the legislative resolution</b>						
EPP-ED	33	13.1%	159	62.9%	61	24%
PSE	175	99.5%	1	0.5%	-	
ALDE	78	91.8%	5	5.8%	2	2.4%
GREENS	37	97.3%	1	2.7%	-	
GUE	29	97%	-		1	3%

At the moment the status of the directive in Council is unclear. Various member states have reservations on the Community's competence to legislate, the possible costs and even the specific grounds for the legislation. Therefore, a continuing strong Socialist lobby is necessary to get this directive carried.

# HIGH QUALITY PUBLIC SERVICES FOR ALL

## A clear European legal framework

The Socialist Group has taken the lead, both within the EP and outside, in a growing campaign for a clear European legal framework for public services. Without such a framework, provision of public services within the EU continues to be bedevilled by major legal uncertainty, often arising from unpredictable decisions by the European Commission or Court of Justice.

### Our success

In May 2006 the Group published legislative proposals – an unprecedented initiative to launch a public debate with those who share our vision of a Europe that is more than a market, and in which good public services are understood as being essential for a functioning society.

January 2007: based on close cooperation with relevant European partner organisations: Committee of the Regions (CoR), the European Economic and Social Committee (EESC); the European Trade Union Confederation (ETUC); the European Federation of Public Service Unions (EPSU); European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP); Council of European Municipalities and Regions (CEMR); International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC); European Liaison Committee on Services of General Interest (CELSIG), an informal network on public services was set up to continue the campaign for more legal security for public services in Europe. The Socialist Group signed up to the ETUC petition on the issue and so far it has attracted half a million signatories, including the mayors of 10 European capitals.

### Where we played a leading role

November 2007: The European Commission published its views (communication and follow-up of the 2004 white paper on public services) on further consolidation of the legal framework for provision, organisation and financing of public services, including social services within the European internal market. The Socialist Group thus achieved its wish not to close the European debate on this crucial issue as had been hoped by conservative and liberal circles.

A further tangible result was that the 27 heads of state and government agreed to include in the new "Lisbon Treaty" an explicit legal basis for horizontal legislation which would ensure that public services in Europe are able to fulfil their mission.

### Our future political goals

Once the new treaty provisions, including the protocol on key principles for public services, are ratified, they will bring more transparency and consistency to EU policies and establish some common principles and values for the provision of public services, while respecting the diversity of sectors and situations in member states.

Article 14 of the Treaty places new responsibilities on the EU and creates a new legal basis for Community legislation to be adopted by co-decision procedure.

**The Socialist Group and its European partner organisations will continue to campaign for a European legal framework for public services taking account of citizens' concerns.** On the basis of the Lisbon Treaty, the Socialist Group proposal for a framework directive will be transformed into a draft regulation. **The Group and the PES will continue to campaign for universal access to high-quality public services as a fundamental right and one of the distinguishing features of the European Social Model.**

## A SOCIAL DIMENSION FOR THE INTERNAL MARKET OF SERVICES

After three years of negotiations, the Parliament and Council adopted the directive on services in the internal market in December 2006 (Directive 2006/123/CE). This measure, which aims to lift barriers to service provision, provoked the greatest controversy in public opinion since the beginning of the parliamentary term. The final text responds broadly to the fears aroused by the Commission's original proposal. The compromises within Parliament were the basis of the final compromise. Without doubt, it was a victory for Parliament.

The Socialist Group and its rapporteur Evelyne Gebhardt played a central role in drawing up the compromise. By opening bilateral talks with the EPP-ED Group after the internal market committee vote in November 2005, the Socialists managed to move positions.

We secured a broad majority for:

- **Eliminating all risks for the right to work** and keeping present rules on posting of workers;
- **Scrapping the principle of the country of origin;**
- Restricting the field of application of the directive by **keeping out health services, social services and audio-visual services;**
- **Obtaining derogations for public services** though services of general interest was not excluded.

This victory was won through close and efficient collaboration between the ETUC and our group.

### Result of the vote for the first reading

#### *Final vote*

	<b>FOR</b>	<b>%</b>	<b>AGAINST</b>	<b>%</b>	<b>abstentions</b>	<b>%</b>
EPP-ED	186	79.5	32	13.7	16	6.8
PSE	136	75.6	35	19.5	9	4.9
ADLE	61	81.4	13	17.4	1	0.2
V/ALE	0	0	38	100	0	
GUE	0	0	39	100	0	
UEN	5	21.7	15	65.2	3	13.1
IND	5	17.8	22	78.6	1	3.6
NI	1	4	21	84	3	12
<b>TOTAL</b>	<b>394</b>		<b>215</b>		<b>33</b>	

#### *Key vote on the exclusion of social services:*

We won with the support of part of the Liberal Group. It was not part of the compromise agreed with EPP-ED. It was finally adopted in the final text agreed in second reading.

	<b>FOR</b>	<b>%</b>	<b>AGAINST</b>	<b>%</b>	<b>abstentions</b>	<b>%</b>
EPP-ED	1	0.3	214	71.6	20	91
PSE	180	54.9	1	0.3		0
ADLE	29	8.8	47	15.7		0
V/ALE	37	11.3	1	0.3		0
GUE	39	11.9		0		0
UEN	9	2.7	16	5.4		0
IND	19	5.8	8	2.7	1	4.5
NI	14	4.3	12	4	1	4.5
<b>TOTAL</b>	<b>328</b>	<b>100</b>	<b>299</b>	<b>100</b>	<b>22</b>	<b>100</b>

## **Our future political goals**

The deadline for member states to transpose the directive is 28 December 2009. Regarding the sensitivity of the compromise and the complexity of the text, the Socialists must remain cautious in the implementation phases to ensure that member states and the Commission stick to the text as voted. In 2008, the Group began to follow up member states' implementation actions notably by organising a seminar in October 2008 with socialist members from National Parliaments.

## STRENGTHENING CONTACTS BETWEEN CULTURES

The European Union made 2008 its Year of Intercultural Dialogue in order to promote exchanges between people from different cultural, social, religious, historical and economic backgrounds.

The Group's view is that intercultural dialogue must be based on citizenship, empowerment and the involvement of everyone - EU and non-EU citizens alike - in economic, social, cultural, religious and political life.

Socialists acted on three main issues:

- **A process of dialogue and understanding with Muslims in Europe:** internal seminars, fact-finding missions and parliamentary action helped the Group to engage in a dialogue with European Muslims on diversity and democracy, particularly on the key issues of radicalisation, citizenship, multiple identities, political participation and organisation, economic inclusion and the role of women;
- **A reflection on minority rights, populism and democracy:** internal workshops, fact-finding missions and seminars were organised with academic networks. They addressed the challenge of rising populism and nationalism in Eastern and Central Europe and the increasing lack of respect for minorities. This led the Group to publish a book entitled "Democracy, Populism and Minority Rights";
- **Action for an EU Roma strategy:** internal workshops, public conferences, fact finding missions and parliamentary initiatives highlighted the increasingly difficult situation of the Roma minority in several EU member states. Action was taken to promote inclusion and action against discrimination. We called for an EU role in drawing up a real EU strategy for Roma in Europe. Our Group tabled two resolutions, adopted by the EP, which led to the beginning of reflections in the Commission aimed at defining a European strategy to focus on social cohesion, employment, education and training, anti discrimination and free movement.

## **BETTER RECONCILIATION OF FAMILY AND PROFESSIONAL LIFE FULFILLING THE LISBON AGENDA**

Reconciling work and private life is central to the promotion of gender equality, as women are the most affected by the lack of a work/life balance. The difficulty of reconciling work and private life is a straitjacket on the productive potential of the European workforce and, for women, creates obstacles and disincentives to entering and staying in the labour market.

The Commission launched the "Roadmap for Equality Between Women and Men 2006-2010" to give new impetus to responding to the socio-economic challenges of the Lisbon Treaty, ensuring respect for the fundamental rights of women and fulfilling the EU's international obligations. The Roadmap reaffirms the dual approach of gender equality based on gender mainstreaming (the promotion of gender equality in all areas and activities), and specific measures to promote women. It identifies enhancing reconciliation of work and private life as one of its priority areas.

### **Our success**

Socialist Group members in the Committee on Women's Rights and Gender Equality have played a leading role in drafting reports and opinions supporting and promoting policies which enable women and men to combine good quality work with parenthood and other family responsibilities. We believe that such policies are crucial to gender equality and to all types of family structures, and therefore to the overall welfare of society. Women must be able to earn an income that gives them economic independence without being penalized for being potential mothers and carers. Men must also be given the opportunities to balance their work and family life.

The Group has been very active in driving the gender equality agenda forward and in pushing for better instruments and measures to be made available. Socialist Rapporteur, Lissy Gröner, was instrumental in piloting legislation that has led to the setting up of the European Institute for Gender Equality. The Institute will be responsible for collecting and analyzing data and exchanging information and best practices. The Group is also lobbying the Commission to incorporate gender budgeting into the funding provided for this policy area.

### **Where we have played a leading role**

Through its contacts with the Commission President and the Commissioner responsible for Employment and Social affairs, as well as its close collaboration with the social partners, the Socialist Group has been pushing for the improvement of existing legislation. This has proved successful with the adoption by the Commission in October 2008 of a 'reconciliation package' which will seek to improve legislation on the safety and health at work of pregnant workers, on equal treatment for self-employed women, and for better childcare provisions.

### **Where others are divided**

The Socialist Group plays a central role in forming a coalition with the Greens and GUE. The EPP-ED Group and the Liberals are often split or vote against important topics: e.g. calls for a quota system to redress the imbalance in women's representation in political parties, and references to women's sexual and reproductive rights. On ethical issues the EPP-ED members are split.

### **Future political goals**

Edite Estrela, Socialist Rapporteur on the revision of the directive on the protection of pregnant workers, took the lead on this proposal which is a priority issue for socialists. In the report, we are seeking to extend the minimum length of maternity leave, to introduce a period of paternity leave with full remuneration, improve flexibility and payments, and strengthen employment rights making it easier for women to return to the labour market. In the last plenary session of this legislature, the EPP-ED and ALDE Groups voted to postpone the Estrela report, which clearly shows that their claims to support the well-being of the family are hollow. They have instead betrayed families by

blocking measures to support both parents in reconciling work and family life, to improve the health and safety of pregnant workers, and to improve protection against workplace discrimination for working mothers. Socialists believe that the interests of citizens and society come first and will continue to make this issue a priority in the next legislature.



## **CLOSING THE PAY GAP**

The principle of equal pay for equal work was laid down in the Treaty of Rome as the EU's first legal provision on gender equality. The concept was interpreted by the European Court of Justice to cover equal pay for work of equal value. This was the definition in the 1975 legislation, which prohibited discrimination on the grounds of sex in all aspects of pay for work of equal value. Pay differentials between men and women based solely on gender are therefore not permitted.

As a result of the legislation, women have won legal battles to gain the right to equal pay with men. But the pay gap between women and men has persisted for more than 30 years, varying between 4% and 25% among the member states, with no narrowing trend. In the EU women earn between 15% and 25% less in the private sector. Part-time work – which is generally less well paid – is far more prevalent among women: 32.9% of women work part-time, compared to only 7.7% of men. The pay gap is a glaring example of inequality and discrimination and the Socialist Group believes that it can only be addressed by following a multifaceted approach, which includes specific policies to address its underlying causes.

