

# EPP Group Report

Issue 9 / September II 2011



## **Economic Governance proposals adopted - major success for the EPP Group**

*By Eduard Slootweg*

The EPP Group welcomed the adoption this week of six legislative proposals on economic governance designed to prevent future budgetary and economic crises in the Member States.

The package of six measures reinforces the current Growth and Stability Pact. Responsible economic and budgetary policies can be assured by including the reverse voting system both in the preventive arm of the Stability and Growth Pact as well as in the Macro Economic Surveillance. This strengthens the role of the European Commission both in the surveillance and in the sanctions procedure.

Corien Wortmann-Kool (NL), Rapporteur on the preventive arm of the package, said: "The EU is facing one of its worst economic crises. Some Member States are having huge problems balancing their national budgets. Financial markets are very unstable. In such a situation, we need a strong, united response to the problems. Financial markets need a predictable, strong and transparent European economic governance. The six legislative proposals provide for this. The Left's vote goes against much-needed rules and is not in the interest of the European citizens because we have to face and solve our problems in a convincing way."

Diogo Feio (PT), Rapporteur on the corrective arm of the package, said: "Firstly, this package is important to prevent any future crisis. Secondly, it starts putting together the idea of stability with growth in the European Union. Thirdly, we should bear in mind that Member States with sound public finances are the ones whose economy is growing."

Jean-Paul Gauzès (F), EPP Group Coordinator in the Economic and Monetary Affairs Committee of the European Parliament, said: "This vote is an historic step towards a real economic governance."

"The only way out of the crisis is to control public finances. The measures we have adopted will strengthen the Stability and Growth Pact and improve surveillance mechanisms to prevent and correct macroeconomic imbalances. This is the condition for bringing back growth in Europe", Mr Gauzès concluded.

## **State of the Union: we don't need more institutions, we need more action**

*By Ioannis Zografos*

Commission President José Manuel Barroso found many allies in the Chamber when he insisted that the Union has to respect the Community method in order to tackle the current economic, financial and social crisis.

Speaking in the debate on the State of the Union, the Commission President acknowledged that this is the biggest challenge in the European Union's history.

While he defended his proposal to introduce a European financial tax adopted by the Commission this week, and praised the long-term advantages of 'Euro-bonds', Mr Barroso rejected de facto the idea of creating a separate post of Finance Minister for the Eurozone.

"Governments, let's be frank, cannot do this by themselves. Nor can this be done by negotiations between governments. Indeed, within the Community competences, the Commission is the economic government of the Union, we certainly do not need more Institutions for this."

He was backed by leaders of the political Groups, especially the Chairman of the EPP Group Joseph Daul (F) who emphasised that the Commission is the economic government of the Union.

"I understand in times of crisis that we tend to shut ourselves off from the rest of the world, but now we have to get out there and look for the Community method. The European approach is not two, three or four Presidents sending out different messages, but just one quick and unique exit strategy. President of the Commission, you are the head of the economic government", Joseph Daul said.

The President of the Commission reiterated that Greece will remain a member of the Euro despite its debt crisis, and that the Union's Member States will continue to show solidarity to Athens.

## **Euro crisis: too little, too late**

***By Gunnar Larsson***

The Euro crisis has kept European leaders busy for quite some time. When meeting in Brussels in July, they hoped they had finally shored up faltering economies as they pledged to do whatever necessary to ensure financial stability. By reforming its economy and privatising assets, Greece, in a near-default state, would return to a sustainable growth path and loans from the European Financial Stability Facility, the International Monetary Fund and private investors would recapitalise both the country and its banks. But since then, the economy has slumped and markets are as turbulent as ever.

Luxembourg's Prime Minister Jean-Claude Juncker is President of the Eurogroup, which consists of Finance Ministers from countries in the Eurozone. He met in Strasbourg with MEPs and was faced with a barrage of questions on what to do next.

"For weeks and months the leaders of the Eurozone have shown their determination to defend the Euro and make European solidarity the very foundation of their political efforts. Yet we must recognise that what was decided in the summer was not enough, came too late and is very difficult to implement. One has the impression that the markets, not politics, are in control", said EPP Group Chairman Joseph Daul (F) deeming decisions taken in July insufficient.

Juncker described difficulties in decision-making within the Eurogroup: "It is true that Europe has responded in a slow and not entirely dignified way. I attribute this to the severity of the crisis, a lack of early analysis and the fact that the seventeen members of the Eurozone are unique in what they represent." He made it clear that, like Daul, he is a supporter of using the so-called Community method in Europe's response to the crisis: "As Prime Minister of Luxembourg, I prefer the Community method, by far, to the intergovernmental method, which has been practiced in recent years."

## **Natural Disasters: from national response to better EU planning**

*By Francesco Frapiccini*

The European Parliament this week approved the Report 'Strengthening the European disaster response: the role of civil protection and humanitarian assistance' for which Elisabetta Gardini (I) is the Rapporteur.

