

# MONDAY, 8 FEBRUARY 2010

IN THE CHAIR: MR BUZEK

*President*

*(The sitting was opened at 17.05)*

## 1. Resumption of the session

**President.** – I declare resumed the session of the European Parliament adjourned on Thursday, 21 January 2010.

## 2. Statements by the President

**President.** – It is with great sadness that I have to inform you of the tragic death of Mrs Juarez Boal, deputy head of the European Union Delegation to Haiti. Mrs Juarez Boal formerly worked in the European Parliament, until 2002. She died in the tragic earthquake which struck Haiti on 12 January. The total number of victims of the earthquake may be as high as 200 000 people. You will recall that, during the last session a month ago, we observed a one-minute silence in memory of all those who died in the earthquake. We did not then know, we were not sure, that among them was a person so closely associated with the European Parliament and the work of the European Union – Mrs Juarez Boal.

Yesterday, the second round of presidential elections was held in Ukraine. While waiting for official confirmation of the results of the vote, I would like to congratulate the people of Ukraine for conducting free and transparent elections. This is what the reports from Ukraine are saying. I still have not had an official communication, but the statements of our fellow Members of the European Parliament who observed the elections say that apart from a certain number of complaints and what were, certainly, breaches of electoral rules, the absolute majority of the actions of everyone associated with the elections were in accordance with procedure and met the standards of democratic elections. This is a very great achievement for Ukraine. We recall that, five years ago, it was completely different. Today, our wish for Ukraine is that a democratically and peacefully elected President will act for the good of the country. We also want to establish the best possible relations with Ukraine. Despite the high degree of political instability in recent years, it can be seen that democracy in Ukraine has solid foundations.

I would also like to take this opportunity to call upon all political forces in Ukraine to overcome their differences and begin to work together on social and economic reforms, as well as on judicial and constitutional reforms, and to continue their European agenda. I will say this again: the European Union is very anxious to have good, friendly relations with Ukraine. This concerns both the future government and the opposition. We hope and expect that Ukraine will work together on this. We share this challenge and the responsibility. On Wednesday, a debate will be held on the situation in Ukraine following the elections. We will listen to the reports of our fellow Members. The chair of the European Parliament election observation mission was Paweł Kowal. They were on the ground and observed Sunday's voting, and will share information about this with us.

The vote of approval on the new European Commission will take place tomorrow. This will be one of the most important moments in this parliamentary term. On behalf of our citizens, we will express our will in a democratic vote, and so tomorrow is a very important day.

During tomorrow's session, we will also vote on the resolution on the new framework agreement on relations between the European Parliament and the Commission. The text of this agreement has been made available to you. It is a very important piece of legislation, which will determine how both institutions work together in the next parliamentary term.

On Wednesday, we will hold another important debate on the processing and transfer of Financial Messaging Data to the United States for the purposes of the Terrorist Finance Tracking Programme. I will preside over this debate myself. The European Parliament attaches exceptional importance to ensuring the right level of personal data protection. We were elected directly by our citizens and we have a responsibility to them, but on the other hand, we understand the importance of the SWIFT agreement. These priorities should be taken into account by all Members of this House when making this important and responsible decision. The vote

will take place on Thursday. I will not be able to be present during the vote, because I will be attending the European Council in Brussels.

I would like to inform you of something else.

The gentleman sitting to my right (*Mr David Harley*) is starting his last part-session after 35 years at the European Parliament.

*(Applause)*

The pension system is working, but sometimes we do not like that very much because we are losing such a responsible colleague who has helped us to be more efficient at the European Parliament for so many years – we are losing you, Mr David Harley.

All the best to you in the coming years. I hope you will be present at our part-sessions from time to time to see how we are working and maybe give us some advice in the future. Thank you very much once again.

*(Applause)*

### **3. Approval of the minutes of the previous sitting: see Minutes**

### **4. Composition of committees: see Minutes**

### **5. Lapsed written declarations: see Minutes**

### **6. Petitions: see Minutes**

### **7. Oral questions and written declarations (submission): see Minutes**

### **8. Texts of agreements forwarded by the Council: see Minutes**

### **9. Action taken on Parliament's resolutions: see Minutes**

### **10. Decisions concerning certain documents: see Minutes**

### **11. Documents received: see Minutes**

### **12. Order of business**

**President.** – The final draft agenda drawn up on Thursday, 4 February 2010 by the Conference of Presidents pursuant to Rule 137 of the Rules of Procedure has been distributed. The following amendments have been proposed:

*Monday:*

No changes.

*Tuesday:*

The Group of the European People's Party (Christian Democrats) has submitted a request to add to the agenda Council and Commission statements on the difficult monetary and economic situation of euro area countries. This concerns Member States which are experiencing financial difficulties.

**Corien Wortmann-Kool, on behalf of the PPE Group.** – (NL) It is important for this House to debate the latest developments in the euro area and also the measures being taken by the European Commission with regard to the euro area countries that are in the danger zone.

We have seen that, in recent weeks, these developments have had a very great impact on the euro exchange rate and have also led to turbulence on the financial markets. Therefore, prior to Thursday's informal summit,

we should like to see a statement by the Council and the Commission concerning not only the plans already proposed but also the measures that could still be taken to restore confidence in the euro as quickly as possible.

**Hannes Swoboda**, *on behalf of the S&D Group*. – (DE) Mr President, I would like categorically to support this motion. It is important that we discuss this issue and address the fundamental problems without getting into a party-political squabble over who is to blame for the crisis.

I have two requests. Firstly, if my fellow Members from the Group of the European People's Party (Christian Democrats) are in agreement, we should include social impact in the title in order to make it clear that what is at stake here is the social impact of the crisis in these countries.

Secondly, we also want to talk to the Commission, but we want to discuss this with the members of the Commission who will bear responsibility for this issue in the future. Since the new Commission has not yet taken office, we should ask the President of the Commission to attend such a discussion himself or to send somebody who will have a post in the new Commission, such as Mr Almunia or Mr Rehn. In this difficult and important debate, it would be sensible to have an interlocutor who will subsequently discharge the same responsibility in the Commission.

**President**. – If we agree to this request and include it as an item on the agenda, representatives of the Commission will be present. I will talk to Mr Barroso about this. Does anyone want to speak against the request? I do not see anyone. We shall now proceed to the vote. Who is in favour of this request?

**Corien Wortmann-Kool**, *on behalf of the PPE Group*. – (NL) I should like to emphatically endorse Mr Swoboda's proposal. This is about all the consequences, of course, including the social ones.

*(Parliament agreed to the request)*

*Wednesday:*

The Group of the European People's Party (Christian Democrats) has submitted a request to take the three debates on the 2009 progress reports on Croatia, the former Yugoslav Republic of Macedonia and Turkey as a joint debate.

**Ioannis Kasoulides**, *on behalf of the PPE Group*. – Mr President, indeed, these are three resolutions adopted by the Committee on Foreign Affairs examining the Commission's progress report on enlargement.

They can therefore be seen together, examined together and debated together.

*(Parliament agreed to the request)*

*Wednesday:*

The Europe of Freedom and Democracy Group has submitted a request to add to the agenda an oral question to the Commission on foreign property owners in Spain.

**Marta Andreasen**, *on behalf of the EFD Group*. – Mr President, I know you had an overloaded agenda at the Conference of Presidents meeting last week and there was not much time to debate the addition of this item to the agenda, but in the January plenary – as you all saw – members of different political groups expressed concerns at the points raised in the question on abuses relating to foreigners' property in Spain. Wednesday evening provides an opportunity for the Commission to give an answer.

Therefore, I invite our colleagues to support this proposal. On behalf of the EFD Group, I would invite you to hold a roll-call vote. If the majority is in favour of this proposal, I would like to propose a second roll-call vote to wind up the debate with a resolution.

**Gerard Batten (EFD)**. – Mr President, I would like to speak in favour of Mrs Andreasen's motion because many of our constituents write to us on this problem and I think it is something that Parliament should debate.

**Guy Verhofstadt**, *on behalf of the ALDE Group*. – (FR) Mr President, I would merely note that a very anti-European group is using the European Parliament to raise this issue. This is a welcome development but all the same, I am against, Mr President.

*(Applause)*

*(Parliament rejected the request)*

**Gerard Batten (EFD).** – Mr President, if I can make one very small point of order. My colleague over there (Mr Guy Verhofstadt) referred to us as 'anti-European'. This is not true; we are anti the European Union.

**President.** – That was not a point of order. Please do not comment on the substance of a matter when we are setting the agenda and there is not time for such things.

*Thursday:*

The Confederal Group of the European United Left – Nordic Green Left has submitted a proposal concerning the debate on cases of breaches of human rights, democracy and the rule of law. The group proposes replacing the debate on Madagascar with a debate on the death penalty, particularly the case of Mumia Abu-Jamal.

**Sabine Lösing, on behalf of the GUE/NGL Group.** – (DE) Mr President, we believe that the item on Madagascar is not particularly important today. We would therefore ask that that time slot be used to discuss the case of Mr Mumia Abu-Jamal, the Afro-American journalist who was found guilty of murdering a policeman in 1982, following a trial based on circumstantial evidence.

Mumia Abu-Jamal has been sentenced to death and has been waiting on death row for 30 years. Up until now, no satisfactory explanation has been found for the events surrounding this murder and the evidence has never really been properly investigated. In any case, the death sentence is one of the clearest violations of human rights we know. Although, in this trial, the death sentence could have been commuted to lifelong imprisonment, the prosecution rejected this possibility at the end of January. The life of Mr Abu-Jamal is now more at risk than ever. We would like this matter to be debated in plenary so that we can decide what action to take in order to ensure that his death sentence is suspended and that Mumia Abu-Jamal is given the opportunity to prove his innocence in a fair trial.

**Véronique De Keyser, on behalf of the S&D Group.** – (FR) Mr President, I do not deny that Mumia Abu-Jamal's situation is critical and that the case certainly deserves to be heard. However, the situation in Madagascar is absolutely chaotic. The whole country is suffering from a transitional regime which was installed illegally and which is leading that country into anarchy.

It is very difficult to tell you that one is better than the other. I think that we can save Madagascar. Mr President, you can make representations once again to the United States to request the suspension of the death penalty. This will not be the first time and, unfortunately, I fear that it will not be the last. In any case, on behalf of my group, I refuse to withdraw the resolution that we have prepared on the subject of Madagascar, where there is also a real danger for an entire population.

**President.** – In accordance with your proposal, I will analyse the problem thoroughly and make a statement on this.

*(Parliament rejected the request)*

*(The order of business was adopted)<sup>(1)</sup>*

### 13. One-minute speeches on matters of political importance

**President.** – The next item is the one-minute speeches on matters of political importance.

**Elena Oana Antonescu (PPE).** – (RO) The Romanian Government is examining the possibility of introducing a fast-food tax, in the hope that this will steadily reduce the numbers of citizens, especially children and young people, opting for this kind of food, which has an extremely detrimental medium- and long-term impact on the human organism.

Taxes may seem to be an elaborate solution during a crisis, but if such a measure is implemented properly, its impact can extend beyond fiscal matters into education. This will enable an ever-increasing number of people to learn that looking after their health starts with diet. The funds generated by these taxes should be allocated solely to programmes aimed at informing the general public about ingredients and substances which can harm them.

<sup>(1)</sup> Other amendments to the order of business: see Minutes

Diseases caused by obesity tend to place an ever-growing burden on Member States' health care systems, and the connection between obesity and fast food is well documented. The promotion of healthy eating should become a key policy in the European Union, and this must be done without delay. A European programme using the initiatives devised by several Member States would be welcomed and extremely useful. It could help make the staple diet in the European Union healthier.

**Jarosław Kalinowski (PPE).** – (PL) Mr President, I would like to speak about security of supply of the raw materials needed by farmers and traders in the European Union for production, and which are also needed by producers of animal feeds and food. One of the key issues and threats to the European supply chain is the lack of an established, acceptable, very low level of the presence of varieties of genetically modified organisms which have not yet received approval in the European Union. According to the latest research, around 120 new species of GMO will be in cultivation in the world by 2015. The lack of a solution will contribute to a rise in prices of animal feeds and food, and may, as a result, contribute to the exclusion of many European farmers from the market. The most recent example is the situation from July of last year, when trace amounts of genetically modified varieties were found in supplies of soya. This had a significant influence on the whole food and animal feed chain, because Europe is not able to meet its needs with internal production and is forced to import 14 million tonnes of soya beans annually.

**Ádám Kósa (PPE).** – (HU) I would like to ask the President or the Parliament's Presidency to convey to the European Commission that in the course of my work, I submitted two queries in writing over a six-month period. In the first instance, I received an answer after a serious delay, and I have still not received an answer to my second query, submitted on 30 November. I think it would be important to have adequate communication and dialogue between the EU institutions. Please convey this, to ensure that my work is not hindered and that I receive the answers requested.

**Csaba Sándor Tabajdi (S&D).** – (HU) Mr President, Commissioner, It is very good for the European Union to have a face at last, a Minister for Foreign Affairs, so to speak, in the person of Cathy Ashton. During her hearing, she said one sentence about China, whose global importance we do not need to emphasise here. Astoundingly, not a single Member of Parliament entitled to ask questions about China spoke up, even though the EU had recently received a slap in the face during the Copenhagen climate summit, where China and the USA came to an agreement behind our back. It is equally astonishing that the European Council has never, throughout its existence, discussed the relationship between the EU and China. I therefore ask the President to call on the European Council to put on its agenda the strategic relationship between the EU and China, while Parliament should, in the future, deal with this question as befits China's importance.

**George Sabin Cutaş (S&D).** – (RO) The top priority of the future European Commission must be to reduce the economic disparities between Member States by establishing close cooperation at fiscal and monetary policy level.

This receptiveness to cooperation has been evident right since the start of the economic crisis and it is absolutely necessary for it to continue. At the same time, when coordination at fiscal level is involved, consideration must be given to the fact that the European Union includes countries with economies which have different structures. In fact, the economies in certain Member States are characterised by larger cyclical movements, as they require a high level of public investment and their potential for growth exceeds that of the mature economies within the EU.

The Stability and Growth Pact and the current procedure for joining the euro area should therefore include flexibility clauses allowing the analysis of public expenditure throughout the entire duration of an economic cycle so that Member States can invest when it becomes necessary. This could ensure that every Member State develops according to the stage its economy is at.

**Anni Podimata (S&D).** – (EL) Mr President, we have witnessed an unprecedented and coordinated attack over recent days on the economy of the Member States of the euro area, with the spread for government bonds in certain countries, such as Greece, Portugal and Spain, going off the scale.

Clearly, these countries are being used to strike at economic cohesion in the euro area in general and the euro in particular. The very mechanisms which created the global credit crisis are now speculating shamelessly at the expense of the countries which face the greatest financial problems.

That is why it cannot, for Europe, merely be a question of evaluating the measures being taken to combat deficit. The real question must be: do we intend to adopt solidarity measures at European level by safeguarding

the euro area and the euro and will we eventually decide to adopt policies that serve fundamental economic, rather than just monetary, cohesion.

**Carl Haglund (ALDE).** – (SV) Mr President, as of the beginning of this year, the EU's Sulphur Directive sets a limit of 0.1% on the sulphur content of fuel used by vessels calling at ports and vessels on inland waterways. From an environmental point of view, this is a good thing. It is important that shipping, in particular, also becomes more environmentally friendly.