### **Our success**

The Group has consistently called for more to be done by member states and in the recent report by the Committee on Women's Rights and Gender Equality on applying the principle of equality to wages, it put forward recommendations for new measures. These include transparency in the form of obligatory pay audits for enterprises with the publication of results, as well as sanctions for non-application. It suggests compensation for victims and disqualification from benefits and subsidies for employers, and recommends that equality bodies should play a vital part in influencing the application of gender equality policy.

### **Where others are divided**

The Socialist Group is strongly supporting sanctions or penalties to be applied to employers who do not respect the equal pay legislation. The EPP-ED is split on this issue.

### **Where we make a difference**

Group Coordinator Lissy Gröner, President of PES Women Zita Gurmai, MEP and President of the Socialist International Women, Pia Locatelli MEP, work in close collaboration to promote better working conditions for women that will allow women to actively contribute towards achieving the Lisbon targets for growth and employment. They fully support the Barcelona objectives which will assist in addressing issues to enable more women to join the workforce, attain better paid and higher level jobs, and share family tasks with partners. They will be working closely on the 'reconciliation' directives, important components of an improved work-life balance.

### **Future political goals**

The Socialist Group is putting pressure on the Commission to submit a legislative proposal on the revision of the existing legislation to the Parliament by 31 December 2009. This will be closely monitored since achieving a substantial reduction of the gender pay gap is one of the objectives included in the policy guidelines of the European Employment Strategy, and the Socialist Group is fully committed to working towards the realization of this goal.

This is a priority issue for the Socialist Group as it concerns discrimination and gender equality and it intends to keep it high on the political agenda. It strongly supports awareness-raising campaigns such as the PES call for an 'International Equal Pay Day' to be celebrated on February 22, because women have to work until then to earn what men earned the previous year.

## BETTER SOCIAL POLICY FOR ALL

### Including Workers who are Excluded from the Labour Market

Around 16% of the population is at risk of poverty, the percentage of children at risk of poverty stands at around 19% and the percentage of early school-leavers is still high at about 15%. In addition, the reality of poverty and social exclusion has become even more complex, characterised by multiple disadvantages: destitution is compounded by family problems, a lack of learning capacity, precarious health, inadequate and remote housing and a lack of social support, discrimination and now the global financial crises.

The Lambert Report, on which Richard Falbr (CZ) led for the PES Group, was adopted during the last session of the parliamentary term. It underlines that universal and high quality social services are a fundamental right (affordable housing, accessible public transport, vocational training, health care and other network services) and that progress must be made on guaranteeing universal service obligations in services of general interest. It asks for an action plan to establish an EU framework Directive to guarantee these rights.

In this report, the European Parliament breaks important ground, calling on the Council to agree an EU target for minimum income schemes, to provide income support of at least 60 % of national median income, with a timetable for achieving this target in all Member States.

The EPP tried to derail the report by putting forward its own alternative motion for resolution, but the PES Group defeated them in Plenary, by ensuring nothing less than 100% PES Group unanimity, in a vote which revealed the contrasting social visions of Left and Right.

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-DE	16	11	7	5	120	84
<b>PSE</b>	<b>118</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
ALDE	51	89	5	9	1	2
V/ALE	33	100	0	0	0	0
GUE	17	89	2	11	0	0
IND/DEM	5	55	3	33	1	12
NI	3	23	2	15	8	62
UEN	12	100	0	0	0	0

## RENEWED SOCIAL AGENDA: TOO LITTLE, TOO LATE

With the adoption of the EP report on the EU's renewed social agenda, our Group sends a very clear message to the European Commission: their proposal for the period 2008-2010 and beyond 2010 is too little too late! We criticise the Commission's lack of ambition in the social field and lack of leadership in the face of the economic crisis. The report sets out Socialist proposals for the actions needed on the EU level in order to strengthen the European Social Model.

The report calls for urgent action to:

- protect Services of General Interest and Social Services of General Interest,
- protect atypical workers from discrimination
- recognise cross-border collective agreements,
- further strengthen European information and consultation rights of workers
- better manage industrial restructuring
- fight the development of bogus self-employment and weakening of social protection
- strengthen Europe's decent work agenda and the implementation of ILO Conventions.

Despite this strong programme of action for social Europe, the GUE Group voted against the report, while the right wing, having previously voted several times against these same Socialist demands (most recently in September 2008), has now voted in favour due to electoral pressure.

### Result of End Vote

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-ED	151	89	11	7	8	4
<b>PSE</b>	<b>149</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
ALDE	55	90	5	8	1	2
V/ALE	30	98	0	0	1	2
GUE	0	0	20	98	1	2
IND/DEM	5	50	4	48	1	2
NI	1	2	11	98	0	0
UEN	12	98	0	0	1	2

***AN EU THAT BUILDS A FAIRER AND STRONGER ECONOMY***

# **FINANCIAL MARKETS AT THE SERVICE OF PEOPLE**

## **Defending savers and pensioners in the financial crisis Strengthening supervision and transparency in hedge funds and private equity**

### **Where we played a leading role**

Since 2006, the Socialist Group has identified the need to tackle the problems caused by alternative types of investment fund, namely hedge funds and private equity funds. Although these funds are not similar, we had seen increasing evidence that both of them were detrimental to the real economy and to jobs in particular, due to their lack of transparency and the absence of supervision. The Socialist Group with the support of external experts drafted a report, under the leadership of Poul Nyrup Rasmussen and Ieke van den Burg, assessing the behaviour of such financial actors and their role in the financial market, and putting forward concrete proposals to remedy the major problems they pose. This report was also addressed to the European Commission which, at that time, did not see the need for any action in this area.

### **Our success**

Our concerns proved to be justified when the financial crisis started in the USA in March 2007, triggered by the subprime market collapse. Late in 2007, the Socialist Group won authorisation both for a legislative initiative report, to be drafted by Poul Nyrup Rasmussen, to tackle the questions of hedge funds and private equity funds; and for a second legislative initiative report, to be drafted by Ieke van den Burg with a Romanian Liberal, to investigate the issues of supervision and the financial crisis. Under Parliament's rules, provided that these reports obtained the necessary broad majority, the European Commission would be required, within clear time limits, to bring forward legislative proposals.

The Rasmussen report was very ambitious and raised a lot of opposition from the EPP-ED and Liberal groups in the Parliament's Economic Affairs Committee. It proposed strong legislative action to require hedge funds and private equity to respect principles such as transparency, accountability and to have adequate capital, while conflicts of interest would be outlawed. To promote sound and stable financial markets the draft report also dealt with other financial actors, such as credit rating agencies and investment banks, and strengthened some aspects of corporate governance, employee consultation and pension rights. After long and difficult negotiations and compromises, the report won broad support in committee and was adopted in Parliament's plenary in September 2008 (562 votes in favour, 86 votes against, 25 abstentions).

The van den Burg-Daianu report was equally ambitious in its proposals for a new architecture of financial supervision in the EU. It put forward a highly developed and efficient structure to make sure cross-border groups are adequately supervised from the home and host countries. It also examined the current financial crisis, its causes, its remedies and the actors involved. This report was also fiercely attacked by the EPP-ED and Liberal groups, despite the co-authorship of a Liberal group member. But strong mobilisation and astute negotiation by the Socialist Group secured a wide majority for the report both in committee and plenary in October 2008 (565 votes in favour, 74 votes against, 18 abstentions).

### **Where others were divided**

The history of these reports reveals the true record of the EP's main political groups on financial market regulation. While the EPP-ED and Liberal groups now claim that they have also been true supporters of stronger regulation for years, both groups fought throughout the life of this Parliament to obstruct or weaken the sustained efforts of our Group to promote regulation and supervision for all financial actors and especially for hedge funds and private equity.

## **Our future political goals**

Since their adoption, the Socialist Group is keeping the pressure on the European Commission to bring forward the regulations needed to create a legal framework for the financial markets which will guarantee the stability of the system, and restore the confidence of citizens. The Commission will put forward a legislative proposal on hedge funds and private equity on 21 April and the Socialist Group will remain very vigilant regarding its content and scope. Our attention will in particular focus on avoiding any regulatory or supervisory loopholes which would be detrimental in the end to EU citizens. The Socialist Group will make every effort to force the pace in this area and be responsible for the parliamentary adoption of this long awaited piece of legislation.

## FINDING THE RIGHT PATH TO ECONOMIC RECOVERY

We are in the deepest recession ever faced by the European Union — and the first since the adoption of the euro — with recent ECB and OECD economic forecasts of worse to come. Our trading partners are going through similar tough economic times.

In early November 2008, the EU Summit agreed that a coordinated response was needed. It asked the European Commission to make proposals for its next meeting a month later. The European Economic Recovery Plan (EERP), published at the end of November 2008, is the Commission's response.

Given the scale of the crisis, the EU needs a coordinated approach — big enough and ambitious enough to restore business and consumer confidence. The plan needs to bring together all EU and national policy levers. Although member states hold most of the economic policy levers, especially those that can stimulate consumer demand in the short term, they differ in their fiscal room for manoeuvre. That makes effective coordination all the more important.

When the crisis worsened, the Commission updated the EERP for the 2009 March Spring European Council to identify any further EU or member state measures that could stimulate recovery.

### **Where we played a leading role**

Unemployment is rising at alarming rates. We need to step up efforts to stimulate the European and global economy to avoid a prolonged period of stalled or negative growth and even worse unemployment.

Our number one priority, which underpins our demand for new action to create and safeguard jobs, is to prevent mass unemployment and promote smart green growth.

Our economies are more interdependent than ever — so only a stronger, bolder and better-coordinated European and global recovery effort will lift us out of recession. National action is not enough on its own.

Socialists insist that the only way forward is by acting together. That is how we will find a stronger path to recovery. By acting on the right priorities, we can help to bring about a recovery to benefit everyone.

Strengthening the European Economy Recovery should be based on following priorities:

- We must prioritise more investment that has an immediate, positive impact on jobs. It is needed for new growth in 2009 and 2010. The EU should agree an ambitious investment strategy with common job-creating priorities that allow for tailored action at national level. This strategy should be well-timed and targeted, rapidly boosting jobs and contributing to long-term goals. Public investment and incentives for private investment should be complemented by refocusing EU financing instruments.
- Banks must start lending again to encourage private investment and spending for the recovery. Public support for banks should be dependent on this.
- A new Employment Pact should be defined to safeguard jobs, help jobless people find work as quickly as possible and stimulate new job creation. The crisis should be seen as an opportunity to upgrade the skills of the workforce across Europe. Labour, social and education policies must be strengthened and developed.
- We must tackle the full social costs of the crisis, preventing a rise in poverty, inequality and exclusion. Agreement on a European Social Progress Pact is vital. Targeted policies must be put in place or strengthened to support those most affected by the crisis. These include

those on low incomes, people in danger of losing their homes, the young, pensioners and women who are more likely to head one-parent families and be in the service jobs that are set to suffer in the next wave of the crisis. These policies might include strengthening social protection systems; targeting income support to maintain purchasing power (for example, targeted tax cuts and credits); policies to ensure the affordability of basic goods such as electricity and gas; policies to keep mortgages available and affordable; and special support for the most vulnerable.