"This vote represents an important step towards a more rapid and effective EU disaster response. The number of disasters has increased fivefold over the past thirty years. After the earthquake in Haiti and the nuclear disaster in Japan, we have seen that the scale of disasters can be of an unpredictable flow. In situations where speed and quality of aid is essential to save human lives, the EU needs a system to ensure optimal use of emergency means", said Elisabetta Gardini.

"Humanitarian aid and civil protection must be strengthened and they must continue to follow an approach based on needs and on a certain number of principles. It is essential that the EU budget supports actions aimed at anticipating catastrophes, to be prepared, to prevent them from occurring, to react more quickly and to enable more flexibility in the launching of development actions to get out of crisis situations", said Michèle Striffler (F), EP Standing Rapporteur on Humanitarian Aid.

"In times of economic hardship, it is inconceivable that there are more expensive overlapping or duplication of efforts in Europe. For this reason, in this Report, we ask for a more efficient use of existing tools and to avoid the creation of new structures", concluded Mrs Gardini.

## **Tourism: a coordinated approach for the EU tourism sector**

A large majority of the European Parliament adopted a Report this week which will re-launch the EU as the 1st tourist destination in the world. The Rapporteur Carlo Fidanza (I) said: "After the introduction - with the Lisbon Treaty - of new competences for tourism, Europe is now able to propose several initiatives. The ultimate goal is to facilitate a coordinated approach for the tourism sector within the EU."

Tourism has resisted better than most other sectors to the global crisis. The joint work between the European Institutions and operators intends to strengthen the competitiveness of our companies and enhance Europe's role as a unique and appealing destination through a strong diversification of what it has to offer.

"Intercepting the flow from the BRIC countries, focusing on high quality products and destinations, investing and creating new professional qualifications and new IT technologies, promoting international events as attention drivers all over Europe, promoting sustainable tourism accessible to everyone, are the challenges that we must achieve together to strengthen tourism as a key sector for the European economy."

"The vote this week, which fell on the European Day of Tourism, strengthens the European Parliament's support for the initiative of European Commission Vice-President Antonio Tajani giving impetus to the tourism sector", Mr Fidanza concluded.

***Francesco Frapiccini***

## **Palestine: EPP Group warns against a partisan approach to negotiating process in the Middle East**

*By Pedro López*

The EPP Group warned this week in the plenary against any attempt to answer to the official Palestinian demand for full membership of the United Nations in a partisan way, as this will endanger not only the outcome of the negotiating process in the Middle East but also the role of the European Union in a possible solution.

"The European Union must reach a unanimous position on the developments and play an important role in the negotiations that follow. Any outcome must have due regard for the dignity of both sides. It must be taken into account that the status quo is unacceptable and all efforts should go towards the resumption of direct peace negotiations, as called for by the Quartet. We oppose any unilateral actions including new facts on the ground or the expansion of settlements", explained Ioannis Kasoulides (CY), Vice-Chairman of the EPP Group responsible for external relations.

These were the principles that guided the Resolution approved by the European Parliament plenary on the situation in Palestine, after difficult negotiations between the political groups.

"It would be wrong at the present stage that our Resolution pre-empt the outcome of these diplomatic efforts. Any partisan approach endangers the negotiating process and weakens the possibility of a catalytic role to be played by the European Union", Mr Kasoulides said.

The EPP Group Coordinator in the Foreign Affairs Committee of the European Parliament, José Ignacio Salafranca (E), insisted during the debate that any solution "should be reached without any harm to the dignity of the two sides and at the same time recognising their inalienable rights: on one hand the right to live in peace and security and on the other their right to constitute themselves as a State."

## **Public Procurement: EP demands equal rights for European companies in third countries**

Europe's trading partners must give European companies access to public contracts, the European Parliament demanded in its September II plenary session. To achieve this goal, the European Commission is requested to submit a new strategy to strengthen the EU's external trade policy by 2013, according to a Resolution adopted by the European Parliament with a large majority.

"The European Commission has to work harder to break down the global trade barrier. Free global trade is the lifeline of Europe's industry. European companies must be given equal access to foreign markets in the same way that the EU opens its markets to foreign companies", said the Report's author and EPP Group Coordinator in the International Trade Committee of the European Parliament, Daniel Caspary (D).

The EU must also take decisive action against product piracy and counterfeiting, the European Parliament said. As a basis for a comprehensive EU trade strategy, the European Parliament called for a better coordination within the European Commission concerning trade policy. Trade policy should be better linked with the EU's foreign policy, the Report said.

"Too many cooks spoil the broth: the European Commission needs to finally have a clear strategy to strengthen Europe's exporting industry. Besides that, the European Commission must put an end to the current fragmentation of departmental responsibilities. Trade issues could finally be pooled centrally in coordination with other EU initiatives", Daniel Caspary concluded.

***Lasse Boehm***