At present, most seagoing passenger and freight vessels use heavy fuel oil. In the Baltic Sea, we have already been using what is known as low-sulphur heavy fuel oil, with a sulphur content of 0.5%, for many years with a view to protecting the environment. A low sulphur content out at sea is not deemed to be an environmental problem, because the main aim has been to reduce urban pollution. That is therefore the line that I believe the EU should take on this issue – namely, encouraging the use of low-sulphur heavy fuel oil.

The challenge we face is that the IMO's Marpol Convention recommends a limit of 0.1% for all vessels in the Baltic Sea with effect from 2015 – something that could have devastating consequences for the Baltic Sea. I would therefore like to remind Members of this and encourage people not to ...

*(The President cut off the speaker)*

**Chris Davies (ALDE).** – Mr President, sometimes, colleagues in this Parliament make life very difficult for its friends. The Bureau has recommended expenditure in order to employ 150 more people, in Parliament and the political groups, to cope with the requirements of the Lisbon Treaty – a massive increase in expenditure at a time when so many of our citizens are facing public service cuts and tax rises.

I have been dealing with codecision legislation for more than 10 years. I do not believe we need that many staff: I believe we can redeploy and use our staff more effectively without an increase in our budget.

All of us who run a council – or indeed a government – know that sometimes we have to live within our means. We should not be doing things for which we cannot account. The test should always be: can we stand up at a public meeting and explain what we are doing to our citizens? I believe that, in this case, we could not.

**Marek Józef Gróbarczyk (ECR).** – (PL) Mr President, the basis of energy security in the European Union is the diversification of gas supply. Making ourselves dependent on supplies from one direction will, in the long term, upset the balance not only in terms of energy security, but also from the point of view of economics. No one in Europe can understand this more than post-communist countries which are still under the influence, the huge influence, of Russia. The North Gas Pipeline will shut off the possibility of diversification and limit the possibility of the development of Baltic ports, and especially of a new diversified source of gas supply for Europe, the Świnoujście Gas Terminal. In addition, there is also an ecological aspect to the unfavourable impact of building the gas pipeline. Last year's report shows unambiguously that the North Gas Pipeline will have a negative impact. I call upon the Commission to investigate this matter again.

**Malika Benarab-Attou (Verts/ALE).** – (FR) Mr President, I am wondering what actions the European Union will introduce to ensure that all Member States observe the right of asylum and respect the human rights of people arriving from the southern shores of the Mediterranean.

Many of them are arriving in flimsy craft, and several thousand Africans are drowning without anyone protesting. Are the Council and the Commission really sensitive to these issues, which fall under the headings of both human rights and humanitarian aid?

Mr Moratinos's statements with regard to the strengthening of the security approach and the additional resources allocated to Frontex, decided recently by the Council, do not reassure me in this regard.

Ladies and gentlemen, it is up to us to act to bring our actions into line with our values. This is urgent, because there are lives at risk.

**Bairbre de Brún (GUE/NGL).** – (GA) Mr President, in the last few weeks, negotiations have taken place as part of the most recent phase of the Northern Ireland peace process. The political parties and the governments of Britain and Ireland took part in these talks. They were there, in particular, to ensure the transfer of policing powers from the Westminster Parliament in London to the Assembly in Belfast. They also discussed other major issues.

I am glad that these talks have finally finished with agreement between the parties and I am sure that the European Parliament will also welcome this progress. I hope that we can now deal with other commitments, which have not been settled or fulfilled as yet. This will move us towards stable political institutions that will operate on the basis of equality, power sharing and mutual respect.

**Paul Nuttall (EFD).** – Mr President, I requested to make this one-minute speech to highlight the terrible effect that fortnightly bin collections are having upon communities in my constituency in the north-west of England.

Take my home town of Bootle, for example, where many families live in terraced houses with no front gardens and little space at the rear. It is crazy that they are forced to put out waste every two weeks.

This, naturally, has caused pile-ups of rubbish, because there is no storage space. If we have a hot summer, you can be sure that this will lead to an increase in vermin, which in turn is a public health hazard.

But why am I telling this House? Well, because fortnightly bin collections are the direct result of the EU's Landfill Directive, which was supported in this Chamber by the British Labour Party and the Conservatives. I for one hope that a large number of British voters bear this in mind when they go to the polls in the general election later this year.

**Andreas Mölzer (NI).** – (DE) Mr President, in two days' time, we will be debating the question of body scanners. During that debate, we will be addressing the overall question of security in airports, i.e. our approach to airport security in the European Union. The European Union has been known, time and again, to adopt precipitate legislation, based either on alleged or sometimes real terrorist threats. This does not improve airport security. What it does do is produce ever more laborious and ever more ludicrous measures.

If you consider, for example, the situation in railway stations, it is fundamentally similar to that in airports. In general, railway stations do not use security measures, at least as far as inter-European and national traffic is concerned. This begs the question as to whether our concern with security in airports is exaggerated. Rampant bureaucracy and a never-ending stream of security measures will not contribute to security, but to inconvenience for air passengers.

**Krzysztof Lisek (PPE).** – (PL) Mr President, as you said, we are going to vote on the appointment of the new European Commission. It is, indeed, as you said, a very important moment, a moment connected with many hopes, not only of Members of the European Parliament and of European governments, but principally of the citizens of the European Union. In this context, creation of a common European Union foreign policy is of special significance, and so the challenge faced by Baroness Ashton in this area is even greater.

There are two new challenges. The first, and you spoke about this, Mr President, is Ukraine. Irrespective of the results of the elections, we need to formulate and consistently implement a new policy towards Ukraine, a European Union policy, in order to make it possible for that country to become a Member State of the European Union in the future. However, the second matter is Belarus. I would like to announce that, unfortunately, several hours ago, another breach of human rights was perpetrated in Belarus. The Belarusian police have entered the Polish House in Iwieniec, preventing the activity of the Union of Poles in Belarus.

**Gabriel Mato Adrover (PPE).** – (ES) Mr President, last December, the European Union and the Kingdom of Morocco entered into an agreement to liberalise trade in agricultural products. Unfortunately, the only information we have on the content of this agreement has been gleaned from the media.

This information indicates an increase in the quota for tomatoes imported into the European Union, something we categorically reject, as the Kingdom of Morocco has repeatedly failed to honour its obligations to the European Union. The European Commission refuses to admit to the existence of this situation, even though OLAF itself has done so.

We cannot allow the Commission to continue turning a blind eye, disregarding the needs of producers in the Canary Islands, Andalusia, Murcia and Alicante. We therefore appeal strongly for agreements to be honoured and for more attention to be paid to plant health controls. In addition, the timetable for Moroccan exports should be made more flexible, allowing exports to be spread across the entire year.

**Paulo Rangel (PPE).** – (PT) Mr President, I would like to take this opportunity to condemn what is currently happening in Portugal, where it is clear that the media has brought to light a government plan to control newspapers, television channels and radio stations, which jeopardises freedom of expression. Just this week,

a newspaper column written by a very well-known journalist, Mário Crespo, was also censured at the prompting – or apparently at the prompting – of the Prime Minister.

In this context, the Prime Minister, José Sócrates, must now offer the Portuguese newspaper *O País* a substantial explanation, and must explain that he is not controlling, curtailing or censoring freedom of expression in Portugal.

By acting in this way, Portugal is no longer a State governed by rule of law but a State governed by formal law, in which the Prime Minister restricts himself to formalities, procedures and red tape, and does not want to offer substantial explanations.

We want Portugal to be a State governed by substantive law!

**Véronique De Keyser (S&D).** – (FR) Mr President, on 27 January at two o'clock in the morning, a gas explosion blasted the historic centre of Liège. I was at the scene with my colleagues from the city council, and it was only by a miracle that we survived. However, 14 people lost their lives in the explosion. There are dozens of injured and 500 displaced persons.

I should like to pay tribute here not only to the victims and their families, but also to the exceptional courage of the fire fighters and of all the rescuers. In this respect, I wish to remind you that there is not yet a single statute for fire fighters across the European Union and that, in my country as in others, fire fighting is still not considered to be a hazardous profession. I call for a European statute for fire fighters since, in many circumstances, they are required to provide cross-border assistance.

**President.** – Thank you very much for your statement and for drawing our attention to the tragedy which took place so near to us, in Belgium. It is, indeed, a tragic case. Thank you very much. We would like to express our deepest sympathy to all those who have suffered as a result of the tragedy, as well as to their families.

**Rosario Crocetta (S&D).** – (IT) Mr President, ladies and gentlemen, the purpose of my speech is to point out the severity of the deindustrialisation process affecting a range of Sicilian industrial centres, in particular, the Termini Imerese automotive centre owned by the FIAT group, and the Gela petrochemical centre belonging to the ENI group. Termini Imerese is being damaged by the competition arising from the low salary system within some EU countries, whilst Gela is being damaged by competition from Asia.

With regard to the severe deindustrialisation processes that are taking place in widespread areas of the Union, I would argue that the time has come to reconsider the policy of non-intervention that the European Commission has adopted up until now, and to begin to launch a set of important, strategic measures to support European industry. This call is addressed chiefly to the European Commission and to Mr Tajani, the Commissioner for Industry and Entrepreneurship.

**Jelko Kacin (ALDE).** – (SL) On Thursday last week, the Parliament of the former Yugoslav Republic of Macedonia (FYROM) adopted a declaration of support for the European Parliament's Resolution on Srebrenica, which we adopted with an overwhelming majority one year ago.

In this resolution, Parliament paid homage to all the victims on all sides of every war of the last decade of the last century, not only to the victims of the Srebrenica genocide. The Parliament in Skopje is the third in the Western Balkans to have ratified and adopted the resolution, with 70 votes in favour and only one vote against. Such a majority and such consensus deserve respect and recognition from this House, too.

Although FYROM was in no way involved in this tragic event, their resounding response is an act of solidarity and a civilised gesture worthy of respect and admiration. The FYROM Parliament's decision is an expression of respect for all the victims and a message that we all share the responsibility for building a better and brighter future for all the countries of the Western Balkans. It is a step towards the future, a hand of reconciliation to all neighbouring countries and an example for all other countries in the region.

As someone who participated in drafting this resolution, I wish to congratulate Members of the FYROM Parliament on their political courage and their contribution towards reconciliation in the region.

**Michail Tremopoulos (Verts/ALE).** – (EL) Mr President, I should like to point out that, at this time of economic crisis, with some countries in recession, there are others, such as Greece, which need to sort out certain issues relating to questions of sexual equality, given that this crisis is hitting women harder than men.



A great deal of effort has been made over recent years and laws have been passed in Europe which give this sector certain facilities and specific tools; however, the Community directives on equal treatment for men and women are not being transposed into national law.

Given that, these efforts notwithstanding, we need to bridge the sexual divide, as women are earning 17% less than men and encounter particular forms of racism on the job market, I should like to emphasise that any regulation or change relating to insurance or labour issues must be accompanied by new social infrastructures.

**Zbigniew Ziobro (ECR).** – (PL) Mr President, thank you for giving me the opportunity to speak, because I would like to talk about an important matter related to the costs of climate policy.

The European Union is planning climate policy consistently. Of great significance, however, is the fact that this policy is having an overwhelming influence on the economies of Member States. When structural differences between the economies of different Member States are taken into account, it is becoming increasingly clear that the individual Member States are going to bear very different costs of implementation of the strategy. At the same time, it is a fact that the new Member States met their obligations to reduce greenhouse gas emissions under the Kyoto Protocol with a wide margin. In the case of Poland the reduction amounted to nearly 30%, compared to the 6% which was required, but in the case of the 'old 15' the reduction was barely 1%, whereas they had committed themselves to a reduction of 6%. In relation to this, everything the Commission does must take account of the differentiated costs of adaptation of the economies of different Member States – costs which different Member States have borne to date for reduction of greenhouse gas emissions under the Kyoto Protocol – and must also end those changes which might upset the balance between Member States.

*(The President cut off the speaker)*

**Joe Higgins (GUE/NGL).** – (GA) Mr President, the Irish Government is now to charge value added tax of up to 21% on public services provided by the local authorities such as rubbish collection and recycling. The European Union is forcing the Irish Government to apply these new taxes. They will further increase the burden on normal working people and on poor people who are already paying heavily for the capitalist crisis in Ireland. The government also intends to bring in new water charges for home owners which could be between EUR 500 and EUR 1 000 per year. This would be another terrible blow to the standard of living of working people. Furthermore, it is preparing the public water system for its privatisation in the future. I hereby warn the Irish Government and the European Commission, who are in favour of charges and of privatisation, that this will not be accepted and that it will be opposed by a massive campaign of boycott and by grass roots power. This is a further economic burden which the working people of Ireland will not accept.

**Nikolaos Salavrakos (EFD).** – (EL) Mr President, tomorrow we shall vote on the new European Commission and shall become the United States of Europe. Once this procedure has been completed, we shall need, within the framework of this new type of governance, to address the question of a common foreign policy, the question of a common economic policy, the question of closer ties between the members of the Union and solidarity and the programming of the future of Europe. A future that will need to tread extremely carefully as regards the enlargement of Europe to include other countries, and, more importantly, as regards immigration, which is a massive problem in terms of the future of Europe and should, I believe, be addressed not only within the framework of national governments, but also under a common policy by the European Union.

That is why I should like to call on the Commission and the House to pay particular attention to this question.

**Louis Bontes (NI).** – (NL) Mr President, like you, I visited Auschwitz a few weeks ago, and we came face to face with the horrors that took place there. Imagine my amazement when, a few days later, Jews were demonised by loathsome statements on the official news channel of the Palestinian Authority.

To summarise: 'Jews are the enemies of Allah and of humanity. The Prophet says: kill the Jews.' These statements are downright loathsome, and I take the view that this cannot be without consequences. A body whose so-called public television channel quotes the 'Prophet' inciting the murder of Jews should receive not a cent – not one single cent – more in development funds. The European Parliament should advocate cutting off this flow of funds, and should express its disgust at such practices.

**Nuno Teixeira (PPE).** – (PT) Mr President, the Green Paper on the reform of the common fisheries policy, on which my Azorean colleague, Mrs Patrão Neves, was rapporteur, provides a unique opportunity for a debate concerning a sector that has a significant role to play in stabilising local development in the outermost regions.

Madeira is following the discussions taking place with particular interest and believes it is imperative to propose differentiating between artisanal fleets and large-scale fleets, which should come under different fishing regimes. Supporting a principle of positive discrimination, whereby access to territorial waters within the exclusive economic zone is restricted to local artisanal fleets only, is crucial.

In Madeira, support for fleet modernisation is vital as is adopting a style of management that will ensure the conservation of a broad range of species in the long term. It is only in this way that we will manage to avoid situations that are unsustainable for economic, environmental and social stability.

Finally, we will fight in favour of permanent and up-to-date support for fisheries in the outermost regions.

**Romana Jordan Cizelj (PPE).** – (SL) Europe is full of minorities, and ethnic minorities represent a significant part of those. With indigenous minorities representing a mere 8% of our populations, we also need to take into account immigrant minorities who account for the additional 6.5%.

Before the last two waves of enlargement, the candidate countries had to demonstrate compliance with the criteria on minority rights. In contrast, the policies on, and the relationship towards, minorities of the countries which had by then gained membership of the European Union were not subject to any supervision. Such a situation was incongruous.

In recent times, the Slovene ethnic minorities in Italy, Austria and Hungary have come under major pressure due to cuts in funding for their interests. I therefore call on European policy makers to begin addressing minority issues seriously at a European level. The new Treaty of Lisbon provides a legal basis for such action. I also urge the European Commission to draw up and present a plan detailing its course of action with regard to the implementation of those provisions of the Treaty of Lisbon which safeguard minorities.