- Solidarity and common purpose must remain at the heart of the EU. Special attention must now be paid to member states with particular difficulties, including some of the “new” ones. We have to make every effort to avoid new economic divisions in Europe. The EU must urgently strengthen support for member states suffering serious instability or lacking the means to stabilise their banking systems and invest for recovery. This should include increasing the effectiveness and capacity of existing instruments as well as examining the possibility for new financing instruments. The eurozone should prepare for further enlargement to member states that meet all major criteria and wish to join.
- Financial markets must become the servant not the master of the real economy. The long-term stability of the financial system and rebuilding people’s trust in the banking sector now depend on the introduction of comprehensive, sound regulation and supervision of all financial instruments and players, including hedge funds and private equity. Tackling the economic recession must be our priority, but this must be combined with better regulation for stable, transparent and efficient financial markets in Europe and globally. We must also now establish a long-term strategy to strengthen and develop good banking with strong ties to customers, meeting the real needs of citizens and businesses.

## **Our success**

While EU member states embrace the rhetoric of a coordinated economic recovery plan, they have not matched deeds to words. Following the initiative of the European Parliament Socialists, however, the European Parliament set out what Europe needs to do to preserve jobs and launch economic recovery.

In the "Ferreira report" – largely drafted by the Socialist Group but adopted by the Parliament with large majorities – the Parliament called on the EU Spring Summit of March 2009 to show leadership, act together and put ordinary Europeans at the heart of EU and national recovery plans. The report calls for:

1. More coordinated European action to counter the risk of recession, defend employment, protect the most vulnerable in society and promote cohesion. To make coordination work, the instruments of European economic governance need to be strengthened.
2. A bigger stimulus package to boost demand. Welfare measures should also be strengthened to boost the "automatic stabilisers" which limit the depth of recession. EU and EIB investment measures must be urgently implemented and further urgent action taken to reverse the credit squeeze.
3. A European Employment Initiative to help firms create and maintain employment, including temporary employment subsidies, support for training and increased help for unemployed workers to find new jobs. The European Council should propose concrete measures this week - action should not be postponed to the May Summit.
4. European action against the growing divergences among member states: there must be stronger EU support, through the structural funds, the globalisation fund, the European Investment Bank and innovative financial instruments such as Eurobonds, recognising member states' different capacities to adopt recovery plans.



5. Coordinated investment in the policies of the future, including the greening of the economy, modern social and public services and education and lifelong learning to create a 21st century labour force. The size and content of the EU budget must be re-assessed, to re-orient spending towards social and environmental goals.
6. A financial sector at the service of the real economy - a timetable for implementing the EP's detailed legislative proposals, as adopted in the Rasmussen and Daianu/Van den Burg reports, and substantially reflected in the report of the de Larosière Group. All tax havens must be closed down.

### **Where others were divided**

The main controversial topic was the Socialist Group priority to "safeguard employment and fight against mass unemployment". For the EPP-ED and ALDE groups, this challenge and responsibility is less important than ensuring good banking and restoring the credit and financial markets while for the Socialists those two topics are equally important in the management of the financial crisis. Moreover, in the view of the EPP-ED and ALDE, all desirable measures should be timely, targeted and temporary while for the Socialists, the present crisis gives the starting point for a real chance in the attitude of all economic and financial players and the end of "casino capitalism".

### **Our future political goals**

The scale of the crisis presents a unique and historical opportunity for fundamental change in our economies, leading the way to truly sustainable and socially fair long-term development. It is therefore crucial that the European economic recovery programme meet this central purpose. The European Union should take the initiative for coordinated, stronger support for member states in difficulties. Strong actions are therefore needed for European solidarity to protect the eurozone and strengthen the internal consistency of the European Union.

The global nature of the financial and economic crisis demands swift, joint international action. EU member states should agree on a strong, common European position for international negotiations, notably in the G20. Again, restarting banking activities, regulating the financial system, coordinated fiscal stimulus, supporting developing countries and promoting the necessary structural adjustments should be the key priorities

More generally, this discussion should pave the way for a Global New Deal, reshaping the global order, which should combine coordinated recovery, regulation of financial markets, a global agreement to fight against climate change, a multilateral agreement to open markets, stronger development policies and a worldwide extension of the ILO's decent work agenda. Global governance should be reformed to create the conditions for the negotiation and implementation of this Global New Deal. We should therefore develop, as a matter of urgency, a stronger and more progressive European Plan to tackle the financial and economic crisis, coupled with joint action with the EU's international partners namely in the G20.

# POLICIES TO BOOST GROWTH AND INVESTMENT

## Reform of the stability and growth pact (SGP)

The Stability and Growth Pact (SGP) was agreed in the early 1990s in order to encourage greater budgetary discipline within the eurozone. The pact's main aim – to reduce public debt and prevent permanent deficits in public budgets – deserves continued support. No individuals or countries can live beyond their means.

Socialists and social democrats stand up for stability and the fight against inflation. This is why they want a strong state, which intervenes in the economy to regulate and stimulate it. At times of economic recession or looming depression, it is up to the state to promote growth. However, the SGP said nothing about growth policy. **A growth component therefore needs to be added.**

### Where we played a leading role

The Socialist Group began campaigning in 2002 for a more flexible pact. One criticism of the SGP was that all countries, regardless of their development and their circumstances, are measured by the same standards. **The 'one size fits all' approach is not realistic.** States whose debts amount to about 60 per cent of GDP have more room for manoeuvre than those whose debts exceed 100 per cent of GDP. Even temporary deficits in public budgets are acceptable if they are used for productive investment and to stimulate the economy in times of recession.

Present growth rates within the euro area and EU-25 are clearly too low to create enough jobs and cut unemployment substantially. The EU budget offers few incentives for growth given that it accounts for only one per cent of the European national product. **That is unacceptable.** Unless we improve growth and pursue reform we will lose great welfare potential and risk moving into a long-term trap of low growth.

Europe needs a new approach:

- We need increased demand, to boost economic growth
- And we need structural reforms, to make growth sustainable

Higher consumption and higher public and private investment are essential. **The demand side** — too restrictive for many years — **needs a new push**, through a coordinated increase in high quality investment in areas which can help achieve the goals of the Lisbon strategy, including knowledge, innovation and education and also public infrastructure and social services.

These ideas go beyond traditional budgetary definitions of investment. And they call for investment at national level but with a European dimension, through which countries coordinate their economic policies, and so generate multiplier effects across the whole Union.

### Our success

As a result of Socialist Group efforts, the 2005 reform of the stability and growth pact encourages investment in line with the Lisbon goals. Macroeconomic stability remains a central aim. Limits for public deficits and the public debt remain three per cent and 60 per cent of GDP and pro-cyclical fiscal policies should be avoided. Nevertheless, new emphasis is put on fostering economic growth and on the sustainability of public debt. The reform also ensures for the first time that, when member states have to take action to reduce excessive budget deficits, they have greater scope, within EU rules, to safeguard other policy goals such as achieving modern and effective social protection systems and redirecting public expenditure to key investments, in order to raise employment and growth potential.

As far as possible, EU countries must act together because increases in demand in a single national economy create much less growth and fewer jobs. Demand policy and structural reforms must move along the same lines.

### **Our future political goals**

We need a coordinated European investment strategy in human capital, research and development and education. Public acceptance of some of the more painful structural reforms, a major obstacle in some countries, is made much easier by Governments making a strong commitment to investing in people and projects. Investment and structural reforms go hand in hand to stimulate growth and create jobs and to build public support for change. This is why the Socialist Group, together with Party of European Socialists, continues to campaign for an EU investment strategy for growth and jobs.

Stability policy remains necessary but is not an end in itself. To put it bluntly, a country can have perfect budgetary stability and hardly any debt yet become poorer. Stability without growth cannot be the goal. It is only growth that can ensure stable conditions in the medium and longer term.

The Socialist Group is asking in times of deep financial and economic crisis to give clear guidance on the interpretation of the flexibility clause of the revised Stability and Growth Pact, namely when addressing short-term investment decisions which are compatible with medium-term budgetary targets and conducive to sustainable growth and long-term Lisbon goals.

# TOWARDS A HIGH TECH, LOW ENERGY KNOWLEDGE ECONOMY

## "Lisbon cycle" 2008-2010 - Integrated Policy Guidelines for Growth and Jobs

The EU's main way of putting its Lisbon strategy into effect is through the so-called "integrated policy guidelines for growth and jobs" (IPGs). After revision of the Lisbon strategy in 2005 and the end of the first phase of the IPGs in 2007, a second phase came into force and will run until 2010.

The Commission's strategic report of 2007 proposed to keep the IPGs as they were. The focus was to be on implementation since member states had not made equal efforts to bring about reform.

### Key votes and our success

The Socialist Group asked for a real update of the IPGs and won the European Parliament's support for this demand.

A month before the European Spring Summit of 2008, the European Parliament called on EU governments and the Commission to take account of new challenges. These included instability in financial markets, climate change and the need for social inclusion. The parliamentary report was adopted by an overwhelming majority – 519 to 102.

In securing this victory, the Socialist Group won support for:

- A better link between economic stability, sustainable development, social inclusion and increased employment as well as improved economic coordination
- More high-quality public and private investment in research and development as well as good quality education systems including lifelong learning open to all
- Environment-friendly modernisation of the economy through energy efficiency and use of renewable energy sources
- Better regulation of hedge funds and financial markets
- Reflection of productivity gains in pay talks
- Good quality, affordable social services available to everyone
- Improved "Lisbon governance", including improved measurement of reform progress both in the member states and at EU level, strong links between the European and national parliaments and close cooperation with social partners, regional and local authorities and civil society in developing national reform programmes.

Despite this, the Spring Council of March 2008 confirmed the European Commission's position with minor changes that dealt only partially with the Socialist Group priorities.

### Where we played a leading role

The Socialist Group successfully promoted a public debate on the need to relaunch social Europe around five policy demands that remain a top priority for the Group:

- **Improved** social inclusion and social protection;
- **Binding** minimum social standards to safeguard the social dimension of the internal market - the need for which was highlighted by the European Court's Laval judgement;
- **Greater** attention to the economic and social role of universal, accessible and sustainable public services;
- **Coordinated**, high-quality public and private investments — above all in research, new technologies, renewable energies, education and social services; and
- **Full** transparency and probity in financial markets with a review of their regulatory framework and their impact on the real economy.

## Our future political goals

In view of the reflection on the follow-up of the Lisbon strategy 2009 and on the "post-Lisbon-strategy 2010 onwards, the Socialist Group underlines that the current financial and economic crisis shown that European economic policy instruments are not yet developed enough to successfully meet the challenges ahead; consequently we will continue to campaign in particular towards:

- **a review and an update of the essential policy tools**, in particular the IPGs, the SGP as well as the Sustainable Development Strategy, in order to integrate them under the umbrella of a New Deal for smart growth in the European Union;
- **the need to refocus the IPGs against the background of the economic downturn**. We urge the Council to agree on short-term measures to safeguard the 2008 employment rate, to invest in the fight against climate change and to ensure sufficient incomes with special regard to the most vulnerable groups of society; we expect the Commission to launch initiatives and present proposals with respect to these goals timely for the forthcoming Spring Lisbon Council;
- **a coordinated response at the EU level** is needed more than ever, based on a common understanding of the problems and common follow-up measures while accepting some national specifics; the Integrated Guidelines should establish a broad framework for closer economic policy coordination in order to align national policy instruments like the National Reform Programs (NRPs) and the national recovery plans; the stability and convergence programmes and the NRP's could be presented at the same time, the BEPGs could include common budgetary objectives in line with the preventive arm of the SGP;
- **a "Lisbon Plus-Agenda" should be based on the general architecture of the present Lisbon strategy** (competitiveness and greening of European industries, more and better jobs, social inclusion, sustainability), but there is a need to present a more homogenous and mutually supportive approach able to enlarge the European economic governance capacity decisively as well as to strengthen the external dimension of the European reform agenda, providing for high standards, appropriate regulatory framework and cooperative working methods in order to collaborate with other international economic players and to meet global challenges.

## Coping with change - a new voice for workers EUROPEAN WORKS COUNCILS

**Workers' say on their working conditions:** The European Works Council (EWC) Directive, first adopted in 1994, calls for workers to be informed and consulted about management decisions on issues which affect their working conditions or the future of their enterprise. It provides for a works council or an information and consultation procedure in Community-scale undertakings, agreed between representatives of employers and workers. Where no such agreement is reached, it lays down minimum requirements. The 1994 Directive provided for a revision before 1999. Years of experience have shown that many provisions of the Directive were ineffective and that a revision is urgently needed. The Commission, however, for a long time refused to bring forward a revised proposal - despite repeated calls by our Group and by the European trade union movement.

**Ease the pain of company restructuring:** The Socialist Group conferences on company restructuring in 2005 and 2007, with strong trade union involvement, raised the pressure for a review and called attention to the weaknesses in the legislation, which have been further highlighted by the wave of company restructuring since 2006. In May 2007, our Group won the support of the European Parliament for a resolution calling on the Commission to present a timetable for the review of the European Works Council Directive, overcoming EPP-ED Group attempts to keep the issue off the agenda.

In response, in July 2008, the Commission adopted a revised draft EWC Directive, following a breakdown in negotiations on this issue between the employers and unions. However, the Commission chose a legislative procedure known as a 'recast', which severely limited the Parliament's right to amend the proposal. To ensure that at least a first set of reforms could be rapidly adopted, the Socialist Group agreed to work on this basis, in return for a commitment by the Commission to present proposals for a more comprehensive revision in 2009.

### Our success

In July 2008 the European employers and trade union organisations informally agreed on a set of amendments to the Commission's proposals. Our Group, against pressure from the Commission and Council, the EPP-ED and Liberal Groups, as well as employers' organisations in a few member states, carried 3 further key amendments:

- a better definition of transnationality to ensure that workers representatives are consulted on closures and restructurings even where the decision is taken in one member state but affects workers in another.
- binding sanctions against employers who do not respect the Directive.
- deletion of a discriminatory threshold of 50 workers for triggering worker representation in negotiations.

### Where others were divided

The outcome of the vote in plenary clearly shows the divisions in the ranks of the right, the great majority of whom abstained or voted against:

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-ED	67	29	16	8	145	63
<b>PSE</b>	<b>177</b>	<b>99,5</b>	<b>1</b>	<b>0,5</b>	<b>0</b>	<b>0</b>
ALDE	81	96	3	4	0	0
V/ALE	38	95	1	2,5	1	2,5
GUE	2	6,5	2	6,5	27	87
IND/DEM	4	24	11	65	2	11
NI	12	50	8	33	4	17
UEN	30	88	2	6	2	6

## **Our future political goals**

The recast procedure has finally allowed a rapid improvement on key issues, but has left aside other questions such as the number of meetings of European Works Councils or the retention of information on the basis of confidentiality. The Socialist Group will push hard in the next Parliament for a comprehensive revision of the Directive in order to give European workers an effective voice in the future of their industries and to plug the remaining loopholes in the law.

## Coping with change Funds for retraining and help with finding new work

### European Globalisation and Adjustment Fund

**Rapid intervention fund for redundant workers:** The European Globalisation and Adjustment Fund set up in 2007 with a budget of 500 million euros per year helps workers, made redundant as a result of changing global trade patterns, to find another job as quickly as possible. Its role is rapid intervention. It is an important achievement that the fund directly finances the workers, not only businesses, and supports them in times of economic crisis.

#### Where we played a leading role

The Regulation was adopted in December 2006 following difficult negotiations over its budgetary implications. Because the budget available was small, the Commission and the member states laid down very strict conditions for obtaining help from the Fund. Our Group fought for the creation of the Fund and also tabled amendments to make the conditions for access to help more flexible. Thanks to Socialist amendments:

- several member states can make a joint demand for support;
- employers and trade unions have an increased role;
- the fund can finance micro-credits, the certification of acquired experience and the setting up of cooperative projects for resuming business.

#### Time has proved that the Socialists were right

To get funding started quickly in 2007, we accepted a compromise with Council that 1000 redundancies are needed to activate the fund - we had pressed for a trigger of only 500. We also wanted to widen the definition of 'international trade-related' redundancies for which help could be sought. The Regulation in this form obtained a big Parliamentary majority.

Now, however, after two years' experience of operating the Fund, the Commission has announced proposals to amend the Regulation on the lines we called for two years ago: to allow action where 500 or more redundancies are involved, to extend the time period from 12 to 24 months during which workers can benefit from the Fund, and to widen the definition of trade-related redundancies, to include also those related to the economic and financial crisis. The European Parliament has adopted the new rules - to be applied from the 1st May 2009 - with the following result:

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-DE	215	95	6	3.5	3	1.5
<b>PSE</b>	<b>174</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
ALDE	70	89	7	9	2	2
V/ALE	36	97	0	0	1	3
GUE	2	7	0	0	26	93
IND/DEM	6	37	10	63	0	0
NI	13	60	5	23	4	17
UEN	23	74	7	23	1	3



## INVESTING IN THE EU KNOWLEDGE TRIANGLE

The best way for Europe to compete is to invest more in education, research and innovation. This knowledge triangle lies at the heart of the Lisbon strategy and needs a major boost.

For European social democrats, only strong and sustainable growth will safeguard an updated European social model. Research policy is crucial to competitiveness and better jobs.

### Key Elements

The 7th Research Framework Programme (FP7) is the EU's main way of funding research. It runs from 2007 to 2013 with a budget of €50.5bn and €2.7bn for Euratom nuclear research and training activities.

FP7 is a cornerstone of EU knowledge and growth policy. It builds on the preceding programme in its drive for a European Research Area (ERA) and it pursues positive experience of collaborative research, the Marie Curie mobility actions and support for small- and medium-sized enterprises.

FP7 also includes significant new elements. It has a substantial increased budget, simplified rules for taking part, it creates a European Research Council and it presents a specific programme, "Capacities".

The aims of FP7 are set out in four categories: Cooperation, Ideas, People and Capacities. For each aim, there is a specific programme corresponding to the main areas of EU research policy. All these specific programmes will work together to promote and encourage scientific excellence in Europe.

### Cooperation

The cooperation programme is subdivided into 10 thematic areas of challenge for Europe in the future: health; food; information and communication technology; nanoscience; energy; environment; transport; socio-economic sciences and humanities; Space; and security.

Cooperation between EU countries will be brought about through joint research, coordinated research programmes and technology.

### Ideas

The Ideas programme is the main innovation in FP7. For the first time, Europe provides grants for basic research. The aim of the programme is to strengthen excellence, dynamism and creativity in European research and to make Europe more attractive for the best EU and third country researchers.

The ERC aims to support the best scientific efforts in all areas of science including engineering and scholarship. It puts excellence at the heart of European research. It raises the status and profile of frontier research. With funding of €7.5bn, the ERC will award grants both to young and senior researchers.

### People

The positive experience of Marie Curie action in FP6 will be developed in FP7. It will strengthen both quantitatively and qualitatively the human potential in EU research. It will encourage young people to take up careers in research. It will promote mobility within the EU and it will reduce the brain drain, attracting researchers from all over the world to Europe.

Specific activities of this programme include foundation training of researchers, life-long training and career development, industry-academia pathways and partnerships and providing international experience.

### **Capacities**

This programme aims to enhance research and innovation capacities throughout Europe. It focuses on such issues as research infrastructure, research for the benefit of small- and medium-sized enterprises, the creation of a region of knowledge, on science and society and on international cooperation.

### **Where we played the leading role**

The knowledge and reputation of former research Commissioner, Philippe Busquin allowed the Socialist Group to play a decisive role within the EP and when negotiating FP7 with the Commission and Council.

Socialist action brought about the creation of the European Research Council and the substantial increase in the FP7 budget (we fought strongly to safeguard the €72bn proposed by the Commission).

We made the rules for taking part in the programme simpler. We cut red tape for researchers seeking EU funds. And in the sensitive area of stem cell research, we fought to maintain research funding.

***AN EU THAT GIVES A LEAD TO THE WORLD***

## A SAFER WORLD

It is worthwhile remembering that whatever the media tell us about the ever increasing scale and incidence of war and mass atrocity crimes, there has been in fact an extraordinary decrease - some 80% - since the end of the cold war in the number of major conflicts and of people dying violent battle deaths.

As a consequence, the mission of the armies of EU countries has changed radically.

As far as the **European Security and Defence Policy (ESDP)** is concerned, the missions are clear: humanitarian, conflict prevention, peace-making and peace-keeping with a UN mandate, because the Group is strongly committed to multilateralism.

It is for this reason that during this parliamentary term the Socialist Group has insisted on **priority for the protection of people rather than territory**. So the Group proposed the creation of a European rapid reaction force with civil and military resources to react as quickly as possible in the event of **natural disasters**. Unfortunately, our proposal was rejected by the right-wing groups and some anti-Europeans from the Group of the United Left (GUE) (312 to 307) when we introduced an amendment in that sense to the annual report on the European Security and Defence Policy in June 2008, drafted by Socialist Group Member Helmut Kuhne.

For peace-building and nation-building in post-conflict situations, the **Responsibility to Protect** is at the core of the Socialist Group strategy, contrary to the approach of the conservatives who highlight sovereignty of a country as key element. We fully support the concept of Responsibility to Protect as outlined by the United Nations as a means to promote human security. In the first instance, the protection against genocide, war crimes and ethnic cleansing is the responsibility of those governments where these crimes are perpetrated.

The Socialist Group support for the concept of "Responsibility to Protect" and priority to human security were reconfirmed in the report von Wogau in February 09, through PSE amendments adopted with 293 in favour (PSE, V, ALDE) against 286 (EPP, GUE, Front National, UEN).