**Anna Záborská (PPE).** – (SK) Slovakia is under threat from the construction of a mega-casino misleadingly called the Metropolis. After Slovenia, Hungary and Austria refused to issue the necessary licences, the groups involved are now turning to Slovakia in order to push through their business plan there. The Parliament in Bratislava has expressed a negative opinion but the decision is not final and the gambling project continues.

The developer is already resorting to euphemisms and presenting the project as a multi-functional centre. There is talk of playgrounds, an aqua park and a conference centre but nothing about a mega-casino.

What obstacles can the EU erect to prevent gambling operations in Member States? How is the EU protecting the most vulnerable groups? It is no secret that gambling goes together with criminality, violence, organised crime, prostitution and various other related phenomena. I call on my fellow Members and also on national associations to join the citizens of Slovakia in their protest and to also sign the written declaration and in that way support our protest.

**Daciana Octavia Sârbu (S&D).** – (RO) The name Roşia Montană must have an increasingly familiar ring for both European institutions and citizens. We are talking about an area in Romania containing historical remains, which have attracted the attention of UNESCO, now facing the spectre of destruction. The use of cyanides for mining, which threatens to destroy the integrity and assets of this location, is again looming as a real prospect.

In recent weeks, the Romanian Government has given to believe that the region's destruction can be regarded as acceptable by allowing this mining activity to commence. I make a strong plea to the European Parliament and European Commission to consider the possibility of intervening at EU leadership forums to put a halt to what will undoubtedly be an ecological and human disaster.

**Derek Vaughan (S&D).** – Mr President, I wish to speak on energy policy. As a previous speaker said, securing future energy supply is a vital issue for all of us, and to solve this problem we must look to a wide range of technologies: not just one; not just gas. Obviously, renewable energy will have its part to play, whether it is wind, biomass or tidal power, but also nuclear and CCS must play their part as well.

I therefore welcome recent initiatives from the UK Government. It has recently brought forward a number of projects looking at new technologies for renewables but also nuclear and CCS as well. I believe that these

policies will secure the energy supply in the UK for the future, and I would see this as a model for the rest of Europe. I certainly do not believe that we can put all our eggs in one basket: we must have a wide range of technologies. I would urge colleagues here to do that in the future.

**Giommaria Uggias (ALDE).** – (IT) Mr President, ladies and gentlemen, following the outbreak of the global financial crisis, the European Commission presented a measure – the proposal under discussion today – to strengthen the fight against tax evasion. This makes it possible to increase transparency between all European State tax systems by exchanging information on assets.

It is a good measure, but we must also remember that a few months ago, a majority in the Italian Parliament approved the tax shield, which conceals tax evaders' identities and robs European citizens of VAT tax revenue.

As the whole world fights the vices of illegality, some national laws nevertheless insult the dignity of honest citizens. It is for these reasons that we, together with other fellow Members from *l'Italia dei Valori* and the *Partito Democratico* parties, have submitted a complaint to the Commission.

We have heard that the offices are acting on our comments. I therefore call upon the Commission to be brave, to accept responsibility for declaring the Italian tax shield to be illegal, and to allow those capital sums to be taxed.

**Marek Henryk Migalski (ECR).** – (PL) Mr President, I would like to raise a subject which has already been mentioned, but I would like to reinforce what has been said. At this moment, while we are speaking here, in Iwieniec in Belarus, an illegal search is being conducted in the Polish House, one of the offices of the Union of Poles in Belarus. This is a further act of repression against the Polish minority in Belarus. I know, Mr President, that you have already intervened personally in the matter of the very high fine imposed on Angelika Borys, and I would like to thank you for your intervention, because we are, truly, under an obligation to help that organisation. At the same time, I would like to appeal to you, Mr President, and also to the Council and the Commission, to make a statement as quickly as possible and to intervene in the matter of human rights violations in Belarus – breaches of the rights of Poles – but I say this, principally, in the context of breaches of citizens' rights – human rights – in other words, something which should be important to us as the European Parliament.

**João Ferreira (GUE/NGL).** – (PT) Mr President, over the past few weeks, we have witnessed the intensification of an insidious ideological campaign concerning the measures to be adopted by the Member States in order to balance public finances. It is no coincidence that many of those playing a leading role in this campaign are the ones responsible for the current economic and social crisis. Just as they have done in the past, they are again supporting fresh attacks on wages, social and employment rights and the social functions of the State.

In response to this onslaught, tens of thousands of Portuguese workers took to the streets in protest, demanding wage increases that will restore the purchasing power that has been lost over the past decade, and decent conditions for retirement.

Public accounts should be balanced in line with economic growth, while putting an end to the serious injustices surrounding the distribution of wealth that is at the heart of this crisis. The progressive drive of the workers' struggle is nowadays a sign of hope, and the most concrete reason for believing in a better future.

**Godfrey Bloom (EFD).** – Mr President, a few weeks ago, my estimable friend and Yorkshire colleague, Edward McMillan-Scott, brought the chairman of the International Panel on Climate Change (IPCC) to this assembly and presented him as a legend in his own lunchtime and a top climate science guru – and I have to say that he certainly looked like a guru to me – but it turns out that he is a railway engineer who writes mucky books. Now, I have nothing against railway engineers. Some of my best friends are railway engineers and no doubt they read mucky books – that is not the point – but it might explain perhaps, does it not, why the IPCC has come out with so much absurd nonsense in the last few years.

Would it not be a good idea if the Commission, perhaps, were to write to the IPCC and suggest they get a new chairman, perhaps a tad better qualified?

**Krisztina Morvai (NI).** – (HU) A few minutes ago, Mrs Anna Záborská mentioned those mega-investments, the various gambling casino investments made by foreigners in Hungary, too, against which György Budaházy, the well-known leader of the extra-parliamentary opposition protested along with 12 members of the so-called Hunnia opposition group who have been under pre-trial detention for almost a year. They are not entitled to know what evidence is brought against them. In addition, due to the quirks of Hungarian regulations

and in contravention of the right of 'habeas corpus', the judge who keeps extending the pre-trial detention does not take a close look at the incriminating evidence against them. I find it scandalous that something like this can happen in the European Union, and I protest yet again, for the umpteenth time, against this.

**Rodi Kratsa-Tsagaropoulou (PPE).** – (EL) Mr President, I should like to mention a matter which I consider to be of huge political significance; it relates to the national parliaments and their cooperation with the European Parliament within the framework of efforts being made in Europe today to achieve economic recovery and financial stability.

As the credit crisis becomes a distant echo, everyone is talking about the need to strengthen the euro, about cohesion in the euro area, and about economic inequalities within the European Union and the solidarity mechanisms that need to be developed.

I believe that, within this framework, dialogue between the European Parliament and the national parliaments will highlight our common objective, our joint responsibility and the solidarity that we need to demonstrate at European and national level in order to ensure that we take the right decisions and apply the right policies, policies which often take a long-term view which is hard to grasp, especially for our national colleagues who have to pay the political price at home.

I believe that we can take the initiative in starting this dialogue.

**Agustín Díaz de Mera García Consuegra (PPE).** – (ES) Mr President, I shall refer to the European Charter on the rights of victims of terrorism.

On 15 December, Mr Barrot undertook to promote a European Charter on the rights of victims of terrorism. On 19 January, Mrs Malmström welcomed Mr Barrot's words in a truly positive spirit. On behalf of the Spanish Presidency, on 26 January, Mr Pérez Rubalcaba, the Spanish Interior Minister, stated that he fully supported the victims of terrorism, and that Spain would do all it could in the Commission and the Council to assist them.

We welcome all this. It is now time, however, to move from declarations to actions, coinciding with the VI International Congress on Victims of Terrorism, due to be held in Salamanca on 11th, 12th and 13th of this month. I wish the Congress every success in its work. Mr President, we shall continue to call for commitment in this area and to promote it from within Parliament.

**Marc Tarabella (S&D).** – (FR) Mr President, my colleague, Mrs De Keyser, has had the opportunity to recall the tragedy that occurred in Liège on 27 January. Naturally, I am not going to repeat what she said about the victims and the emergency services, who deserve a statute.

What worries me is that, on this occasion, the owner of the building was not insured. I merely wish to draw the Commission's attention to the fact that it would be useful, before talking about compulsory fire insurance for every citizen, to talk about compulsory civil liability insurance for damage that may be caused to third parties, sometimes with malicious intent, but above all, through negligence.

I believe that the Commission could present either a proposal, for example, in the framework of consumer protection – consumer in this instance meaning citizen – or an initiative, which could also come from Parliament.

I should like, in any case, to ask those of my fellow Members who are able to support me in this matter to call on every citizen to take out civil liability insurance to cover any damage to third parties.

**Sonia Alfano (ALDE).** – (IT) Mr President, ladies and gentlemen, *Gas Natural*, a Spanish holding company, has submitted a project for on-shore regasification plants which would affect the Trieste area, and which has been approved by the Italian Ministry of the Environment.

The Trieste regasification plant technical board has highlighted some important shortcomings. Following the informal meeting that took place between the European Commission, Italy and Slovenia on 26 January 2010, the Italian Permanent Representative to the European Union publicly speculated that the European Union had approved the project, whilst the official word from Slovenia is that the opposing sides have been called upon to reach an agreement.

This accord will probably be difficult to achieve in practice, because of the atypical background to the regasification plant affair. In fact, it turns out that the bodies responsible for providing guarantees and for safety have failed to comply with their protection duties. Significant delays in drawing up external emergency

plans and in communicating with public bodies and authorities responsible for managing emergencies have been highlighted, as has a failure to inform the public about the risks of serious accidents concerning codes of conduct, and the absence of an objective assessment of the domino effect caused by a possible accident in high-risk industrial plants.

For these reasons, we believe this is yet another attempt to set up a high-risk plant, in the knowledge that there are absolutely no protection and safety measures in place.

**President.** – Ladies and gentlemen, we have prolonged our session of one-minute speeches by 15 minutes.

#### IN THE CHAIR: MR ROUČEK

*Vice-President*

### **14. Administrative cooperation in the field of taxation - Mutual assistance for the recovery of claims relating to taxes, duties and other measures - Reverse charge mechanism: goods and services susceptible to fraud - Promoting Good Governance in Tax Matters (debate)**

**President.** – The next item is the joint debate on the four reports dealing with taxation.

We have here:

- the report by Mrs Alvarez on administrative cooperation in the field of taxation (A7-0006/2010),
- the report by Mr Dumitru Stolojan on mutual assistance for the recovery of claims relating to taxes, duties and other measures (A7-0002/2010),
- the report by Mr Casa on an optional and temporary application of the reverse charge mechanism in relation to supplies of certain goods (A7-0008/2010),
- the report by Mr Domenici on promoting good governance in tax matters (A7-0007/2010),

I will give the floor to Mrs Alvarez, the rapporteur, for four minutes.

**Magdalena Álvarez, rapporteur.** – (ES) Mr President, ladies and gentlemen, the European Union is founded on a relationship of solidarity between its Member States. Indeed, a good example of this solidarity is administrative cooperation on tax matters, which is a key element of the functioning of the Union. This is all about loyalty between Member States and their tax administrations. Such loyalty translates into trust, whereby partners trust each other, coming to see themselves as allies who will not allow fraudsters to find refuge in their territory and continue their fraudulent activities there.

Tax fraud tarnishes the entire economy, and has serious implications for national budgets, as it reduces capacity to incur expenditure and undertake investment. In addition, the principle of tax equity is infringed, as regards those citizens who do abide by the rules. Unfair competition occurs, leading to inadequate functioning of the market. All these implications are particularly worrying because the latest estimates suggest that tax fraud in the European Union amounts to EUR 200 billion a year. If we consider that this figure equates to twice the cost of the Commission's proposed economic recovery plan, the size of the sum involved can be appreciated.

We are therefore facing a major challenge and should come up with a decisive response. The directive currently in force certainly represented a first step along the way. Unfortunately, and despite all the good intentions enshrined in that directive, its practical implementation has not produced the desired results.

It is now time to go a step further and equip ourselves with new instruments so that issues in the field of taxation are dealt with alongside market integration and liberalisation. I therefore welcome the proposal tabled by Commissioner Kovács and I would like to congratulate him on his work throughout his entire mandate, and today, in particular, on this proposed new directive.

The proposal will equip us with more and more efficient means with which to combat tax fraud and tax evasion in Europe. The new directive represents a qualitative and quantitative leap forward in this respect. It is a quantitative step forward because it sets new obligations and a qualitative step forward because it

extends and specifies the existing obligations. The field of application is extended by moving from exchange of information upon request to automatic exchange.

The third new element is the lifting of banking secrecy. As I see it, this is the most notable measure in the proposal, in that the practice of banking secrecy is the main barrier facing tax administrations. The OECD has long called for the lifting of banking secrecy, and the G20 has now taken up this cause. The implementation of this will provide a very efficient tool to put an end to the untenable existence of tax havens within the EU.

This aim is shared by the report before us today. In this report, we actually aim to strengthen the results of the Commission's proposals. The idea is to improve the efficiency and the area of application of the new directive.

I do not intend to provide an exhaustive commentary, and will focus on the main amendments. Firstly, the area of application is extended, the implementation of automatic information exchange is strengthened, and regarding banking secrecy, it is proposed extending the applicability criterion to bring it into line with the rest of the directive. There are also compromise amendments, namely those relating to automatic information exchange, data protection and confidentiality, and to the exchange of information with third countries.

Finally, I should like to thank my fellow committee Members for their work and their willingness to cooperate. They are to be congratulated on their attitude. We have achieved a broad degree of consensus. The House is sending out a clear message. Parliament is firmly committed to combating tax fraud and tax evasion and to strengthening the great EU principles of loyalty, transparency and fair competition.

**Theodor Dumitru Stolojan**, *rapporteur*. – (RO) The recent financial and economic crisis has fully highlighted the major importance of having sound, sustainable public finances in each Member State. Member States which have good control of their public finances and counter-cyclical fiscal policies have been able to provide financial incentives to help their economies exit the crisis.

In this context, as rapporteur, I welcome the European Commission's initiative and the Council's draft directive on improving mutual assistance between Member States for the recovery of claims relating to taxes and duties. This directive will not only help boost efficiency in this area relating to the recovery of claims, but will also help the single market operate better. I would like to mention to you that the draft directive contains major improvements to a number of important aspects with regard to the recovery of claims: the exchange of information between authorities, methods for pursuing claims and the feedback required by the European Commission to monitor a constantly growing activity, as reflected by the number of cases between Member States.

Amendments have been drafted. I would like to thank all fellow Members who have submitted these amendments, which have specified more clearly the directives' terms of application.

**David Casa**, *rapporteur*. – (MT) I believe that this report will clearly illustrate the efficiency with which the European Union operates, by virtue of its institutions, when faced with a problem that requires urgent and specific attention.

I believe that when we talk of missing trader intra-Community fraud, attention must be paid to the measures that need to be taken in this temporary scheme that is intended to stop those abusing the VAT systems used in Europe. This type of fraud, as I have already mentioned, is known as missing trader intra-Community fraud. In its most serious form, it is known as 'carousel fraud' which is a criminal activity carried out by expert and professional fraudsters.

Recent studies have shown that this type of fraud amounts to about 24% of all types of VAT-related fraud. It occurs when a person offering a service or selling a good receives VAT payment from an intra-community buyer and this payment literally vanishes without due payment to the treasury by these fraudsters and by these criminals.

It has therefore been dubbed 'carousel fraud' because this VAT goes on disappearing from each country where this type of trade is carried out. The Commission's proposal thus provides the opportunity to eliminate this risk that is being taken when intra-community trade takes place. We have to ensure that we do not add to the bureaucratic burden and make the honest businessman suffer the consequences. We were also careful not to apply this temporary measure to a wide range of products but to apply it only to those that can be controlled and evaluated.

The Emissions Trading Scheme should be mentioned as it has been amended by means of this Commission proposal. We are stating that due to the vulnerability of the Emissions Trading Scheme, another change that has been implemented stipulates that when a Member State decides it is ready to adopt this system, then the reverse charge procedure has to be made mandatory for all payments concerning greenhouse gas emissions because it is imperative to have coordination and immediate action between all Member States.

Presently, and up to 2012, around 90-95% of the credits are allocated to those who generate most emissions. These are issued by national governments and between 5 and 10% of these are auctioned off. From 2013 onwards, the greater part of these credits will be auctioned and therefore, before this system is put into place and is under way, we need to ensure that the market is being protected from those who are trying to abuse the system.

I believe that when one considers the consensus within the Economic and Monetary Affairs Committee, even with the compromises that I managed to reach – with the Socialists, the Liberals, and all the political groups – I believe that this should pave the way to a more reliable system. Thus, when my report is approved, we would be combating fraud seriously and will therefore be more successful in matters related to the VAT system within the European Union.

**Leonardo Domenici, rapporteur.** – (IT) Mr President, ladies and gentlemen, although the theme of good tax governance has always been of great importance, it has become even more relevant and significant following the major economic and financial crisis of two years ago. European and international summits – the G20 – have discussed and continue to discuss it, particularly when they are concerned with fighting tax evasion and tax havens.

All this is important. It is a sign of commitment and willpower, but we should not delude ourselves into thinking that an announcement is all it is going to take. We need an effective and ongoing policy. There are still many problems to be dealt with. It really is still much too easy to buy or set up a front company in order to avoid taxation. Just look around on the Internet: there are thousands of websites offering companies for sale, even in European Union countries. Often, all you have to do is send an email and attach a photocopy of a scanned passport in order to set up a company. We must put a stop to the practice of creating fictitious legal entities to evade tax.

The report I am presenting is based on the European Commission communication of 28 April 2009 on Promoting Good Governance in Tax Matters. The report moves towards putting forward firm proposals, and calls for a strong commitment from the European Commission and Council, so that these proposals can be implemented. The fight against tax havens, tax evasion and illicit capital flight must be considered priorities of the European Union.

Hence the principle of good governance, based on transparency, exchange of information, cross-border cooperation, and fair tax competition. The point is that we need increasing tax cooperation and collaboration in the European Union.

The general objective that we must set ourselves is for automatic information exchange on a global and multilateral scale, but this must, obviously, start within the European Union. As Mrs Alvarez has already said, we must completely abolish bank secrecy in European Union countries and hasten to put an end to the temporary derogation that allows the application of a withholding tax, which is often evaded or underestimated, instead of an exchange of information.

I do not wish to dwell on the tangible proposals that the report contains. I will, however, stress that we still particularly need the following things: to extend the scope of the 2003 Savings Directive, to fight VAT fraud, to create an EU public register listing the names of individuals and undertakings having set up companies or accounts in tax havens and to give new impetus to tax harmonisation projects, beginning with the common corporate consolidated tax base.

The European Union must also send out only one message internationally, and fight for the improvement of OECD standards to achieve the automatic sharing of information, instead of sharing on request.

Mr Kovács, having listened to the other reports as well, we need strong commitment by the Commission and we now also need these priorities to be emphasised to the new Commission at the time of handover. As the European Parliament, we are entitled to call on the Council and the Commission to account for their work.

I thank my fellow Members, and especially the shadow rapporteurs, for the contribution they have made to this work, which I hope will be adopted by Parliament.

**László Kovács**, *Member of the Commission*. – Mr President, honourable Members, it is my pleasure to discuss tax matters with you today, the last day of my mandate as Commissioner responsible for taxation and customs.

I would like to express my thanks first of all to the European Parliament, and especially to the Committee on Economic and Monetary Affairs, for the support the Commission and I have received during the last five years for most, if not all, the tax proposals we presented.

The tax policy issues you are currently discussing have a major role in order to achieve the Commission's objective to better tackle tax fraud and evasion which results in the loss of EUR 200 billion to EUR 250 billion a year at EU level. We are also aiming to increase transparency and cooperation.

I would like to express my special thanks to Mr Domenici, Mrs Alvarez, Mr Stolojan and Mr Casa for dealing with these tax initiatives in a constructive manner. I am very pleased that the essential message of the reports is one of support for the Commission's initiatives. I understand that the reports encourage increased efforts concerning, firstly, good governance in tax matters, both in the European Union and beyond; secondly, administrative cooperation in the tax area; thirdly, mutual assistance in the recovery of tax claims; and, fourthly, the fight against VAT fraud, in particular, carousel fraud.

Concerning good governance in tax matters, the Commission's policy is aimed at promoting the principles of transparency, the exchange of information and fair tax competition on a global scale. The Commission adopted the communication in April 2009, promoting these principles in order to combat cross-border tax fraud and evasion, both within the EU and beyond, and to achieve a level playing field.

The Commission has tabled several proposals in order to improve good governance within the EU. The debate is ongoing on these proposals, but I hope that they will be adopted soon and that it will reinforce our arguments vis-à-vis other jurisdictions to take similar steps.

The Commission strongly believes that the deepening of economic relations between the EU and its partner jurisdictions should always be accompanied by commitments to good governance principles. Based on the 2008 Council conclusions, the objective is to introduce in relevant agreements with third countries a provision on the basis of which EU partners would recognise and commit themselves to implement the principles of good governance in the tax area.

Particular attention needs to be paid to developing countries. The Commission services are currently preparing a Communication which would be dedicated to good governance in tax matters in the specific context of development cooperation. This communication will address what role good governance in tax matters can play in improving resources mobilisation in developing countries, notably through capacity building.

I welcome your support to fully associate the Commission in the works of the OECD Global Forum peer review exercise, in particular, with regard to the identification of non-cooperative jurisdictions, the development of a process for evaluating compliance and the implementation of measures to promote adherence to the standards. The European Commission should continue to be an active player to ensure that all partners live up to their commitments.

In relation to the number – which is 12 – of tax information exchange agreements for a country to conclude for achieving the status of a cooperating jurisdiction, the Commission supports the need to review it and to take qualitative aspects into account such as, firstly, the jurisdictions with which the agreements have been signed. To be explicitly clear, a tax haven which has 12 agreements with other tax havens would certainly not pass the threshold. Secondly, the willingness of a jurisdiction to continue to sign agreements even after it has reached this threshold and thirdly, the effectiveness of implementation.

As regards your request to examine a range of options for sanctions and incentives to promote good tax governance in tax matters, the Commission is already examining a range of incentives to promote good governance at EU level, for example, the enhanced use of development aid in order to encourage certain third countries to move away from unfair tax competition. Work on possible sanctions is less advanced and, of course, any EU action must take into account individual Member States' tax policies.



There are, however, two specific areas where I do not entirely agree with you. One relates to the public registries and disclosure of information concerning investors in tax havens. I think a balance must be established between privacy and the need for jurisdictions to enforce their tax laws.

While there should be no restrictions on exchange on the basis of bank secrecy or domestic tax interest requirements, respect for taxpayers' rights and strict confidentiality of information exchanged must apply. These limits have to be respected, so a public register may not be the best solution.

The other concern is transfer pricing. You propose shifting to the comparable profit methods in order to better identify inaccurate transaction prices and the most frequently applied tax-evasion techniques. In my view, while it is true that a comparison of industry sector profits may be an indicator that something is amiss, that single indicator alone is not sufficient to conclusively identify inappropriate transfer pricing and could only be one factor in a much wider risk assessment of the accuracy of prices charged on transactions between subsidiaries of a multinational company.

The comparative profit method is acceptable but only if it arrives at the same result as the transactional methods. Going straight to the comparative profit method – as the amendment seems to suggest – would not necessarily give us the 'right' arms-length answer.

The proposed new directive on administrative cooperation in the field of taxation seeks to enhance and streamline all mechanisms of exchange of information and other forms of cooperation between the Member States to better prevent tax fraud and tax evasion. In particular, the directive proposes to withdraw bank secrecy in the relations between Member States for administrative cooperation purposes. I warmly welcome the constructive attitude and support for this proposal shown in the report by Mrs Alvarez.

I am aware that the most controversial point of the discussion in the committees has been the amendments on automatic exchange of information aimed at rendering the use of automatic exchange optional only, based on a decision to be taken by the Member States.

Let me recall that the objective of this proposal is to enhance within the EU all types of exchange of information and other forms of administrative cooperation and specifically automatic exchange, which is a major pillar for preventing tax fraud and tax evasion.

Promoting the exchange of information on request, as an OECD standard, is certainly an acceptable approach with third countries but, in a fully integrated internal market as the EU single market is, Member States must be more ambitious and go further. They must be able to use the best instruments at their disposal to achieve their political objectives of fighting tax fraud and evasion.

I notice that the draft report on good tax governance highlights the necessity to develop the automatic exchange of information as a general rule, as a means of putting an end to the use of artificial legal persons to avoid taxation. I also notice that the report welcomes this proposal for a new directive for administrative cooperation as it also extends its scope to cover taxes of any kind and it abolishes bank secrecy. I therefore call on you not to vote in favour of the new amendment tabled by the PPE Group to erase any reference to automatic exchange of information in the report.

Concerning the amendments aimed at providing for more defined rules on the protection of private data, I would like to underline that in any case, Member States are compelled to respect the existing Community legislation on this subject and that therefore, these rules will have to be respected without any further amendment of the present draft directive. However, for the sake of clarity, I could envisage a general recital referring to the existing Community rules.

As regards the amendments on the evaluation system and requirements, I believe that the rules foreseen in the proposal and reinforced in the Presidency compromise text should provide for an adequate framework, reflecting the spirit of the proposed amendments.

The Commission can accept, in principle, certain amendments, such as those introducing the possibility of the Commission adopting delegated acts in respect of technical improvements to the categories of income and capital that are subject to the automatic exchange of information, while the categories concerned should be defined in the directive itself and not through comitology. This is also in line with the orientation of the ongoing Council discussions.

The Commission can also accept in principle the amendments on bank secrecy, which would not distinguish between taxpayers based on their tax residency. Furthermore, the Commission also accepts in principle the amendments on the presence and participation of officers in administrative inquiries.

The Commission will defend the spirit of these amendments in the Council deliberations, without formally amending its proposal, as these provisions seem to be already reflected in the compromise text.

Let me now turn to the Commission's proposal on mutual assistance for the recovery of taxes. National provisions on tax recovery are limited in scope to national territories, and fraudsters have taken advantage of this to organise insolvencies in Member States where they have debts. Member States therefore increasingly request the assistance of other Member States to recover taxes, but existing provisions have only allowed 5% of debts to be recovered.

The Commission's proposal is intended to provide for an improved assistance system, with rules that are easier to apply and provide for more flexible conditions for requesting assistance. As you know, ECOFIN reached an agreement on 19 January 2010 on a general approach to the draft directive. I very much welcome the supporting attitude to this proposal shown in the report by Mr Stolojan.

The Commission can accept, in principle, the amendment to make the exercise of inspection powers in the requested Member State by officials of the applicant Member State subject to an agreement between the Member States concerned. This is also reflected in the Council compromise text. However, the Commission cannot accept other amendments, such as introducing systematic and automatic exchange of information in the area of recovery, because it could lead to a disproportionate administrative burden, as it would also cover unproblematic recovery situations. Nevertheless, the Commission, in cooperation with the Member States, will examine the possibilities of how to further improve tax recovery assistance and address the eventual problems.

Let me finally conclude with a few words on the Commission's proposal for an optional and temporary application of the reverse charge. In responding quickly to new and worrying fraud patterns reported by several Member States, the objective of this proposal is to give interested Member States the possibility, under an optional and temporary scheme, to apply the so-called reverse charge mechanism, under which it is the client who has to account for the VAT to a limited number of highly fraud-sensitive sectors. Under the proposed directive, Member States would be able to choose a maximum of two categories of particularly fraud-sensitive goods, such as mobile phones, and one category of services such as greenhouse gas emission allowances, on which major fraud circuits have been detected over the last summer out of a list of five categories.

They would need to assess the effectiveness of this measure, as well as its impact on a possible shift of fraud to other Member States, to other types of supplies and other fraud patterns.

I was pleased that the Council took up this proposal so quickly and reached agreement on it at the ECOFIN of 2 December. Of course, it is regrettable that an agreement could only be reached on one part of the proposal – on greenhouse gas emission allowances – but I am fully aware of the fact that this part was the one where the most urgent reaction was needed.

The Commission will continue to contribute to the Council negotiations on the remaining parts of the proposal as constructively as possible.

Finally, I would like to thank the European Parliament once again for its speedy reaction as well as for its clear support. Even though the Commission is not in the position now to formally accept all the proposed amendments, they will provide us with a useful input into the forthcoming Council debates. What is at stake is indeed our capacity to react quickly to a massive fraud mechanism, but also the credibility of the EU emission-trading system.

**President.** – Thank you, Commissioner Kovács. As you mentioned, this is the last occasion when you will be coming to this House so let me also thank you for the excellent cooperation we have had with you during your tenure.

**Astrid Lulling**, *on behalf of the PPE Group.* – (FR) Mr President, chance often has a hand in things. At a time when we are debating the protection of privacy and of individuals, and when these debates are having new repercussions, the Members of this House have a wonderful opportunity to affirm some strong principles. Whether it is to do with the introduction of body scanners in airports or the SWIFT agreement with the

United States, those who strenuously defend individual freedoms will not hesitate, this week, to make their voices heard, even if it means creating considerable diplomatic tension.

I regret, however, that their struggle for citizens' freedoms is changeable and inconsistent. When it is an issue of protecting bank and financial data, the good suddenly turns into the evil. That which, in other fields, deserves protection, demands to be flouted in the name of a new imperative: the generally compulsory fiscal colonoscopy. Wholesale automatic exchange, which forms the basis of the Alvarez and Domenici reports, is the scanner that strips you at every turn; it is the SWIFT agreement writ large from which there is no return. However, this Parliament will not let a contradiction stop it. It can decide in favour of the automatic exchange of every conceivable type of data between tax authorities in Europe and, at the same time, reject the SWIFT agreement with the United States in the name of individual freedoms.

Can this incongruity, this inconsistency, be understood or even, at times, justified in the name of effectiveness? No. The golden rule, your golden rule, in other words, the automatic exchange of all fiscal, bank and financial data of all non-residents, will inevitably lead to a flood of unmanageable data. The precedent of taxation on savings should, however, serve as a warning to you. Yet that is not the case. Once again, you have to go down the wrong road and advocate a system that does not work. There is none so deaf as those who will not hear.

To those of my friends who seem to be worried about the bureaucratic excesses that the implementation of this structure might entail, I would like to say that the only solution is to oppose it, not to introduce it and then be surprised by its disastrous consequences.

Allow me, Mr President, to address a final word to Commissioner Kovács, who is fighting his last battle this evening. I wish him a happy retirement. Commissioner, in your career, you frequently chose the wrong fight but, kind soul that I am, I will not ultimately hold this against you too much. Have a happy retirement, Commissioner.