### Our success

The Socialist Group supported all measures concerned with the protection of people, including:

- a ban on **anti-personnel mines**;
- a moratorium on the use of **depleted uranium weapons**;
- **the anti-missile shield**: an amendment by our Group expressing reservations on the anti-missile shield that the USA wants to set up in some European countries was adopted by 325 votes to 303. (Kuhne's annual report on ESDP, 2008). According to the adopted text, the EP "is of the view that the US plan to establish an anti-missile system in Europe at this time may hamper international disarmament efforts".  
(Unfortunately, a Socialist Group amendment calling for the **demilitarisation and denuclearisation of the Arctic** was rejected by 281 votes to 351, with the Liberals, EPP and Union for Europe of Nations Groups voting strongly against).
- **control on arms exports** by making the "EU Code of Conduct" binding:  
In December 2008, clear and binding rules were finally established at EU level on the criteria for arms exports. From now on, exports to countries involved in a military conflict, violating human rights or involved in arms proliferation will automatically be prohibited.<sup>3</sup>

---

<sup>2</sup> With regard to arms exports, it is interesting to note also that, according to a recent study by SIPRI (<http://books.sipri.org/files/insight/SIPRIInsight0803.pdf>) the impact of EU air safety regulation enforcement (the so-called blacklists, EC regulation 474/2006) on arms transfers has been significant. Attempts to control arms trafficking via air may best be served through targeted air safety regulation, combined with a range of foreign and security policy, development aid and technical assistance.

This is a major achievement for the Socialists who have been fighting for clear rules for over a decade.

- The European Union Force (EUFOR) mission to Chad and the Central African Republic, protection of refugees, displaced persons and humanitarian workers in Darfur. In principle, the Group supports ESDP missions aimed at **restoring or bringing about the rule of law**.
- **Satellite observation**, particularly for natural disasters, support for peacekeeping missions, respect for the nuclear non-proliferation treaty and the fight against terrorism.
- The Socialist Group is spearheading a campaign to strengthen the **Non-Proliferation Treaty of nuclear weapons**, including nuclear powers that are committed to decreasing their nuclear armament;
- The Socialist Group supports a balanced partnership between NATO and the European Policy of Security and Defence and the multilateral security system in the framework of the UN.

In order to underline that the main priority remains the protection of the population, the Socialist Group has stressed through its amendments "the urgent need for the international community to re-examine the current policies in **Afghanistan**" and the need to "increase funding for refugee reintegration". These amendments were adopted and so were the Socialist Group amendments which underline that "the US secret detention programme is in violation of international humanitarian and human rights law". However, our amendment which "calls on the United States to put an end to its secret detention programme" was rejected by 248 votes to 323, as well as our amendment stressing that "coalition forces should refrain from delivering prisoners to the Afghan law-enforcement bodies".

To **save taxpayers' money**, the Socialist Group backed measures on convergence, operational compatibility, **standardisation** of procedures, pooling of resources and joint research and development projects. This concept was reconfirmed through a PSE amendment to the Report Vatanen on "The role of NATO in the Security Architecture of the EU", February 2009, where our claim for "a better and more efficient coordination of investments in defence, in the interest of synergy" rather than "the need for more investment in defence by EU Member States" was adopted by 302 votes to 274 (EPP and UEN, GUE abstained). The aim is to ensure that EU missions are carried out with European equipment, and with scope for autonomous decision-making and action. This includes funding by the European budget of projects that contribute to security (Galileo) and some operations. The Socialist Group is against the costs falling only on those countries that take on ESDP operations.

## FIGHTING TO IMPROVE HUMAN RIGHTS IN THE WORLD

The European Parliament Socialist Group has been a strong voice for human rights and democracy issues around the world. The group has constantly championed EU human rights policies through resolutions, reports, missions and questions of the Commission aimed at maintaining basic human rights standards in the most troubled regions of the world.

Socialist Group MEPs helped to pen the Parliament's annual reports on human rights in the world and the EU's human rights policy. These reports have repeatedly called for the EU to step up efforts on:

- **Abolishing the death penalty.**

In a vote which took place in February 2007, supporting the UN moratorium on the death penalty, the political groups voted as follows:

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-ED	194	86	16	7	15	6.5
<b>PSE</b>	<b>185</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
ALDE	88	100	0	0	0	0
V/ALE	38	100	0	0	0	0
UEN	18	49	12	32	7	19
GUE	34	97	0	0	1	3
IND DEM	3	19	8	50	5	6
ITS	10	60	5	29	2	11
NI	8	62	4	31	1	8

It is worth noting that as one of the biggest delegations in the Parliament the British Conservatives were split from the EPP-ED on the issue of the death penalty, clearly contradicting their party line back in the UK. No fewer than eight Tories, (including the non attached Helmer) voted against the moratorium. Eight voted to abstain on this important issue. **The Socialist Group was completely unanimous that all countries should abolish the death penalty immediately.**

- **Effectively using sanctions to combat rogue regimes**

In August 2008 the Socialist Group voted to make the use of EU sanctions more effective against rogue regimes, so that the general population are not punished.

	<b>For</b>	<b>%</b>	<b>Against</b>	<b>%</b>	<b>Abstentions</b>	<b>%</b>
EPP-ED	199	89	0	0	24	11
<b>PSE</b>	<b>176</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
ALDE	74	98	0	0	1	2
V/ALE	35	97	0	0	1	3
UEN	31	94	0	0	2	6
GUE	7	26	19	70	1	4
IND DEM	3	30	7	70	0	0
NI	3	14	10	45	9	41

It is once again worth noting that the British Conservatives split from the EPP-ED to abstain on this important issue where the EU has a strong voice in the world, clearly demonstrating their contempt for human rights around the world. **The Socialist group remained completely unified.**

Other achievements included:

- Mainstreaming human rights policy in all EU agreements with third countries.
- Banning all forms of racial discrimination
- Improving economic social and cultural rights
- Eliminating all forms of discrimination against women
- Preventing torture and other cruel, inhuman or degrading treatment or punishment
- Protecting children's rights
- Preventing human trafficking
- Improving minority rights
- Increasing funds for grass roots democratic organisations in troublesome countries - through the European Instrument for Human Rights and Democracy (EIDHR)
- Greater compliance with the International Criminal Court, most notably in Darfur.

The Socialist Group was the driving force behind efforts to improve the functioning of human rights dialogues and consultations on human rights with third countries. The report by Elena Valenciano (PSE, Spain) on Human Rights dialogues and consultations (2007) called for the EU to improve its efforts on civil, political, social, economic and environmental rights when dealing with third countries - going so far as to call for them to be placed on the table at the highest political level.

We also pushed for the EU to take a more proactive and constructive role within the framework of the United Nations.

Moreover, the Socialist Group has always sought to uphold human rights standards amongst its neighbours by making financial co-operation dependent on minimum human rights standards, through the European Neighbourhood policy.

# **EU AND DEVELOPING WORLD: BUILDING EFFECTIVE AID AND FAIR PARTNERSHIP**

## **The Development Cooperation Instrument**

The EU is a key political and financial partner of the UN in fighting poverty and promoting economic and social development. The EU supplies more than half of all official development assistance in the world, has the capacity to become the most effective donor and should therefore continue its leadership role in promoting reforms to improve aid effectiveness.

## **Where we played a leading role**

The Socialists had a crucial part in the Commission's adoption of the Development Cooperation Instrument. This improves the EU's previous development cooperation framework by merging different geographic and thematic instruments into a single instrument. The Development Cooperation Instrument emphasises that the EU's development cooperation policy is guided by the millennium development goals and that the aims of this policy are poverty reduction, sustainable economic and social development and the smooth integration of developing countries into the world economy. As a result of Socialist pressure, the instrument now provides for democratic scrutiny by the European Parliament of the Commission's programmes in developing countries, ensuring that the spending serves its primary purpose of cutting poverty.

EU efforts to reach the millennium development goals serve as an important catalyst and example to other donors. However, in 2007 and for the first time, overall EU development aid spending decreased. If this trend is not reversed, the EU will be at serious risk of not meeting its aid commitments by 2010. Furthermore, soaring food prices and declining global growth threaten progress on poverty reduction unless there is further investment in agriculture and the agro-food industry in developing countries

## **Our success**

To counter these negative trends, the Socialist Group asked for binding national timetables and budgets to increase real aid in order to reach the promised collective target of 0.56 per cent of gross national income in 2010 and 0,7 per cent in 2015 and won the European Parliament's support for this demand.

The Socialist Group also won support for:

- Member states and the Commission together to make every effort to ensure that the EU speaks with one voice, to align aid delivery with partner countries' priorities and to make their actions more harmonised, transparent, predictable and collectively effective;
- Inclusion of the new member states in increasingly co-ordinated, international approaches to development policy and delivery with the appropriate mechanisms;
- Improvement of the health millennium development goals;
- Greater involvement of women and women's movements in the formulation and delivery of policy and programmes. Implementation, monitoring and evaluation should be seen as an integral part of ensuring real ownership, given the disproportionate impact of poverty on women;
- Enhanced funding for climate change adaptation and mitigation measures in developing countries, in particular for the Global Climate Change Alliance, with a special emphasis on the need to find additional funding, and not use the European Development Fund for these purposes;
- Close cooperation with social partners, regional and local authorities and civil.



## **Economic Partnership Agreements: a development tool for ACP countries**

The Socialists are providing leadership in ensuring that the Economic Partnership Agreements between the EU and African, Caribbean and Pacific countries (ACP) are development friendly and truly take into account the concerns of the ACP countries. However, there is a clear ideological divide between the progressive side of the EP and the Liberal-Conservatives regarding market liberalisation with development countries. The Socialist Group constantly advocates this new trade instrument as a development tool that should help to reinforce economic growth, regional integration, economic diversification and reduction of poverty.

The Socialists are providing leadership in ensuring that the Economic Partnership Agreements between the EU and African, Caribbean and Pacific countries (ACP) are development friendly and truly take into account the concerns of the ACP countries. See the more detailed account of our work on EPAS in the chapter FIGHTING FOR FAIR TRADE AND GLOBAL ECONOMIC AND FINANCIAL GOVERNANCE.

## **Fight against the Global Food Crisis**

The Socialists showed leadership in tackling the impact of the global food crisis which has seen a major leap in the numbers of people suffering from hunger (more than 900 million people). Thanks to their efforts, the European Parliament did approve the additional €1 billion to be channeled to the developing countries in order to aid them to mitigate the effects of the high food prices.

## **2. The Millennium Development Goals- a clear divide between progressives and conservatives**

The example that most clearly illustrates the ideological divide between the progressives and the conservatives is the question of sexual and reproductive health rights and services, which is one of the essential millennium development goals. The Socialist Group consistently advocates a strong political leadership role for the EU in health policies, addressing constantly neglected women's sexual and reproductive health and rights issues.

While the Socialist Group focuses on sexual reproductive health rights, the EPP-ED opposes even the mentioning of "rights" and "services" in reports and resolutions. This opposition is based on the ideological assumption that support for these rights is equivalent to the promotion of abortion. If the Parliament were to follow the conservatives' position, there would be no pressure on the Council and the Commission to increase spending on health in developing countries, including these rights. Such a position, if adopted by the Parliament, would have been a disgrace, since maternal mortality is entirely preventable if women are just given access to health care and sexual and reproductive health. So far, thanks to the Socialist alliance with the Liberals, Greens and United Left such an outcome was prevented.