*(The speaker agreed to take a blue card question under Rule 149(8))*

**Miguel Portas (GUE/NGL).** – (PT) Mrs Lulling, I would only like to ask you one question. In your speech, what has the automatic exchange of tax information got to do with ending secrecy when they are two clearly separate issues? The majority of countries in Europe do not have banking secrecy. Automatic mechanisms are in place for circulating information between tax authorities and the wealth of each one of them is not posted on the Internet. Is there no way to keep the two issues separate?

**Astrid Lulling,** *on behalf of the PPE Group.* – (FR) Mr President, my fellow Member has unfortunately not understood a thing, but as I have no speaking time, I will explain it to him in private. I trust he will understand before the vote.

**Liem Hoang Ngoc,** *on behalf of the S&D Group.* – (FR) Mr President, ladies and gentlemen, in this period of crisis, public finances have been heavily used, initially to save the financial system and then to cushion the social and economic impact.

In this context, there is much talk of public deficits, the spending of Member States is being attacked, but the fall in tax receipts is allowed to fade into the background. One forgets that, each year in the European Union, EUR 200 billion evades taxation, and these are resources which could have been used for essential recovery policies, resources which would allow us calmly to face up to what some are calling, in inverted commas, the demographic time bomb.

This is why the texts that we are discussing today are so important. The introduction of common tools and absolute transparency between the Member States in the area of debt recovery are vital steps if we are to ensure that no citizen, no company, can evade their fiscal responsibility, and that everyone contributes to the collective effort.

We must give the tax authorities of each country in the Union the resources to fulfil their missions. We must also emphasise the extent to which a healthy fiscal policy is essential.

Everyone is currently concerned about Greece. We are seeing today the extremes to which the lack of an effective fiscal apparatus leads. It is not merely the crisis that is harming the Karamanlis government; it is, above all, its predecessor's lack of political courage in failing to reform Greece's fiscal administration and thus to create an effective tax recovery tool.

We hope, in this matter, that the Union will use all of the resources at its disposal to confirm its solidarity with Greece. I hope that the vote we take on Wednesday confirms the vote in committee and results in some encouraging tax recovery texts.

**Sharon Bowles**, *on behalf of the ALDE Group*. – Mr President, I am glad that we are debating these reports within the Commissioner's term, even if it is only just. The committee has worked hard to ensure that. Now, in many – in fact, I would say in most – things, we have had a mutually supportive dialogue, Commissioner, though of course we have not agreed on everything. For example, we agreed on VAT for intra-Community supplies but disagreed on joint and several liability in the framework of cross-border transactions, and in quite a few instances, we have both been disappointed by the slowness or lack of backing by Member States. CCCTB is one of those proposals.

But in the face of these disappointments, you have brought forward more intensive, traditional controls based on cooperation, information exchange and data access. So both personally, and as Chair of the Economic and Monetary Affairs Committee, I take this opportunity to thank you for your work and enthusiasm during your term of office. As colleagues have said, at this time of fiscal stress, enabling Member States to collect their full dues of taxes is even more important. With this driving force, the Council must be more progressive in future. Those who knowingly scheme to evade and avoid taxes do harm to society and should not expect leniency when they are caught, and we must have the tools to catch them.

Turning specifically to the matter of administrative cooperation, I believe that automatic exchange of information is beneficial. It goes along with the Savings Tax Directive, which I hope will soon be adopted in Council. But your activism in this matter has already created positive developments, both within and beyond the EU. I also commend the directive on mutual assistance for recovery of claims but consider a lower threshold for implementation more appropriate. And, finally, I apologise to you and colleagues for not staying for the rest of the debate but, as ever, there are double bookings going on in this House.

**Philippe Lamberts**, *on behalf of the Verts/ALE Group*. – (FR) Mr President, ladies and gentlemen, for some weeks now, it has been fashionable to worry about the budget deficits of certain Member States. One can, of course, criticise some examples of public spending – and we shall not refrain from doing so – one might refer to the billions of euros in subsidies for fossil fuels, but let us not forget, as the Socialist Member said, that the increase in public deficits is the result, first and foremost, of the financial and economic crisis.

I do not believe that the governments need to be taught lessons in sound management by those who, due to their predilection for risky operations – financed, believe it or not, by debt – were the cause of the crisis.

This being the case, we agree that the public deficits are unsustainable at their current levels because they reduce the possibility of Europe spearheading the worldwide Green New Deal that it sorely needs. We must therefore confront the issue not just on the 'spending' front, but also on the 'income' front, and this is the spirit in which we are reading the reports tabled today, in particular, those by Mrs Alvarez and Mr Domenici.

By making the automatic exchange of information between tax authorities the norm, they give the Member States the means to tackle tax fraud seriously. I would remind you that the estimated annual amount of tax fraud is EUR 200-250 billion, or two per cent of GDP. Before we even talk about restructuring the European tax regime, let us ensure that tax due is collected.

Moreover, the draft supports the introduction of a common tax base for company taxation, which will clarify matters both for taxpayers and for the Member States. In so doing, it will be a step forward, but it should pave the way not for more competition but for more cooperation. It is time we put an end to fiscal dumping, to this road to ruin that is undermining the tax receipts of the Member States, and to the detriment of whom? Of the taxpayer and of SMEs, which do not have the resources of the big transnational companies to play the Member States off against each other.

The consolidated tax base is therefore, in our view, the prerequisite for the introduction – in line with what we are doing for VAT – of a progressive harmonisation of tax rates for companies, beginning with the setting of minimum thresholds.

Finally, establishing a sustainable basis for the Member States' tax regimes will require much deeper changes: reducing the charges on income from employment and offsetting this reduction through the introduction of a progressive tax on energy – on non-renewable energy resources – and of a tax on financial transactions and profits. However, as my grandmother used to say, that is another story.

In the meantime, the Group of the Greens/European Free Alliance congratulates Mrs Alvarez and Mr Domenici on their excellent work, which has not merely repeated the past positions of the European Parliament, but has made them more ambitious and more practical.

I will finish by also saying a word of farewell to Mr Kovács. I was not here when you arrived. My colleagues have told me that the impression that you have given them through your actions is much better than the one you gave us when you were first appointed. You have therefore pleasantly surprised us. I wish you all the best.

**Ashley Fox**, *on behalf of the ECR Group*. – Mr President, I would like to thank the rapporteurs and other shadows for the hard work they have put into producing these reports.

Taxation, particularly any form of harmonisation, is always a sensitive issue. We need to balance the need to operate an efficient single market with the need to protect Member State competence on taxation. I would advise Mr Lamberts that the best way to minimise tax evasion is to have simpler taxes and lower tax rates. Tax competition is a jolly good thing. It protects the taxpayer from rapacious governments.

Member States must be free to sign bilateral agreements with third countries. The UK and the US readily share information because of their history of cooperation in fighting terrorism. If this information was to be shared across the EU, many third countries would refuse to sign similar agreements in the future. Cooperation would cease and national security would be put at risk.

I urge Members to approach these reports pragmatically. We need to ensure that we do not indulge in needless harmonisation which endangers national security.

**Nikolaos Chountis**, *on behalf of the GUE/NGL Group*. – (EL) Mr President, without doubt, the reports in question make a positive effort towards creating a legislative framework in terms of administrative cooperation at European Union level in the field of direct and indirect taxation other than VAT and excise.

However, I must say that the reports, the proposals for directives and so forth touch on the problem of tax evasion and tax fraud.

However, there are two aspects of tax evasion which have stood out during the crisis. The first has to do with tax competition within Europe; the last thing this promotes is solidarity and economic and social cohesion between the Member States. We need to address and resolve this problem.

The second has to do with offshore companies. As we all know, these companies are tax evasion and money laundering vehicles. The Greek Government's intention, for example, to simply levy a 10% tax on such transactions is scandalous.

This being so, and as numerous Members have stressed, in these times of economic crisis, with all the Member States facing financial problems, not to mention the fact that the way in which the European Central Bank and Stability Pact operate is inadequate and they are exacerbating rather than resolving the problem, we need common solutions to common problems, one of which is tax evasion.

We need to come down on tax evasion and tax fraud, so that governments have revenue at a time at which there is an urgent need for redistributive and development policies.

**Godfrey Bloom**, *on behalf of the EFD Group*. – Mr President, taxation as a concept has not really changed very much in the last 3 000 years, has it? The rich and the powerful stealing money from ordinary people to make their own lives more comfortable.

Where there has been a change in modern times is that now taxation is 'for the benefit of the taxed': that somehow we are being taxed *pro bono*.

In order to perpetuate this myth, we invent periodic scares to frighten people into submission. The latest of these scares is of course that, if we do not cough up green taxes, we will all boil to death – reminiscent of the medieval religions, is it not, which played the same game: pay up or burn in hell.

Tax harmonisation is a concept dreamed up by the modern political class to make sure that no government steals too little from its people: a sort of thieves' cartel if you will.

May I suggest, if you really want tax harmonisation, that the Commission and the bureaucracy pay the same taxes as the electorate, that they bear the same burden of tax as the rest of us, before the electorate storm this building and hang us from the rafters, as they have every right to do.

**Hans-Peter Martin (NI).** – (DE) Mr President, we need to overhaul the democratic process. As a young author and journalist, I used to pay 62% tax out of conviction, because I was convinced, and had the impression, that we were governed by good people. However, since becoming a Member of the European Parliament, I have seen what actually happens to tax revenue. Back then, we used to pay millions of schillings every year. What bothers me in this debate on the promotion of good governance in tax matters is the fact that we are not looking at our own spending, but simply talking about evil tax fraudsters.

Back then, when the tax rate was 62%, my tax adviser was Christoph Matznetter, who later became Austria's Secretary of State for Finance. He told me: 'you are from Vorarlberg, go across the border, to Liechtenstein or Switzerland!' I did not do it, but others did. However, if, in the light of these experiences, you approach this with the sober and rational mind of someone who was not a civil servant, who was not an expense to the social security system, who was not active in any public domain, as the majority of Members here are, then you have to ask yourself how in all the world can I my save my hard-earned money from this wastefulness?

My suggestion therefore is as follows: let us begin at the point where we can demonstrate that a sensible administration will use money sensibly, that is, with ourselves. Why do we need another 200 new jobs? Why do we need to fund school skiing lessons this week? What is all that for? If you really want to take the fight against tax havens, the recovery of tax claims and the attraction of people to the project of the European Union seriously, then we have to begin with ourselves and show people that the institutions we stand for are spending the taxpayer's money responsibly. Otherwise, we will continue to lose tax revenue, without any justification for calling those people to account.

**Enikő Győri (PPE).** – (HU) Ladies and gentlemen, a 4% GDP decline, 21 million unemployed EU citizens, deficit proceedings against 20 Member States, 80% State indebtedness. With the European Union in such a state, I ask: can we afford the luxury of allowing billions in taxes to just drain away? It is intolerable that while we sacrifice huge amounts on economic stimulus and on keeping workplaces open, there has been no progress at EU level for finding ways, for instance, to move the recovery of cross-border tax liabilities up from the shameful 5% level. Or whether we should extend the automatic exchange of information uniformly to all income, thereby eliminating the need for governments to get information from stolen data storage media about their citizens' untaxed income invested here and there.

At the moment, the rate of tax fraud in the EU amounts to two and a half times the total EU budget. I strongly believe that Member States' tax authorities must cooperate in order to track down tax fraud. Nobody should be able to hide behind bank secrecy, and let us abolish quasi-tax havens inside the European Union, even when, my fellow Members, it hurts the Member States concerned. The interest of Europe as a whole must take precedence over partial viewpoints. Honest taxpaying citizens of the EU expect no less from us than rules that are binding for everybody, without back doors.

The Domenici report gives an account of how to close those back doors. Our topic now is not tax harmonisation but how to recover taxes levied according to each Member State's rules, with the help of others, if need be. All other elements of the tax package before us serve this same purpose. On behalf of the EPP, I have added several suggestions to the Domenici report which had the support of other political groups as well. In the first place, I suggested setting up a system of incentives that would guarantee that the Member State acting on behalf of the one seeking recovery of cross-border taxes would receive a portion of the recovered sums. This way, we could give a push to the halting cooperation between tax departments. Secondly, by using a system of comparative profits, we could take effective action, especially against multinational companies that manipulate transfer prices in order to evade taxes. I know that Commissioner Kovács has doubts about this, but I think work could begin in that direction.

Finally, I am glad the Commission supports the need for tightening the requirements for tax information exchange as stipulated by the OECD model agreement applicable to 12 States. I think that by continuing on these paths, we can move towards a more honest tax policy.

**Olle Ludvigsson (S&D).** – (SV) Mr President, this evening, we are debating a number of measures to combat tax fraud and tax avoidance of various kinds. These are matters of great importance. It would be a very good thing if we in the EU were able to strengthen our instruments and our cooperation for combating tax evasion in the manner proposed.

The economic and financial crisis has hastened the need to make our tax systems as effective, reliable and fair as possible. I take a positive view of the proposal to extend the application of the reverse charge mechanism. Among other things, this is a crucial step in the development of our climate change work. When emissions rights start being auctioned in 2013, we need to have a credible trading system in place that is not plagued by VAT fraud and similar problems. The reverse charge mechanism is likely to be an excellent way of preventing such VAT fraud. It will ensure both the credibility and the effectiveness of the system.

The work on the report on the reverse charge mechanism has been very constructive. I am pleased to see that the Commission, the Council and my fellow Members concerned were determined to come up with a good solution quickly. A central element of the report is the creation of a comprehensive assessment system – a system that is based on uniform criteria. It is very important that we monitor carefully how well this reverse charge mechanism works in practice in the area concerned. The measures to combat tax evasion now being proposed are an important step along the way, but should be regarded as a small part of a more extensive, long-term process.

There remains much to do in this area. EU cooperation should be reinforced and the EU should lead the way in creating effective international agreements to combat tax evasion.

**Sylvie Goulard (ALDE).** – (FR) Mr President, this seemingly rather technical package in reality relates to some highly political issues. First, administrative cooperation between States on fiscal matters is a key question for the internal market. I believe that it is important to stress this, because the free movement of persons and capital constitutes one of the precious European Union *acquis* to which we are so attached. However, it must not result in an unjust taxation situation in which some well-advised and mobile citizens evade their fiscal obligations, whilst the more sedentary citizens remain subject to them.

Nor should it act as an incentive for competition between States, by which I mean an incentive for fraud or evasion. This explains our position in favour of a consolidated tax base for taxation on companies and the automatic exchange of data between Member States, which has already been discussed.

If Mrs Lulling had done us the honour of staying with us, I could have told her that the question of civil liberties does indeed arise when we are talking about the exchange of sensitive data, but that, in my view, there is a major difference between the data that we can exchange between Member States of the European Union – in other words in the framework of the internal market, and in the service of the internal market – and the data that we exchange with other countries, even friendly countries such as the United States.

The second, highly political issue, especially after the crisis, is the fight against tax havens, but also against grey areas – or indulgent practices – which unfortunately still exist within the European Union or in associated territories. Following the G20 declarations, the citizens are expecting results and a credible Union. This has been the thrust of many amendments, and I believe that this Parliament must attach renewed importance to the issue.

Finally, to conclude, I would like to say a word to Mr Kovács – it is quite rare to be able to say goodbye to someone on the very evening that their mandate is ending – and, above all, to give a piece of advice to the Commissioner-designate, Mr Šemeta, whose initial steps in this area we have welcomed, just as we have welcomed the initial steps of the Barroso II Commission, which seems determined to tackle the issue, especially by entrusting Mr Monti with the task of drafting a report on the internal market containing all of these aspects.

I believe that, however resistant and reluctant the Member States may be, it is up to the Commission to do as you have been able to do, Mr Kovács, and use its power of initiative, but perhaps to a greater extent. The Member States' coffers are empty. Taxation is another way of filling them and, provided that this is done intelligently, we are in favour.