The issue needs to be seen in a wider context of the approach to the situation of women in developing countries. The conservatives seem to accept that women have low status and low value in these countries, and therefore the West should not "impose its norms and standards on them", since it is "controversial" and "morally ambivalent". Generally, the right tends to see gender related issues as somehow less important, especially if sexual and reproductive health and rights issues are involved.

## **Results of the votes**

This position in favour of sexual and reproductive health and rights issues has been reflected in the Socialist Group voting pattern on a number of reports and resolutions which dealt with these issues. The roll-call votes on these reports show that the more moderate elements among the conservatives (which are a minority in the EPP-ED) go along with us and vote in favour of sexual and reproductive health and rights issues (SRHR), while the more conservative and religious-

minded members oppose the expansion of availability and affordability of these rights. The roll-call votes show that there is no consistent pattern along national lines on these issues in the EPP-ED. Even within the same national delegation, some members vote in favour of these issues and others against (the case of the Spanish *Partido Popular*, for example). Generally, the Scandinavian members of the EPP-ED tend to support them, while most MEPs from the new member states (notably, Poland, Slovakia), UK Tories and German Christian-Democrats tend to reject them. Other groups, with the exception of the UEN and some IND/DEM members, vote in favour of the SRHR, which means that the outcomes of votes on amendments and reports/resolutions involving the SRHR are successful from the point of view of the Socialist position.

### Roll Call Vote on the Gender Equality and Women's Empowerment in Development Cooperation. 13 March 2008 - final vote

	For	%	Against	%	Abstentions	%
EPP-ED	71	35	90	44	42	21
<b>PSE</b>	134	100	0	0	0	<b>0</b>
ALDE	67	94	3	5	1	1
V/ALE	30	99	0	0	1	1
GUE	31	99	0	0	1	<b>1</b>

### Roll Call Vote on the Report on the Millennium Development Goals at midway point (rapporteur Glenys Kinnock), plenary 20 June 2007 - final vote

	For	%	Against	%	Abstentions	%
EPP-ED	123	52	15	6	101	21
<b>PSE</b>	190	98	1	0,5	2	<b>1.5</b>
ALDE	92	100	0	0	0	0
V/ALE	38	99	0	0	1	1
GUE	31	84	0	0	6	<b>16</b>

### Roll Call Vote on the Resolution on Millennium Development Goals 5 (Maternal Health), plenary 4 September 2008

	For	%	Against	%	Abstentions	%
EPP-ED	63	27	142	62	23	11
<b>PSE</b>	176	99	0	0	1	<b>1</b>
ALDE	75	99	0	0	1	1
V/ALE	35	99	0	0	1	1
GUE	27	100	0	0	0	<b>0</b>

#### Our success

We won support for sexual and reproductive health rights for women in developing countries in all the reports and resolutions that deal with Millennium Development Goals, health, gender equality and women empowerment issues.

#### Where others were divided

Two issues stand out as the clearest examples of the division within the right:

One such issue is the question of the sexual and reproductive health rights and services. As was evidenced during a number of debates, not only all of the Socialist members support the SRHR, but also some EPP-ED members oppose their group's conservative majority on this.

(quotes)

During the debate on the Uca report on 13 March 2008, EPP-ED MEP Filip Kaczmarek (Poland) openly accused the left of "promoting abortion": "...Those who advocate restricting the population in poor countries and promoting contraception or abortion should not hide behind terms like health and reproductive rights.....Is there not something dubious about Europeans promoting and funding contraception and abortion outside Europe?...."

Another EPP-ED MEP Gay Mitchell (Ireland) drew parallels between the Parliament's rejection of amendments deleting SRHR and the Nazi takeover: "...Throughout history, majorities have got it wrong, for example in Austria and Germany in the 1930s...".

The Socialist Group shadow on the report, Anne Van Lancker replied: "...I find it monstrous that colleagues from the EPP-ED and UEN Groups want to remove the report's plain speaking on sexual and reproductive health, because if women are able to make decisions about their own bodies and whether and when they have children, not only will this save millions of women's lives; children too will have more opportunities and communities will be made stronger. Anyone who denies that undermines the consensus on population and development which the international community endorsed in 1994, and we will not allow that to happen...."

During the debate on MDGs at the Midway Point on 19 June 2007 Nirj Deva (EPP-ED, UK) denied sexual and reproductive health rights to women: "...Nor have these paragraphs anything to do with either sexual or reproductive rights because abortion has no connection to sexuality: it is not healthy, it is obviously not about reproduction – quite the opposite – and in my view, it is certainly not a right".

However, not all of the EPP-ED MEPs share the same view. Pii-Noora Kauppi, a Finnish conservative, said: "...I consider women's health services in general to be a very important component of human rights. These definitely extend to services relating to sexual and reproductive health.... The provision of sexual and reproductive services in the developing countries is not about abortion either; it is about women knowing what options they have and knowing that they have a right to make their own choices...."

In the debate on the resolution on the MDG 5 (maternal mortality), Casini, an Italian EPP-ED MEP, said he could not hide "discomfort I feel when I hear the inappropriate use in international circles of the expression 'reproductive health services': we want reproductive health services, but we cannot allow this to include elective abortion, turning the tragic suppression of human beings at the very beginning of their existence into a social service".

To this Anne Van Lancker replied: "...every year, 50 million women have unwanted pregnancies because they lack access to contraceptives; 42 million of these women have an unsafe abortion, 80 000 of whom die. These are the hard facts. The vast majority of these women live in sub-Saharan Africa...".

In the same debate a Polish EPP-ED Kaczmarek said: "...Unfortunately in some developed countries we still see a tendency to ideologise the problem and concentrate on one really quite controversial issue, namely that of reproductive rights....It is....difficult to agree with the assertion that reproductive health should be a priority in development policy....".

Glenys Kinnock replied: "...we should be aware that 19% of maternal deaths are caused by unsafe abortions.....As we focus on sexual reproductive health rights, we hear from the other side that they have problems with the vocabulary used in this resolution. Apparently they do not even like the word 'rights' to be used; they do not like the word 'services' to be used. These semantics would not go down very well, I fear, with the thousands upon thousands of grieving motherless children in the developing world, or with those children whose mothers have died in agony...."

Another clear example of divide within the conservative ranks concerns the role of the Union in development cooperation. During a number of votes in the Development Committee it emerged that the EPP-ED is divided between those who seek a greater role for the Union and those, mainly British conservatives, who favour a more nation-state based approach. The majority of the EPP-ED DEVE members rejected amendments tabled by a fellow EPP-ED member, a British Euro-sceptic conservative, which sought to dilute the role of the Union in development cooperation, and asked for a referendum on the Lisbon Treaty in the **opinion on the impact of the Lisbon Treaty on the development of the institutional balance of the EU**. The majority of the EPP-ED also rejected amendments by a British conservative against **the common European asylum system** in the opinion on the subject.

## **Our future political goals**

- The Socialist Group will ensure in its monitoring work that the Economic Partnership Agreements (EPAs) with the ACP countries are development friendly, and fully take into account concerns and interests of the ACP countries.
- The Socialist Group will further pursue its efforts to obtain clear timetables and binding practical commitments on delivering on development aid promises made by rich countries and to ensure that there is no scaling back on aid commitments despite the economic crisis
- The Socialist Group will work for positive change in troubled areas of Africa, like Zimbabwe, Democratic Republic of the Congo, Sudan, Somalia and others.

## **GIVING A REAL RIGHT TO FOOD**

With soaring food prices and their dramatic impact on millions of people, the Socialist Group took the lead to promote a debate in the European Parliament in April 2008 — even before the food crisis hit the headlines.

It is unacceptable that 850 million people go hungry every day. We put the principle that every human being has the right to food at the heart of the EP's May 2008 resolution on rising world food prices.

### **Our success**

We led the Parliament in asking the Council to step up its commitment to the Millennium Development Goals (MDGs) and constantly monitor progress towards their achievement, especially the first goal of eradicating extreme poverty and hunger.

### **Where we played a leading role**

The Socialist Group called for a ban on what it sees as outrageous investment and insurance products that profit from food price speculation. However, the right-wing of this parliament, namely the big majority of the EPP-ED and Liberal Groups, failed to support it and prevented a call for appropriate regulation to control speculative activities more effectively. They also opposed an assessment of the competences of the national supervisors in the field of food commodities. Even though the Group voted unanimously in favour of these measures, we were unable to get a majority in plenary.

However, we won Parliament's support in putting speculation in food commodities high on the agenda and in recognising the link between the food crisis and the financial crisis. Our Group voted again unanimously in favour of the reference to this interconnection - only 8 Members of the EPP-ED voted with us.

Socialists made it clear that the food crisis was closely related to speculative investments in commodities - and therefore, this needs to be taken into account when proposing global remedies.

### **Our future political goals**

The Socialist group will keep calling on the Commission to propose detailed measures to prevent food price speculation and to regulate speculative activities in a better way. Members states and the EU should be in a position to guarantee stable and secure markets and that speculation does not violate the right to food.

We will also keep working for a sustainable EU food policy and to ensure that regulation of global agricultural markets is in the interest of consumers, farmers' incomes and processing industries.

## **FIGHTING FOR FAIR TRADE AND GLOBAL ECONOMIC AND FINANCIAL GOVERNANCE**

For the Socialist Group, the advance of globalisation makes it an increasingly essential task (also in the framework of the PES) to **press for reform of the rules which govern the global economy**. Our objective is to reverse the shift in the balance of global power which we have seen in the last 30 years from poor to rich, from labour to capital and from democratically elected governments to increasingly unaccountable concentrations of power in the hands of private corporations - and above all in the hands of international financial operators.

As the world's biggest economy, biggest exporter and importer, biggest source of development aid and one of the biggest sources of investment capital, the EU has the potential to play a huge role in setting the rules of the global economy - something which no single European country acting on its own could hope to do. The existence of the European Union - the most important alternative to the relatively free-market, US model with its huge gap between rich and poor; or to the various autocratic economic models offered by China, Russia and others - is in itself something which social democrats must cherish, as our best hope of promoting social democratic values worldwide.

### **Trade**

With all its faults, the WTO represents a step forward for the international rule of law and the principle of multilateralism and is the central focus for EU trade policy. It is the only international organisation where the EU negotiates and acts with one voice. For that reason, throughout the present legislature, the Group has given high priority to **enhancing the EU's ability to punch its weight in international economic fora; and to ensure that it does so on the basis of social democratic values**.

The EU suffers a glaring democratic deficit concerning trade policy: Much policy-making takes place behind closed doors among committees of civil servants. The Socialist Group has therefore pushed strongly for the ratification of the Lisbon Treaty, whose implementation would significantly enhance the democratic accountability of the European Trade policy, putting the European Parliament on an equal footing with the Council of Ministers in defining and controlling European trade policies.