**Eva Joly (Verts/ALE).** – (FR) Mr President, Commissioner, ladies and gentlemen, thanks to Mr Domenici's efforts, the report on which we have to take a final vote this week is a high quality document. I sincerely hope that it will be adopted on Wednesday at our plenary sitting. Many of the advances that it contains on the issues of financial transparency, fiscal policy and the fight against tax havens, the major consequences of which are rightly stressed here, are simply without precedent.

First, we should welcome the fact that the text acknowledges the considerable limits of the fight against tax havens as it has been carried out until now. Tax treaties and the OECD lists of non-cooperative jurisdictions, to reproduce the terms officially in use, are unsatisfactory and even represent part of the problem that they are meant to be solving.

That is why the proposals in this report, which aim to go beyond this approach, to adopt a new definition of tax havens and to introduce new tools – including sanctions – to help in this fight are hugely important. This is obviously the case for the proposal to introduce automatic exchange of tax information, both within the European Union and at international level.

It is also the case for country-by-country accounting, which the report is demanding and which will make it possible to measure the real activities of companies in the countries in which they are established and to verify that they do indeed pay the taxes which they legitimately owe there. These are two fundamental demands which have long been supported by many experts. We can only welcome the fact that the European Parliament is adopting them and, in so doing, will become one of the institutions that is most involved in this fight.

Ladies and gentlemen, the problem of tax havens is not a mere technical issue. It relates to fundamental choices. Do we wish to give developing countries the means to benefit from their own resources instead of seeing these confiscated? Do we wish to ensure that all of our companies and our fellow citizens contribute within their means to the financing of civic life? By voting for Mr Domenici's report, we will be giving a positive answer to these two questions. An answer of which, I believe, we can only be proud.

On a personal level, I would like to thank Mr Kovács for the seminar that we jointly organised in Brussels on 9 December to put this subject on the agenda. Thank you and good luck.

**Ivo Strejček (ECR).** – (CS) Mr President, Commissioner, today we are debating a package of economically and politically contentious proposals that are supposed to bring about significantly improved cooperation in the field of taxation. Tax fraud is undoubtedly a major problem which reduces State budget revenues. However, what are the causes of tax evasion and what are the motives of those who resort to tax fraud?

Firstly, high rates of tax. The higher taxes are, the more taxpayers will look for ways to circumvent their tax obligations. We should bear this well-known economic truth in mind particularly today, when most politicians assume that public finance deficits will be resolved through higher taxes, in other words, on the revenue side of the budget rather than through major cuts in spending. I would like to make one more remark, which is that tax havens exist for this very reason, because people move their capital to locations with lower taxes. If you want to shut down or limit the existence of tax havens, you must cut taxes.

The second important reason for tax evasion is the opacity and complexity of tax systems. The more exemptions, the more fraud. Statistical data and various studies confirm that the complications of, for example, VAT collection, are caused primarily by confusing explanations and the thousands of widely-varying exemptions. Unfortunately, neither the Commission nor MEPs are suggesting that Member States embark on tax cuts or fundamental corrections that might bring about transparency in tax jurisdictions.

The contentious proposals are as follows: the introduction of the principle that there is an obligation to share information on taxpayers; secondly, the mandatory information on taxpayers is precisely defined and is clearly highly sensitive; thirdly, the obligation to share information on all types of tax is being applied for the first time and fourthly – a legislative novelty – banking secrecy is breached.

**Miguel Portas (GUE/NGL).** – (PT) Mr President, this debate is very important because what governments and the Commission itself have said to us is that in the years ahead, the crisis exit strategy depends on plans for radical cuts in public investment and social spending. And what the constant information from the various reports that have been discussed today tells us is that there is ultimately another way forward, a better way forward, a way forward that will encourage honesty and satisfaction among taxpayers!

And this way forward is also the way forward in overcoming the crisis from a revenue point of view – mainly from a revenue point of view – as it will put an end to the nightmare that has been caused by tax havens and to the nightmare that has been caused by widespread tax evasion and tax fraud among large companies and the banking system.

And this is exactly why I very much agree with Mr Domenici's report when it says that not enough is being done to put an end to bank secrecy. And this is exactly how we must proceed because it is true that a little justice in the economy never did anybody any harm.

**Arturs Krišjānis Kariņš (PPE).** – (LV) Mr President, Commissioner, the question is not: are we for or against combating tax fraud. Of course we are in favour. The question is rather, what means do we wish to employ in order to achieve this objective. The situation among Member States at present is that there are States that do not willingly exchange information on taxpayers with other Member States, even when requested to do



so. The proposal under discussion concerns the introduction of an automatic system, in which all information on nationals and businesses residing abroad will be exchanged between tax authorities. To my mind, what is important is not to increase bureaucracy, whichever way we exchange information. Right now, the European Union is in crisis – in Spain, unemployment is nearly 20%, in Latvia it is over 20%, in many other countries, it is well over 10%. Unfortunately, this is an upward trend. As a result, Member States are being forced to reduce government spending, something that is actually directly opposed to increasing the size of the bureaucratic machine. We cannot afford to increase the size of the bureaucratic machine. However, introducing this system of automatic information exchange would inevitably involve increasing the size of the bureaucratic machine. In my opinion, European taxpayers simply cannot afford to sustain this at this time. There is, to my mind, another proposal that we should discuss, namely, perhaps not to go to extremes, i.e. to exchange all information automatically, but instead to ensure at least that all Member States exchange all information upon request. To sum up, then, an automatic exchange of information upon request. Thank you.

**Arlene McCarthy (S&D).** – Mr President, with over EUR 200 billion lost annually, combating tax fraud and tax evasion in the EU must continue to be a priority for this Parliament, the European Commission and the Member State governments. I cannot believe that anyone in this House believes that a right to privacy is a right to evade tax.

There is, of course, a global consensus that a lack of good governance in tax matters encourages tax fraud and tax evasion. Tax fraud has a major impact on national budgets. It robs public services, health, education and research of vital resources. Moreover, according to a major charity, tax evasion by the super-rich and by global corporations has a severe impact on the lives of more than five million children in the developing world.

Governments in the poorest developing countries are being swindled out of EUR 92 billion a year in tax revenues, while the World Bank estimates that just a third of that – EUR 30 billion to EUR 34 billion – would pay for the UN's Millennium Development Goals. More shockingly still, a UK charity, Christian Aid, maintains that around EUR 7 trillion is hidden away in tax havens.

Therefore, the actions and recommendations proposed in these reports are essential to supporting a level playing field and to tackling the distortions and abuses which underpin those systems of tax evasion and fraud. Assets held offshore are now equal to a third of global assets...

*(The President asked the speaker to speak more slowly for the sake of the interpreters)*

...half of the world's trade passes through tax havens, and action to crack down is already being stepped up. Tax havens are under investigation, with proposals in the EU and in the OECD being taken forward.

Stronger tax cooperation is the only way forward. This does not weaken national sovereignty but, on the contrary, strengthens and enhances national tax systems, stopping those who seek to undermine the integrity and functioning of those systems.

If we have learned one lesson from the global financial crisis, it is that we need more openness and transparency on financial transactions. That is why I support the proposals to move towards a global agreement and standard on automatic exchange of tax information tabled by our rapporteurs.

I would like to finish by saying that those who seek to water down these proposals, hiding behind scaremongering on data privacy, are neither serious nor ambitious in supporting global action to tackle the scourge of tax evasion and to promote good governance, good citizenship and social responsibility.

**Wolf Klinz (ALDE).** – (DE) Mr President, ladies and gentlemen, VAT fraud is not a mere peccadillo. It is a criminal act and a problem which either escalates or diminishes over time. According to the latest estimates, citizens, and thereby taxpayers, lose up to EUR 100 billion every year, perhaps even more.

At a time of accelerating public debt and crisis, citizens have no sympathy for the fact that the European Union has so far not been able to tackle this problem successfully. This is why I welcome a fresh attempt to introduce the reverse charge procedure, on which we will be taking a vote the day after tomorrow. What we are trying to do with the reverse charge procedure is effectively eliminate the problem of VAT evasion or at least reduce it. We have to wait and see, however, whether or not this procedure will generate the desired increase in VAT receipts and deter new cases of fraud. However, it is certainly worth the attempt. We will monitor closely the results of the procedure, the application of which is currently limited to 2014, and carry out a critical assessment.

However, I would have liked an amendment to one specific point: I am in favour of enterprises which duly discharge their duty of care in the context of a review of their VAT registration numbers, being exempted from any liability, even if the recipient commits fraud. I explicitly regret that my amendment to that effect did not command a majority in the Committee on Economic and Monetary Affairs.

**Vicky Ford (ECR).** – Mr President, tax fraud is a crime that not only robs governments, but also robs every single taxpayer – every single citizen who does pay their tax on time. There has been much good work by the OECD, the G20 and indeed the various rapporteurs in Parliament on the work to help combat tax fraud. I would like to speak specifically on Mr Domenici's report and to thank him for the great transparency that he has shown in working together across Parliament to improve this document. However, I do have three concerns.

The first one is that combating tax fraud should not be used as a back door excuse for those who want to open up the debate on tax harmonisation across the EU. There is wording in the document about the common consolidated corporate tax base, and I think we should wait until the Commission comes to us later on this year with their impact assessment before jumping to a conclusion on any of the pros and cons of that debate.

The second point is on the controversial matter of exchange of information. It is very clear that in certain circumstances, better exchange is needed, and indeed, like the savings tax, the automatic exchange does have benefits. This document goes much wider and demands automatic exchange in all areas. I would rather we looked at each specific circumstance to see where we need it.

Thirdly, the Domenici report suggests an EU-wide levy on financial movements to and from certain jurisdictions. There are different sanctions and different incentives, as the Commissioner has pointed out, that could be used to promote good behaviour in this area. I am very concerned that we could be going back with just one suggestion which could be hugely controversial by having these words about an EU-level levy.

**Diogo Feio (PPE).** – (PT) Mr President, in addressing these four reports, which appear to have a very prominent technical structure, we are debating weighty political issues. Firstly, and to make things clear: the fight against tax fraud and tax evasion should be ongoing. This is for reasons of respect towards those who pay tax and abide by the rules.

I also want to make it clear here that this is not a matter specifically related to any crisis. This is a matter of public ethics. And just as this matter should be debated, another matter relating to tax competitiveness should also be debated by the European Union and the Member States, with a view to encouraging economic growth through taxation policies.

It is also necessary to view the fight against tax fraud and tax evasion in a legislative light. Laws must be straightforward. Laws must be transparent and administrative bodies must also act in an appropriate manner. This is exactly why the issue surrounding the exchange of information is relevant, where we must consider the decisions that have been made by international organisations that have really studied this matter such as, first and foremost, the OECD. Exchanging experiences is essential in this respect, so that measures that sound good in theory are not counterproductive in practice.

Specifically on the subject of tax havens, we must support the decisions and progress made at the G20 and, above all, we must remember that the measures in this area should be suitable, proportional and effective.

**Elisa Ferreira (S&D).** – (PT) Mr President, Commissioner, here are some facts that are worth remembering: according to the OECD, assets amounting to EUR 5 to 7 trillion were stashed away in tax havens in 2008. In the European Union, tax evasion, already mentioned today, amounts to between 2% and 2.5% of EU wealth, which is to say double the EU budget.

Nowadays there is also no doubt that tax havens, the vagueness of new financial products, the lack of administrative cooperation, the failure of regulation and supervision in the markets and the excessive ambitions of operators have all contributed to the terrible crisis we are experiencing.

On a global level, progress is being made and we are learning lessons from this – lessons that were established in the initiatives of the International Monetary Fund, the OECD, the G20, and the Financial Stability Forum. The European Union, particularly under the guidance of Mr Kovács, who I would like to congratulate, has been involved in a series of initiatives. These include administrative cooperation, the Savings Tax Directive, debt recovery assistance, a code of conduct, as well as increased cooperation by Belgium, Austria, Luxembourg, the Isle of Man and even neighbouring countries: Switzerland, Monaco and Liechtenstein.

However, it is important that this collective effort does not lead to what was so well described by Mr Domenici's fellow countryman, when it is said in *Leopardo* that many things must change if everything is to stay the same. This is an example of what cannot happen!

European citizens are now suffering from unemployment, threats of tax increases and the loss of basic retirement rights. Small and medium-sized enterprises are not getting credit and sacrifices are widespread. These citizens are the ones who expect us – as their representatives here in Parliament – to learn the lessons and truly guarantee competition, justice, transparency and honesty within the European Union.

These four reports, particularly those of Mr Domenici and Mrs Alvarez, are along these lines. I hope that these reports receive widespread support from the Members of this House and, in fact, that they provide the European Union with the political drive it needs to learn the right lessons and also encourage these lessons to be recognised on an international scale.

**Olle Schmidt (ALDE).** – (SV) Mr President, we are all aware that taxes are a sensitive issue, as we have heard. Member States quite rightly see taxes as being primarily a national matter; in the wake of the financial crisis, however, more and more countries are realising that cooperation within the EU must improve.

Tax competition is a good thing. However, the rules must be fair and no Member State must benefit from its rules being used to dodge taxes. Tax fraud is illegal, immoral and distorts the situation in individual EU Member States.

We may criticise the tax burden in our own countries. I have been known to do so myself. However, we must work to change the policy in our country rather than shirking our responsibilities. The most effective way to exchange information is to do so automatically. The EU has often been critical of tax havens of various kinds. It is therefore important that we show that we are also working internally to improve transparency, openness and cooperation in the area of taxation, while respecting the sanctity of private life.

In order to avoid unnecessary administrative expense and to create a clearer legal basis, the Group of the Alliance of Liberals and Democrats for Europe has submitted an amendment to the effect that the Member States must not be forced to assist another Member State if the matter concerns less than EUR 1 500 per year. I believe that this sets clear limits on the authorities' powers and, as I understand it, Mr Kovács accepts this amendment.

Finally, I would like to thank Mr Kovács, Commissioner for 18 hours more, or whatever. It has been a privilege to cooperate with you. You did not achieve it all, but you did your best. Thank you and good luck.

**Jacek Włosowicz (ECR).** – (PL) Mr President, in its sixth term, the European Commission adopted a series of legislative proposals as part of the fight against tax fraud and tax avoidance in the European Union. A key factor here is the proposal for a directive on administrative cooperation in the field of taxation. Thanks to its adoption by practically all Member States, the directive which is currently in force was, undoubtedly, the first step in the direction of administrative cooperation in this field, although it was evident that specific results were lacking in terms of its implementation. However, in this proposal, we have a strengthening of the internal sovereignty of individual Member States in the field of taxation by the application of more specific and effective management of tax receipts by each country, and also an intensification of the process of European integration, which is becoming increasingly necessary in the field of taxation, both from the political and economic as well as the administrative point of view.

**Thomas Mann (PPE).** – (DE) Mr President, thank you Commissioner Kovács for your excellent work. Administrative cooperation between EU Member States in tax matters, which is my remit, is an ambitious project. It is necessary because tax evasion is no mere peccadillo. It affects countries across borders.

We have to work together to fight tax fraud and dubious tax havens. The view of the Member States that not everything can be solved at European level is a blatant error. Exploring the possibility of purchasing illicitly acquired data on fraudsters, which is legally problematic and an issue which we in Germany have been grappling with, should not be our only course of action. It may well be though that such purchase is necessary.

In this directive, I welcome, firstly, the planned automatic exchange of information between tax authorities; secondly, the enhanced procedure for the mutual exchange of staff between administrations; and thirdly, the urgently needed measure to relax bank secrecy laws far beyond the EU.

Admittedly, we need to remove some obstacles, particularly the clash between data exchange, on the one hand, and data protection, on the other. We need to strike a balance between the two and not allow one interest to prevail over the other.

Furthermore, cross-border dual taxation should be a subject of greater focus. I have spoken to a series of small and medium-sized enterprises operating simultaneously in different Member States. They say that the situation is far too complicated and that there is not enough transparency and experience, which is why they find themselves unable to take the right investment decisions. We have to consider that. We also need to reduce red tape and pay greater attention to what is actually necessary, so that tax administrations can help us work more closely together and simplify our procedures. If we can achieve that, if we can embed such simplified procedures into the everyday lives of businessmen, we will be making clear progress. This directive is an essential statement of our intention to do that.

**George Sabin Cutaş (S&D).** – (RO) Our debate on the subject of the proposed taxation reforms is taking place in a situation which is inevitably making an impression on fiscal policies. The economic and financial crisis is causing the rise in deficits worldwide which, in turn, increases the importance of the resources assigned to the public budget.

As has already been said, the latest reports on this subject highlight the alarming magnitude of tax fraud in the European Union, amounting to more than EUR 200 billion annually, equivalent to 2-2.5% of GDP.

Our fellow Members who have worked on these reports, to whom I would like to express my appreciation for their efforts, have presented us with a glaring picture of the extent of the fraud. The economic recovery plan proposed by the European Commission aimed at reducing the crisis's impact requires costs amounting in total to 1% of GDP. I believe that the situation requires strong anti-fraud measures and closer cooperation in tax matters between Member States, all the more so as the crisis has highlighted more than ever the negative aspect of the interdependencies between national economies.

Against this background, the proposal for a directive marks a step forward as it will bring European tax legislation into line with both economic developments and the strengthening of the European integration process. In this sense, the automatic exchange of information, the lifting of banking secrecy and measures to improve mutual assistance in recovering claims may contribute significantly to making administrative cooperation between the 27 Member States more efficient.

Finally, I would like to wish Commissioner Kovács every success in his future endeavours.

**Carl Haglund (ALDE).** – (SV) (initially without a microphone) ... the present directive is very welcome at a time like this when tax revenues around the world are diminishing. In a common market, there is no way we can accept the present situation in which taxable income can be concealed and remain untaxed in another Member State. As has been mentioned, the EU's Member States are losing out on billions of euros of tax revenue every year because of failures in the exchange of information between the Member States. I would also remind you that so long as some people are hiding their income and thus avoiding paying taxes, the rest of us have to pay more tax to make up for it. That can hardly have been the intention – at least, not in my view.

It is astonishing that some people are defending the prevailing system, which actually allows people to avoid paying their taxes. I realise that some Member States have a lot to lose, but are they actually presenting a credible argument? No, they are not.

We should promote international cooperation on tax and draw up common standards to prevent tax fraud, both at EU level and globally. At the same time, I would remind you that there are those who believe that the protection of privacy is important and must be adequately safeguarded. It is important to bear that in mind, since the system we are in the process of creating will otherwise lack credibility in the eyes of our citizens, and that is essential if we are to succeed.

**Sirpa Pietikäinen (PPE).** – Mr President, I think it has been painfully clear in this economic crisis that we either fail separately in the EU or we succeed together. It has been a very long process to get to the point where we might really have proper automatic exchange of information concerning taxation issues in the EU and full transparency, with effective administrative cooperation between the officials and nation states.

While we are asking the private sector – the banks – to be more transparent and more reliable after the financial crisis, I really do think that we need to urge it of our nation states and ourselves as well. I therefore welcome the steps that have been taken here, but there is a long way to go. I urge the Commission to be very

ambitious and very strong concerning international cooperation in order to have an international agreement on tax havens and automatic exchange of information.

**Seán Kelly (PPE).** – Mr President, taxation is absolutely vital for the running of countries – I think most citizens would agree with that. Nevertheless, many citizens do not welcome the paying of taxes with open arms and with a smile. This goes back to the time of our Lord, when he pointed out that one of the most despised species in his time was the tax collector, who was seen as a villain.

I am not sure if their status has gone up a whole pile in the meantime. Now they are regarded as Revenue Commissioners, but they probably would not win any popularity contests.

Nevertheless, side by side with that is the fact that, historically, those who evaded tax were sometimes seen as almost heroes, outfoxing the government. Now, thankfully, that too is changing, but at the same time, taxation evasion is rife throughout the country and throughout the world. Even in my own country, in the 1980s and 1990s, the banks themselves were providing offshore addresses for people for the purpose of evading tax. When that was found out, then, of course, the individual had to pay.

Now, what we need to do in the future is to ensure that tax evasion is cut down. The OECD estimates that 2.5% of global GDP is lost through tax evasion. Cigarette smuggling is a case in point, where cigarettes have moved from low-tax to high-tax economies, causing terrible damage to health and, of course, also to finances.

At the same time, the EU is limited by what it can do, because the Lisbon Treaty does not give it great competences in the area of tax. That came up in the Lisbon Treaty in the guarantees given to Ireland.

For that reason, there can be no common consolidated corporate tax base, and the principle of fair tax competition must remain. So what we have to do is, by collaboration, cooperation, conviction and persuasion, try and get things moving ahead – but we cannot do it by compulsion.

**Sari Essayah (PPE).** – (FI) Mr President, these proposals represent excellent efforts to facilitate the fight against tax fraud and improve cooperation between authorities.

We would do well to remember that taxation is never an end in itself, but is society's tool for implementing politically agreed objectives, including the equalisation of income distribution, the taxation of harmful practices, and the creation of an economic basis for common welfare services. A good tax system relies on a fair and broad tax base and reasonable levels of taxation.

Tax evasion and tax fraud eat away at the tax base and honest citizens and companies are left to foot the bill for the taxes that fraudsters avoid paying. As we have heard here, gross domestic product is now at crisis point in different parts of Europe. Tax fraud and evasion result in poorer GDP results to the tune of around EUR 200 billion a year. We really cannot afford this.

I would like to make a few comments about the reports themselves. When ways to combat VAT fraud are being considered, the notions of cost benefit, legal certainty and the proportionality principle need to be borne in mind. These are highlighted very obviously in Mr Casa's report. It is reasonable to focus, in particular, on goods and services that are susceptible to fraud in the fight against VAT fraud, and the reverse charge mechanism gives these Member States an opportunity to apply a reverse order arrangement, by way of derogation from the main principle of the VAT Directive.

Administrative cooperation is a way to supplement national legislations, but we need to remember that it will never replace them or result in their approximation.

Most controversial of all with respect to these directives has been the matter of information exchange. Effective information exchange between the customs and tax authorities in the Member States helps to combat abuse, and that is why I think that we should be promoting the exchange of tax records and not blocking it. In Finland, tax records are public knowledge and the country is one of the least corrupt in the world. This being the case, I cannot see how the automatic exchange of tax records might threaten to violate civil rights in the way some of my fellow Members seem to think it would.

**Paul Rübig (PPE).** – (DE) Commissioner Kovács, Mr President, financial legislation is, of course, a national responsibility and excites the self-interest of Member States. Here in the European Union, however, we should be thinking of how we are going to sustain the internal market, in particular, the four freedoms, in the future.

One of the main problems which we have to tackle here is, of course, dual taxation. Small and medium-sized enterprises (SMEs), which cannot keep track of all the legislation in this area, have particular difficulty offering

their services in other countries. The Commission should therefore come up with a proposal on how dual taxation should be managed, and it must be one which puts in place a straightforward and transparent taxation system for these enterprises because, ultimately, it is the credit rating of a company that determines whether it can survive in the market and whether it will stay solvent. I would also very much welcome a one-stop-shop for SMEs, so that they can have a specific point of contact and so that tax refunds can be paid out quickly, efficiently and transparently.

**Silvia-Adriana Țicău (S&D).** – (RO) I would like to mention the *e*-Government systems which have already been developed in different Member States to implement the following types of applications: payment of taxes via electronic means, as well as payment of VAT via electronic means, or initiatives such as *e*-Invoicing. We are talking about a new digital agenda for the next five years, which means that Member States need to use information technology to improve administrative cooperation in fiscal matters as well.

I believe that, at least as far as *e*-Invoicing is concerned, a high-level group was already created in 2008 which finalised a report and recommendations for the European Commission last November. Commissioner Tajani also made the commitment that during the subsequent period, he would come up with initiatives aimed at supporting *e*-Invoicing so that it would become widely adopted across all Member States. I would like to ask the Commission if and when it is going to come up with such a proposal.

**Nick Griffin (NI).** – Mr President, discussing tax cooperation during the current euro crisis is rearranging deck chairs on the *Titanic*.

The southern nations are known in English by the harsh acronym PIGS (Portugal, Italy, Greece, and Spain). However, those being crucified on the euro are not pigs but people, scourged by utopian one-size-fits-all dogma. Their economies will either die of a thousand cuts or be bailed out, to the ruin of taxpayers in Britain and elsewhere. There will be very little tax to cooperate over.

There are two ways out: either abolish the euro and return to the captive nations of this Strawberry Soviet their own currencies, or expel the ‘problem countries’ from the euro. That might be the PIGS. More justly, it would be Germany and her French collaborator, because running the euro according to German interests is the root of this shambles.

This endless crisis will destroy the federal project – tax cooperation and all. The tragedy is that it will grind so many innocent victims into poverty before it does so.

**Elena Băsescu (PPE).** – (RO) I would like to congratulate Mr Stolojan for all his efforts in drafting the report on the recovery of claims. The EU needs common legislation, enforced uniformly in all Member States for combating tax fraud and evasion. The internal market and a Member State’s budget can be affected by non-payment of any kind of taxes or duties. The free movement of capital and persons has necessitated the extension of the legislation’s scope of application. Compulsory social security contributions will also be included from the start of this year.

One important step in the process of recovering claims within the EU is the rapid exchange of information. The existence of common standard instruments and forms, which will be translated into all the official EU languages, will facilitate the relevant authorities’ daily work. A common automated system will enable queries to be resolved more quickly and at a lower cost.

**Udo Bullmann (S&D).** – (DE) Mr President, even as we today congratulate Mrs Alvarez, Mr Domenici and our other fellow members on their excellent reports, even as we congratulate Commissioner Kovács on his committed work and wish him all the best with his future work, and even as we express the hope that he will pass on to his successor the passion with which he has fought for a common tax policy, we must also then mention Member States, those Member States who continue to hesitate in taking action that is more than necessary in this crisis situation, action which will finally usher in better cooperation.

It is quite shocking that we still have not made any breakthrough on the question of the tax base. Anyone who thinks that they will be able to defend their sovereignty in this way will lose it, just as they will lose their tax revenue. Therefore, the main message of these reports is that we must forge better cooperation in Europe. Only that will lead to progress!

**Michael Theurer (ALDE).** – (DE) Mr President, ladies and gentlemen, the fight against tax fraud is a necessity. Of course, tax evasion and tax fraud are not the causes of the economic and financial crisis. It seems important to me to make it clear once again in this House that we must regain the confidence of the taxpayer through

simple tax systems and through low and fair taxes. However, that is not to say that we should not actively fight tax evasion and tax fraud, because any tax evasion undermines our sense of justice.

That also brings us to the subject of tax havens. Germany's neighbour, Switzerland, has voiced concerns that it is being placed under pressure. On this point, I would like to ask the Commission specifically: are proposals being made, or rather, are measures being taken to place Switzerland under particular pressure? My personal view is that Switzerland cannot afford to treat the EU any less well than the USA. Therefore, that means that Switzerland must actually join in our concerted efforts to fight tax evasion.

**László Kovács**, *Member of the Commission*. – Mr President, honourable Members, I have found the debate interesting and inspiring. Like most of you, I am persuaded that our efforts to combat tax fraud and evasion and to increase tax cooperation are worthwhile. I am grateful for your support and for the work of the four rapporteurs, and I am very grateful for the support for these important Commission initiatives.

Promoting good governance in tax matters is a complicated dossier containing several different issues. Your reports have covered virtually all of them, from the formal legislative proposal promoting administrative cooperation to our work with third countries. I was pleased to hear that many of you encouraged the Commission to be more ambitious. I fully agree with you, and I am sure that, with your support and with that of the governments of the Member States, the new Commission will be able to tackle the challenges ahead. I know that these files remain a priority for my successor. The Commission, Parliament and the Council should continue efforts for the approval of the legislative proposals which are on the table or in the pipeline and the work of the Code of Conduct Group on business taxation.

On the external aspects of the principles of good governance in tax matters, all actions mentioned in the communication should be promoted, with special attention to those related to developing countries.

As regards the specific proposals on administrative cooperation, mutual assistance in the recovery of tax claims and the optional and temporary reapplication of the reverse charge mechanism, I also want to thank you for your comments and views. I am glad to see that the European Parliament and the Commission share views on the action to be undertaken to better combat tax fraud and evasion in the European Union and beyond. I also see general support for the three proposals.

Achieving rapid progress and unanimous agreement on the proposal on administrative cooperation is one of the priorities of the Spanish Presidency. It is also now a priority for most Member States. The EU urgently needs to reach a unanimous agreement internally to be able to show, on the international scene, its determination to move ahead from the OECD standard and the G20 recommendations and pave the way for a future evolution at international level by proving it is able to develop fully fledged administrative cooperation.

It is clear that there is no one single and global solution for eliminating tax fraud and evasion, but the proposals we have discussed today are important steps forward within the framework of the European Union's anti-tax fraud strategy.

Finally, just one day before the end of the mandate, I would like to repeat my thanks for the support for the Commission's tax and customs initiatives and, in particular, for the cooperation of the ECON and IMCO Committees.

**Magdalena Álvarez**, *rapporteur*. – (ES) Mr President, I should like to refer to the reasons why we go beyond established OECD standards concerning automatic exchange of information.

Many arguments could be adduced in this regard, but clearly the OECD model relates to the broader framework of international relations in which the rules of the game are very different from those which apply in the European Union.

As Mr Kovács stated, there is a single economic area within the European Union in which tax information should enjoy the same freedom of movement as people, so that each Member State can apply its tax regime. What we have in the Union is a single market in which there are no barriers for goods or for people. There is therefore no reason to have barriers where tax information is concerned.

The Member States are part of a political project and the relationship between their tax administrations must be consistent with that political project. Political principles are at stake here, over and above issues of practical desirability.

I should also like to emphasise that national fiscal sovereignty is strengthened rather than weakened by combating fraud. In other words, the fiscal sovereignty of Member States will be strengthened as more effective instruments for the implementation of their own tax system become available to them. Thus, we should bear all this in mind and it is therefore incumbent on us to support this directive.

In addition, as Mr Klinz has rightly said, fraud is an offence. It cannot be justified by resorting to such feeble arguments as the high tax regimes in certain fiscal systems. On the contrary, I would go so far as to argue that if tax fraud were reduced, taxes could be lowered. We must certainly persevere in our efforts to simplify the various fiscal systems.

In conclusion, I should like to emphasise that the four reports and the four directives we are supporting have a strong deterrent effect, because when taxpayers realise that as a result of these provisions, fraudsters will have less room for manoeuvre and fewer safe havens available, the temptation to engage in such activity will be much less. Even if some individuals do attempt to engage in this activity, we shall have more effective instruments available with which to deal with them.