Though lacking legislative power (under current Treaty rules, EU trade policy is subject to only the weakest Parliamentary scrutiny), the Socialist Group has largely contributed to the reshaping and adaptation of European trade policy. Using the weapons of publicity, Parliamentary hearings and alliances with civil society, the Group has kept **the spotlight on citizens' priorities, such as food and consumer safety, the role of social and environmental standards in world trade and the interests of the developing world**. In the new generation of Free Trade Agreements now under negotiation - such as Korea and ASEAN - and long-running negotiations such as those with the Gulf Cooperation Council and Columbia, pressure by the Socialist Group has achieved some **improvements in social, environmental and human rights clauses** - but much work remains to be done.

### **Doha Development Round**

The Socialist Group strongly believes in the positive contribution that trade could bring to alleviate poverty and promote economic development and social welfare, provided that international trade rules reflect the needs of the poor and not just the rich and powerful. Therefore **the successful conclusion to the Doha Development Round (DDA), on a basis which honours its original commitment to make development the central objective, remains a priority**.

## Economic Partnership Agreements

The Socialist Group has also been extremely active on the question of the **Economic Partnership Agreements** which the EU is currently negotiating with 79 developing countries which were signatories in 2000 of the Cotonou agreement. These agreements, intended in principle to promote sustainable development and regional integration among the Cotonou countries, have been the subject of bitter and controversial negotiations. Many of the Cotonou countries, supported by development organisations, have criticised the European Commission for pursuing European trade objectives at the expense of development objectives, and for strong-arm negotiating tactics. On these agreements, however, the Parliament has a power of veto, which the Socialist Group has used as a tool to transform EPAs into genuine development friendly trade agreements and in the interest of the Cotonou countries. Thanks to the lead the PSE Group took on the EPA dossiers (4 rapporteurships out of 8), the Socialists ensured that all EPAs include development aid, with a commitment also to contribute to the Millennium Development Goals; that there is no imposition of services liberalisation and Singapore issues, and that ACP countries have the possibility to re-negotiate sensitive issues. Last but not least, Socialist Group amendments guarantee closer European Parliament and ACP parliament scrutiny of further negotiations and of the implementation of the agreements.

## International Monetary Fund and World Bank

In the case of the IMF and the World Bank, the Group has criticised the over-representation of European countries and the effective veto power of the USA, at the expense of adequate representation of developing and emerging countries. At the same time we have drawn attention to the lack of coordination of European views, including the absence of a formal EU role, as a consequence of which - and in stark contrast to the WTO - Europe is unable in the IMF & World Bank to speak with a single voice, or to operate effectively on behalf of Europe's citizens. **We have led the way throughout the legislature in putting the issue of global economic and financial governance on the EP agenda.**

In the context of the financial and banking crisis, the Socialist Group voiced its concerns and expectations on the occasion of the G20 meeting in Washington on November 15th 2008 where heads of states and governments agreed to rethink the global financial architecture and paved the way for a deep reform of the regulatory and supervisory framework.

The Socialist Group:

- underlined our strong belief in global answers to the crisis by promoting the setting of a new international financial order, involving reform of the Bretton Woods institutions and supported the European Council's approach in December 2008
- has called for a possible role for a reformed IMF in a stronger global supervision and as a monetary arbiter.
- has insisted, in our message to European leaders at the G20, that the financial crisis should not undermine the EU's responsibility to the world's poor or to the Millennium Development Goals.
- supports a possible role to be given to the IMF in terms of global supervision and being a monetary arbiter.

## EU ENLARGEMENT CREDIBILITY AND COMPLIANCE

The Socialist Group in the European Parliament is a vocal supporter of the enlargement policy, firmly taking the view that enlargement enriches old as well as new members.

Strict but fair conditions should apply to everyone knocking on the EU's door. Fulfilment of the Copenhagen criteria is crucial. It is not enough for candidate countries to adopt only the laws: European standards must also be put into effect. Enlargement should not lead to "a race to the bottom" in the social field or reduce the EU to a free trade area. The EU must therefore strengthen its capacity to integrate new member states before future enlargements.

But the **EU must also stick to its own commitments**, particularly to the Western Balkans and Turkey.

### Where we played a leading role

**Western Balkans:** The Socialist Group strongly believes that the Western Balkans is of particular relevance: the EU's foreign policy was developed in the aftermath of conflicts in this part of Europe and it is in this region where **EU's normative power to transform the countries in its courtyard** can be best demonstrated. It is in the Western Balkans that EU's ambition to play a meaningful role on the international scene is permanently challenged. Therefore, the Socialist Group constantly strived during the 2004-2009 legislature to **maintain the EU membership perspective for the Western Balkans high on the EU's agenda despite enlargement fatigue in EU member states and difficulties with EU's institutional reform**. The EP rapporteur for Croatia, Socialist Group member Hannes Swoboda, played a key role in maintaining the objective for the conclusion by 2009 of accession negotiations with **Croatia as an example for other Western Balkan countries showing how they can realise their European perspective**.

**Turkey:** The Socialist Group is convinced that **the aim of accession negotiations with Turkey is full EU membership**. It has so far always prevented the attempts by the conservatives and the right wing in the EP to introduce into annual EP monitoring reports on Turkey the idea of a "privileged partnership" as an alternative for Turkey's EU membership.

The Socialist Group wants **Turkey** to become more modern, democratic and stable because Turkey has strategic importance **as an anchor of stability and a benchmark of democracy for the wider Muslim world**.

Any EU enlargement must be agreed by all existing members. The most recent Eurobarometer poll on enlargement found that 69 per cent of Germans, 54 per cent of the French and a striking 81 per cent of Austrians opposed Turkish entry. This is why the Group constantly **calls on EU governments to make greater efforts to show citizens the benefits of enlargement**.

### Where others were divided

#### Turkey's 2007 Progress Report, 21 May 2008

The roll call on the final vote was requested by the right wing IND/DEM group in order to embarrass mainstream conservatives (EPP-ED) who were urged by the rapporteur Ria Oomen-Ruijten (moderate Dutch conservative) to adopt a positive approach to Turkey's accession negotiations. A large majority of the European Parliament, including the majority of the EPP-ED Group, voted in favour of the resolution, nevertheless the roll call shows that some prominent EPP-ED MEPs actually did not follow their group line, notably the French conservatives from UMP: they either voted against or abstained. It is also worth noting that during the EU French Presidency in the second half of 2008 none of those chapters implying Turkish EU Membership have been opened in accession negotiations. Another important finding from the roll call: the GUE Group



abstained. They explained that the reason for this was the fact that their amendments advocating the Kurdish cause did not pass.

	For	%	Against	%	Abstentions	%
EPP-ED	168	82	19	9	18	9
PSE	161	96	3	2	4	2
ALDE	82	97	1	1	2	2
V/ALE	34	94	1	3	1	3
GUE	1	3	1	3	29	94

## KEY DEBATES

Some member states are openly against Turkish EU membership and offer alternative plans, such as French President Sarkozy's Mediterranean Union, initially conceived as a ploy to keep Turkey out of the EU. In a similar attempt, a prominent EPP-ED MEP Elmar BROK called for a "new instrument" modelled on the European Economic Area that should be offered not only to Turkey but also to Western Balkans countries, except Croatia, as an alternative option to EU accession.

During the **plenary debate on the Commission's 2007 enlargement strategy paper** on 9 July 2008 in Strasbourg Elmar Brok said: "... we need new instruments in the area between full membership and the neighbourhood policy, so that these countries' European perspective does not merely give them hope but is actually associated with real progress in areas such as free trade and the Schengen system. We need instruments modelled on the European Economic Area within which we engage in free trade with the EFTA countries... In other words, we can develop very close relations, and then a decision can be taken in each case as to whether both sides want this close cooperation to continue on a permanent basis or whether they want it to be a transitional stage on the way to full membership. Accordingly, even in the Western Balkans – though not in Croatia, where it would now be a totally illogical step – countries where accession would be a lengthier process could take advantage of this transitional stage, if they so wished, to use it as an instrument..."

Jan Marinus Wiersma (PSE) replied: "... we stand – as the Commissioner has said – by the promises made to Turkey and the countries of the Western Balkans in our discussion of enlargement strategy. So there is no change in strategy vis à vis those countries, but greater attention will be paid to the way in which the accession criteria is applied and managed during the negotiation process..."

## THE LEFT-RIGHT DIVIDE

The refusal or reluctance towards Turkey's accession negotiations is mostly based on the premise that Turkey as a large Muslim country does not belong to the EU because, according to the European right wing, this large Muslim country does not share "European values". The Socialist Group rejects the idea of the EU being an exclusive "Christian club" and sees Turkey's accession talks as an opportunity to usher a greater sense of tolerance and understanding with the Muslim world.

**Plenary Debate on Turkey's 2007 progress report held on 21 May 2008 in Strasbourg is a good example of the left-right divide:**

Jacques Toubon (EPP-DE) – "... Let us be under no illusions, let us refrain from telling the Turks anything and everything, and having them believe we are willing either to accept their accession without actually meeting the Copenhagen criteria, or reject it because of them, when what is actually at stake is us, and what we want our European project to be. Furthermore, let us define a durable partnership structure that uses a win-win approach to allow Turkey to take up its role as a regional power, and the EU to continue the construction of its world identity..."

Richard Howitt (PSE) - "... To Mr Claeys, Mr Langen, Mr Belder, Mr Toubon and others who deliberately seek to undermine public support for EU accession in Turkey by the language and the threats used in this morning's debate: Turkish public opinion should understand you are not in a majority, you do not speak for this Parliament and you will not succeed in obstructing its European perspectives."

### **Future Political Goals**

- **The Socialist Group is calling for the opening of new chapters in accession negotiations with Turkey, especially the energy chapter.** Turkey's support for the Nabucco gas pipeline project is of great interest for the EU as key to its energy diversification.
- **Turkey can play a pivotal role as a negotiator in the Middle East peace process.**
- The Socialist Group will pursue its initiative, **Union for the Black Sea**, launched in 2008 in an extra effort to counterbalance Sarkozy's focus on the Mediterranean. **By playing an active and constructive role with the EU and other states around the Black Sea, Turkey could demonstrate its importance.** This would greatly help Turkey's accession process. The Group also wants **Russia to be involved** in this initiative as much as possible. Some of the problems in the region (notably frozen conflicts and security of energy supply) can be resolved only if all stakeholders sit around the table with Russia.

## HIGHLIGHTING THE GEOPOLITICAL ROLE OF THE BLACK SEA REGION

The Socialist Group proposed a Union for the Black Sea in response to President Sarkozy's call for a Mediterranean Union, initially meant to involve only some EU Mediterranean countries. The Socialists felt that with the limits of the European Neighbourhood Policy (ENP), not enough attention was being given to another geopolitically and strategically important region, the Black Sea.

Current EU policy on the Black Sea is focused around the so-called "synergy initiative". Its aim is to improve coordination between similar projects in the framework of the ENP while focusing on specific measures and actions. The Socialist Group has on several occasions asked the Commission to develop a comprehensive long-term strategy for the Black Sea region. The Group believes that the **EU should not emphasise the Mediterranean at the expense of the Black Sea** but should engage and offer genuine partnership and a common future for the region.

The Group proposal aims to create a framework for cooperation that offers more opportunities to strengthen political and economic relations with the EU, complements existing structures and goes beyond the ENP whilst maintaining a link with the EU's enlargement strategy. The specificity of the Black Sea region is that it **covers two of the EU's key strategic partners, Turkey and Russia, which should be given a clear role in the planned initiative**. Without their full participation, it will not be possible to find a lasting solution to existing conflicts, energy questions and security threats.

The Socialist Group takes the view that a **Union for the Black Sea** will need a light and flexible institutional structure. As far as possible, it should be based on the existing entities but it should include a parliamentary dimension with a specific aim of contributing to democratisation of the region.

Based on the principle of equal partnership, the EU and participating countries from the region should jointly define priorities for cooperation in the Union for the Black Sea. The Socialists believe that, in addition to areas already covered by the "synergy initiative", these should include energy cooperation, migration, regional security, conflict resolution and the fight against terrorism.

### **Where we played a leading role**

The 2008 review of the first year of implementation of the Black Sea synergy initiative showed its limits and made the **Socialist Group's call for a more substantial policy on the region** even more relevant. Neither the ENP nor the latest European Commission's project of an Eastern Partnership offers a strategic approach to the region.

Following the armed conflict between Georgia and Russia the question of security and stability in the Black Sea area became even more pressing. The right wing in the European Parliament has been unable to come up with a coherent strategy for the region. The Socialist initiative remains therefore the only comprehensive strategy offering a long term vision with a clear assessment of the political context, objectives to reach, instruments and timeline.

### **Our future political goals**

Our idea of the Union for the Black Sea has been endorsed by the whole Socialist family in its 2009 Manifesto and continues to gain support at European level. We aim to define concrete steps towards its achievement before the 2009 elections, following a series of events involving all major players in the region.

# BUILDING CONSTRUCTIVE AND TRUST BASED RELATIONS WITH RUSSIA

## Where we played a leading role

The Socialist Group was the first in the European Parliament to **call for improvement of EU-Russia relations through constructive, open and trust-based dialogue**. This was reflected in the change in tone of our public statements about Russia while the right-wing forces continued the confrontational approach towards Russia. Growing awareness of Russia's importance in economic and political terms brought closer contacts with Russian politicians, experts and representatives of the civil society.

## Our success

In May 2007 the Group leadership made what was seen by both sides as a highly successful first visit to Moscow. In meetings with the foreign minister, the presidential administration and leaders of both chambers of parliament, the Group clearly showed its wish to cooperate as closely as possible with its Russian partners. The aim was to **intensify discussions on a wide range of issues, including foreign affairs, energy and economic cooperation**.

One of the immediate results was the establishment of regular meetings. The Group found a new parliamentary partner in the "Just Russia" party, which expresses social-democratic views and aspires to membership of the SI. In April 2008, **Socialist Group leaders and the "Just Russia" group in the State Duma signed a "Memorandum of Understanding"**. This lays a solid basis for long-term cooperation.

In October 2008 a follow-up visit took place in order to further develop our strategic partnership and to develop a common stance on global challenges. In discussions with Prime Minister Putin, the government ministers and leading parliamentarians both sides reaffirmed their **will to advance the energy dialogue in light of our growing interdependence and common interests**. Moreover, a need to rethink global security after the Georgian crisis was underlined. The Socialists also emphasised the importance and negative effects brought about by the instability on the global financial markets, underlining the necessity for the EU and Russia to cooperate closely with a view to establish new worldwide rules for international markets.

## Our future political goals

The Socialist Group will continue striving for closer cooperation, good-neighbourly relations and the conclusion of a strategic partnership agreement between the EU and Russia, as they are crucial to the stability, security and prosperity of our shared neighbourhood and of the whole world; we are supportive of the new US administration's willingness to have an open and cooperative dialogue with Russia. Despite major political strains on EU-Russia relations, the Group remains a stable and solid partner for Russia. **We are the only large political group in the European Parliament that favours dialogue and shows consistence in its approach to relations with Russia.**

## FOSTERING PEACE IN THE MIDDLE EAST

The Middle East Peace Process and the political situation in the broader Middle East were high on the agenda in the European Parliament in the 2004-2009 parliamentary term.

The Israeli-Palestinian conflict - and notably the consequences of the 2006 Palestinian elections, the political situation and humanitarian crisis in the Gaza Strip, the Annapolis Conference, peace negotiations between Israelis and Palestinians, and Israeli military operations in the Gaza area - was a key political issue during the whole legislative period. The political situation in Lebanon and the role of Syria in the region as well as the wars in Iraq and Afghanistan were also in the focus of the Parliament. The Year of Intercultural Dialogue, in 2008, added further important dimensions to discussions.

Socialist Group Members drew up several important parliamentary reports, including one on the Euro-Mediterranean Association Agreement with Syria, on the European Union's role in Iraq, on "*Reforms in the Arab world: what strategies should the European Union adopt?*", on the participation of Israel in Community programmes and on "*The Barcelona Process: Union for the Mediterranean*".

Socialist MEPs also played an important and constructive role in interparliamentary delegations, with special regard to initiatives taken by the Chairs of the Delegation for relations with the Mashreq countries and the Delegation for relations with the Gulf States including Yemen, as well as in election observation missions, such as the 2006 EU election observation delegation to the occupied Palestinian Territories led by a Socialist Group Member.

**The Socialist Group supported the creation of a high-level EP Working Group on the Middle East**, which began its work in 2008 with the aim of giving a significant input to European policies. An ad hoc fact-finding mission, which included members of the Working Group and was co-chaired by a Socialist MEP, took place in Israel and in the Occupied Palestinian Territories, and led to new policy initiatives.

The **Socialist Group organised several conferences, seminars and workshops focusing on political, economic and social developments in Middle East countries**. A 2007 Conference on "*Moving Towards an International Peace Conference for the Middle East*" discussed the main political challenges and peace prospects in the region. Participants came from Egypt, Israel, Jordan, Lebanon, Palestine, Syria, EU Member States, Russia, the United States, the Arab League and the United Nations. Following the positive outcome of this event, the Group organised a "*Second Socialist Group Conference on the Middle East: Challenges and Perspectives*" in 2008, based on round table discussions with the participation of politicians, high-level experts and NGO representatives from the region and from Europe as well as from other countries and international organisations concerned.

A series of other Socialist Group seminars and workshops on the Middle East have taken place in recent years. Discussions included the role of Europe in the region, the importance of the social agenda in politics in Middle East countries, the role of the new generation of Israelis and Palestinians in finding peace, and the role of Palestinian Arab citizens of Israel in solving the conflict. All these events helped us to establish a solid network of partner organisations. Cooperation with the Friedrich-Ebert-Stiftung (FES) and the National Democratic Institute for International Affairs (NDI) proved to be particularly fruitful.

### **Where we played a leading role**

The aforementioned issues have been addressed by various reports and a series of resolutions, adopted unanimously or with a large majority as a result of all political groups' wish to send clear messages to external political and institutional actors.

Nevertheless, especially in cases related to the Israeli-Palestinian conflict, divergences were sometimes too substantial to find a common position. This happened in the case of the **Resolution on the Palestinian prisoners in Israeli jails**. This resolution was adopted with 416 votes in favour, 136 against and 61 abstentions. The **Socialist Group strongly supported the resolution while the EPP-ED group was completely divided**.

Another case that is also worth mentioning is the vote on the **postponement of the EP's decision on the avis conforme and the resolution on the further participation of Israel in Community programmes**, drafted by a Socialist Group Member. With regard to the humanitarian crisis in the Gaza Strip, the Socialist Group supported the request to postpone these votes. The EPP-ED group was against it while the Liberal Group was divided. Finally, with 194 votes in favour, 173 against and 10 abstentions, the votes have been postponed. This gives more credibility to the Parliament and to the Socialist Group when expressing their political positions on current developments related to the Israeli-Palestinian conflict.

### **Our future political goals**

The Socialist Group is convinced that **Europe could and should play a more active role in the Middle East**. Based on a coherent strategic approach, the European Union, which is the biggest humanitarian aid donor in the region, should contribute significantly, also in the framework of the Quartet, to political efforts aimed at finding a comprehensive solution to the various conflicts and challenges in the Middle East.

## **STRENGTHENING POLITICAL, ECONOMIC AND CULTURAL DIALOGUE BARCELONA PROCESS: UNION FOR THE MEDITERRANEAN**

The Mediterranean and the Middle East are strategically important for the EU. The importance of our historical and cultural links, and the urgency of the challenges we face together, lead us to pursue a Mediterranean policy based on solidarity, dialogue, cooperation and co-development in order to create an area of peace, stability and shared prosperity.

The European Council of 13 and 14 March 2008 approved the “Barcelona Process: Union for the Mediterranean”. On 20 May 2008, the Commission set out detailed proposals to put the initiative into effect, giving a political boost to the EU’s relations with its Mediterranean partners.

In the light of all this and new political and economic realities, the Socialist Group believes that **the Barcelona Process, renewed by the Union for the Mediterranean, must remain the sole framework for cooperation**. This will ensure that policies and instruments complement one another, especially in joint actions.

Socialists want to consolidate existing structures by strengthening political, economic and cultural dialogue. The Group stressed from the outset that renewing the Barcelona Process through the Union for the Mediterranean must be open to all EU member states and Mediterranean partners wanting to take part. The summits held in Paris on 13 July and in Marseille on 3-4 November 2008 confirmed this approach when setting up the new structures of the Euro-Mediterranean partnership.

The Socialist Group believes that there can be **no lasting development without peace, stability and solidarity**. Good governance is also needed to consolidate partnership based on democratic principles and respect for human rights, on the fight against terrorism and on joint efforts to find a lasting solution to conflicts in the Middle East.

The Euro-Mediterranean Parliamentary Assembly (APEM) is the only parliamentary body that brings together the 27 EU member states and partners from the South. It is already seen as an integral part of the institutional framework of the Barcelona Process. This body must play a role in the new structures of the Union for the Mediterranean by being able to put forward proposals and project evaluations.

### **Where we played a leading role**

The Socialist Group stresses that the **EU-Mediterranean partnership cannot just address economic and trade questions**. The creation of a free trade zone cannot be an end in itself but must go hand-in-hand with stronger regional cooperation as well as social integration and environmental protection. This is the main idea and position of the report of socialist MEP Kader Arif (EP’s International trade committee) on Euro-Mediterranean free trade area

**Socialists seek a development strategy that puts local production first**. We want partnership that takes account of local and regional needs. The strategy will deal with the depopulation of rural areas, provide education and training, strengthen transport and energy infrastructure, protect the environment and promote sustainable development, boost production and create jobs. The **Socialist Group also supports more civil society involvement** in the Euro-Mediterranean partnership’s priority activities, including promotion of dialogue and peace, improvement of living conditions, fighting poverty and respect for human rights.

All these proposals were reiterated by the Group in the document on “The Future of EU-Mediterranean relations” adopted in April 2008 and published at a conference in Naples on 11 and 12 June 2008. The Socialist Group also helped to secure reaffirmation of these positions in two European Parliament resolutions of March 2007 and June 2008 as well as in Group Vice-president Pasqualina Napolitano’s Foreign Affairs Committee report on “The Barcelona Process: Union for the Mediterranean” adopted in February 2009.