Finally, I must mention that these measures come at a most opportune moment, as the crisis has highlighted the dangers of a lack of transparency, transmission from certain countries to others, and the need for public stimuli. In this connection, I should like to refer to Mr Lamberts' support. He has made it clear that in times such as these, public finances must make a special effort to adopt measures aimed at economic revival and social protection so as to mitigate the effects of the crisis.

For all these reasons, today's citizens are more than ever aware of the seriousness of tax fraud and of its consequences for the economy in general. They are also eager for their representatives to take appropriate measures to deal with the matter.

**Theodor Dumitru Stolojan**, *rapporteur*. – (RO) I have listened attentively to the views expressed by my fellow Members. I also noticed the abstentions on the automatic exchange of information. However, I firmly believe that we in this Chamber, at European institution level, must show every European citizen who honestly pays duties and taxes that we are determined to adopt every measure to keep tax evasion to a minimum so that the decisions on recovering claims for duties and taxes can be properly enforced, no matter which Member State the debtor resides in.

#### IN THE CHAIR: MRS WALLIS

*Vice-President*

**David Casa**, *rapporteur*. – (MT) I, too, listened attentively to all that has been said and if I had to draw a conclusion from this important debate, it would be that we all agree that we must employ every means available to fight tax evasion and the different types of fraud that take place in various countries. We must accomplish this by means of measures such as those that have been proposed today, without harming the trade sector – particularly SMEs – and without increasing bureaucracy. On the contrary, I recommend that we must continue to reduce red tape in areas that frequently impede the trade sector.

We have to ensure that we do not penalise honest citizens who pay and do not evade tax. This also applies to those in the business sector, those who deal in cross border trade, and who do not evade taxes and therefore, who are not criminals.

Therefore, I believe that with these proposals, we will strengthen the credibility of the Emissions Trading Scheme and its related payments. At the same time, as I have pointed out, we need to reduce the administrative burden on honest businessmen and, moreover, we are ensuring that Parliament is kept informed throughout the whole adoption process of the reverse charge mechanism.

Like my fellow members, I believe that I should thank the Commissioner for all the work that he has carried out these past years. Mr Commissioner, obviously we have not always seen eye to eye, yet when we look back at the taxation sector I believe that today we have a fairer and more efficient system for our citizens, namely the citizens of the European Union.

**Leonardo Domenici**, *rapporteur*. – (IT) Madam President, ladies and gentlemen, I would like to express my thanks for the comments on our reports, the products of a collective effort. I hope that these comments are a good omen for a positive vote by the European Parliament.



I believe that – as Mr Stolojan and Mr Casa also said – our reports deserve support, if only on behalf of all our fellow citizens: honest taxpayers, who are the first to suffer from fraud and tax evasion. The aim is to make everyone pay, so that each individual has to pay less.

I would just like to make two comments. Mrs Lulling spoke, at the beginning of the debate, about tax colonoscopy. I know from experience that a colonoscopy is not a pleasant examination, even if it can be very beneficial to human health. In the sphere of tax, there is a very simple way of avoiding it: it is simply not to conceal, not to hide one's own income and not to evade one's legal obligations.

The second comment is that it is right to always be concerned about how public money is being used, but it is also right to do so when governments are forced to use that public money to bail out banks and financial institutions that have speculated their money.

**President.** – The joint debate is closed.

The vote will take place on Wednesday, 10 February 2010.

#### **Written statements (Rule 149)**

**Sebastian Valentin Bodu (PPE), in writing.** – (RO) VAT fraud is a criminal activity which has a huge impact on budgets, with illegal refund schemes being used in all Member States, Romania being no exception (for example, carousel fraud).

The reverse charge system introduced by some Member States, including Romania, has worked very well. However, it was also necessary to adapt VAT Directive 2006/112/EC to the current situation in order to keep the risk of illegal VAT refund schemes (the type based on fictitious exports) to an absolute minimum. This is why applying a reverse charge to products at a high risk of tax fraud is a reliable procedure which has a positive overall impact on the budget, even though there is a delay in payment to the national budget of the VAT accruing on the transactions liable for such a tax.

In conclusion, faced with the choice between receiving the VAT only at the end of the economic cycle when the finished product or service reaches the end user and avoiding fraud involving illegal VAT refunds, the first option is the correct choice. The ideal scenario would be for the reverse charge to be applied as a rule rather than the exception. However, this step should be taken after an in-depth analysis of the impact on the budget.

**Alan Kelly (S&D), in writing.** – I just wish to raise one particular point regarding cooperation on taxation between Member States. This was a major issue of sensitivity during the Irish referendum campaign on the Lisbon Treaty. There is just a note of caution I wish to give my colleagues in Parliament. Cooperation between Member States is the foundation of this Union; however, that cooperation has always been based on mutual consent. What we must be careful of in the field of taxation is not taking into account the needs of certain Member States. Certain countries need to apply rules differently: if, for example, a country is an island, or does not have a population to support a large, functioning market, it needs to use every advantage at its disposal to attract investment. I call on colleagues to bear this in mind when making proposals on this matter. Proposals should not interfere with subsidiarity. Any proposals will need the approval of Member States. It is not an unimportant element of this debate.

**Ramona Nicole Mănescu (ALDE), in writing.** – (RO) The tax-related initiatives discussed today play a particularly important role in the battle against cross-border tax fraud and evasion, issues which have a major political aspect and serious consequences for Member States' budgets. The promotion of good governance in tax matters requires action at EU level and outside the EU, as well as across Member States. We need strong measures, simple, transparent laws and, by extension, less bureaucracy. Last but not least, we need to ensure that citizens have access to assistance.

Measures such as guaranteeing transparency, exchanging information at every level, improving the assistance given to Member States, establishing effective cross-border cooperation and fair tax competition are essential objectives, especially now during the current financial crisis, when we have all seen how important the sustainability of tax systems is. The Member States with good governance in tax matters have been able to respond much more quickly and effectively to the economic crisis.

I welcome the Commission's initiative and the work done by the rapporteurs. I believe that there is the political desire to promote good governance in tax matters. However, we need to ensure that these proposals are more than just political sound bites and take action to implement them as quickly as possible.

**Marianne Thyssen (PPE)**, *in writing*. – (NL) Madam President, the tax authorities face a challenging task in the globalised, all-digital world. The detection of fiscal and social fraud is complex even in the internal market. Moreover, the lack of current European legislation on cross-border administrative cooperation between tax authorities is problematic. Therefore, the establishment of a taxation liaison office for each Member State to accelerate and simplify administrative cooperation between Member States merits our support. Currently, requests for tax information sharing take so long that tax administrations often simply decide against waiting for the information. The option of an automatic exchange of information proposed by the Commission receives my full support, for two reasons. Firstly, it will enable Member States to collect their taxes more efficiently, which, in times of crisis, is only fair and by no means a luxury. Secondly, it will mean operators in the internal market being treated equally. The principle of reciprocity in tax information sharing is also in line with the agreements within the OECD and the G20. This is an unmistakeable message for which the Belgian Court of Auditors also – rightly – made an urgent call not long ago. Therefore, I shall be endorsing the report by Mrs Alvarez with conviction.

## 15. GM/Opel: current developments (debate)

**President**. – The next item is the Commission statement on GM/Opel: current developments.

**Vladimír Špidla**, *Member of the Commission*. – (FR) Madam President, honourable Members, the present debate concerns a question of great interest to the European public: the public financing of the restructuring of the Opel/Vauxhall group by one or more European governments.

The Commission has monitored this question closely. On 14 July 2009, Commissioner Kroes and I raised the case of the Opel/Vauxhall group with you here in the European Parliament. The Commission has also organised several informal meetings with the European ministers responsible for this matter.

As you know, in autumn 2009, General Motors decided to keep hold of Opel/Vauxhall and to restructure the company. At the end of November 2009, General Motors presented a summary of its restructuring plan to the services responsible for competition.

Although the role of the Commission does not usually involve prior assessment of the industrial and commercial rationale behind a restructuring case, in the absence of information from the Member States on potential State aid for the plan, the Commission's services undertook such an assessment at the request of the Competitiveness Council.

On the basis of the content of the General Motors restructuring plan and of the information supplied to the Commission, it would appear that this restructuring plan is not based on non-economic considerations, which would damage the future viability of the Opel/Vauxhall group's European operations.

The current General Motors plan shares a number of characteristics with other restructuring plans prepared previously by General Motors itself and by other interested investors, and does so in certain key areas. It is consistent with earlier General Motors decisions taken before the start of the crisis, in particular, on the issue of allocating a particular model to a particular production site.

Moreover, General Motors has given an economic justification for its decisions relating to the reorganisation of its production plants across Europe by referring to the specific situation of the individual plants. These decisions seem to be motivated by considerations such as the range of models allocated to different sites in Europe, the respective life cycles of the various models, the respective production volumes for a given model that is currently produced at more than one site, the relatively low level of extra investment required to further centralise the production of a given model, the value to the plant of certain upstream processes, and so on.

I understand that General Motors has yet to discuss this plan with the workers' representatives, who are expected to make commitments in order to allow significant cost reductions to be made in Europe. The Commission will remain vigilant and will ensure that, where State aid is involved, the restructuring of Opel/Vauxhall will remain based on economic considerations, that it will not be influenced by non-commercial conditions linked to State financing and, in particular, that the geographical breakdown of the restructuring efforts will not be affected by political demands.

The Commission will continue, of course, to monitor closely all developments within the Opel group. In this context, you are surely aware that, on 21 January 2010, General Motors officially announced its intention to close the Anvers site in 2010. I understand the concerns caused by the announcement of thousands of job losses at that plant.

It is sad to see that the Opel/Vauxhall group deems plant closures necessary. I must stress that this decision was taken by General Motors alone. The Commission cannot, and must not, seek to stipulate the location in which these reductions will be made. It is unable to avoid them, but it can anticipate their consequences.

The Commission, in coordination with the Belgian authorities, stands ready to use all of the resources at its disposal to assist these workers. The possibility of Belgium presenting a request for assistance under the European Globalisation Adjustment Fund has been discussed. This is certainly one option to be explored and, at first sight, it would appear that this request for assistance, were it to be confirmed, would meet the required criteria.

**Ivo Belet**, *on behalf of the PPE Group*. – (NL) You say you mean to remain vigilant, but I think that is rather insufficient. We believe that the position of General Motors in Europe is unacceptable.

General Motors is counting on securing State aid from several national and regional governments in the European Union, one of the intended purposes of which is to cover the social costs of the closure of the Antwerp plant to which you refer. This kind of thing is unacceptable, Commissioner: unacceptable both to the workers and to Europe.

In our opinion, this dossier is a very important test for you, a very important test of the credibility of the European Commission. We cannot allow such things, as this would set a huge precedent for other dossiers in future. Commissioner, this is an example of the protectionism that keeps rearing its ugly head, and it is unacceptable. It undermines the foundations of the EU and, moreover, it is always the smaller countries who have to suffer, as this case has proven once again.

In the last few months, the EU governments have let themselves be divided like altar boys, as it were, by the Americans of General Motors, and it is clear that this cannot be repeated. It can be prevented only by means of a common European approach.

In today's German press, your colleague, Neelie Kroes, the Commissioner for Competition, says that State aid in the automobile sector is possible only if this aid is channelled towards the development of innovative and environmentally friendly products. We agree with this, but it is much better that such things be coordinated at European level than, as is currently happening, that they be the subject of separate negotiations between the various European countries and General Motors, as this is a road to nowhere.

Besides, making a single, joint European offer to General Motors would put us in a much stronger position, of course, and also enable us to demand guarantees in the social field – which must surely be close to your heart – and the employment field. After all, why should it not be possible to open up new prospects for the workers at the relevant Opel plant in Antwerp, and naturally also for the workers at the other Opel plants in Europe who have been affected?

It is not yet too late for this, Commissioner Špidla. We believe that, in the case of such cross-border restructuring operations, the European Commission itself must take the bull by the horns and set to work on a proactive policy instead of just watching and waiting. What does this mean in specific terms? It means launching a common strategy, taking much more dynamic action and, primarily, making much more vigorous use of all the European instruments at our disposal and combining them, instead of acting in disarray as we are doing at present.

In my opinion, we have been far too soft in our action on this dossier up to now. The European Commission stood by as General Motors triumphed. This has to change, in the interests of the workers, as they are the ones to suffer from the current lack of European political will.

My second point is just as important, Commissioner. Today, the European Ministers for Industry are meeting in Spain to launch a European action plan for the automobile sector. I believe we have an urgent need for this. You, the European Commission, must bring together the major industry actors to ensure that our automobile sector, too, does not become swamped with Chinese products in the near future. This coming Thursday, the Heads of State or Government of the European Union are meeting for an extraordinary European summit in Brussels at the instigation and on the invitation of our President Herman Van Rompuy. There is just one item on the agenda: the enhancement of European economic cooperation.

Commissioner, let us begin with the automobile sector, as this is and remains our most important industry. It is a real pacesetter for economic renewal, and has the potential to be a powerful force for employment.

**Kathleen Van Brempt**, *on behalf of the S&D Group*. – (NL) I urgently requested that this issue be discussed in plenary once more, not only because it concerns thousands of workers in my back yard, Antwerp in Flanders – you will see that many Members of the European Parliament will take the floor on this issue – but also, in particular, because it concerns a pan-European restructuring operation involving the closure of one plant and the loss of thousands of other jobs. Thousands of people – men and women and their families – face a gloomy future.

I believe that these people are looking to the European Union today with a mixture of hope and fear. Do they have good reason to hope? Perhaps. I should like to ask you, Commissioner and Commission, what your further plans are, as I make no secret of the fact that I am extremely disappointed with Commissioner Kroes' further reiteration today that, in the event of the dossier coming up for discussion, she will apply the rules on State aid.

I am also disappointed with your response and position today, however. Naturally, if the closure ever goes ahead, we shall have to ensure that people are offered assistance. Yet today, we are looking for a quite different European Commission, one that takes this dossier to heart and plays the political role it should be playing. It can start by requiring Opel's European management to put the business plan on the table at long last and to provide full access to the economic and other arguments forming the basis for this decision. After all, as I am sure you know, the European management in Antwerp, for example, has received very large amounts of aid and resources from both the Flemish and the Belgian authorities in recent years to enable it to remain competitive. Now all of that is being brushed aside, and there is no strong European Commission to do anything about it.

My second message, which is also a very definite request to the Commission, is that I should like to see the Commission taking much clearer action and being much less compromising in future when it comes to restructuring operations. If two businesses merge, the European Commission must be notified, so why can this not be the case with restructuring? Why can the Commission not apply the same economic and social criteria to restructuring operations? Only then will there be a clear vision for both industrial policy and a social Europe. That is what the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament is calling for.

**Guy Verhofstadt**, *on behalf of the ALDE Group*. – (NL) First of all – as has already been said here, of course – the events in Antwerp have dealt a heavy blow to thousands of families, and also to the workers in the supply companies. Yet I have to tell you, Commissioner, that I was rather shocked by your words.

Firstly and most importantly, you say that General Motors bears responsibility, as though no responsibility lies with either the regional, Belgian, or European authorities. As I said here last time, given that we are talking about a cross-border matter – one involving several countries – and about the restructuring of a company, the Commission should actually have taken ownership of the matter in order to ensure compliance with the European rules. It did not do so, instead leaving it in the hands of the Member States – Germany – and then of the management of General Motors.

I would urge the Commission, in future cases of the restructuring of multinationals in Europe, to take ownership of such dossiers within the framework of its industrial policy rather than merely acting as coordinator between the various Ministers for Economic and Financial Affairs.

Secondly, Commissioner, I was shocked to hear you say you are still not in possession of that dossier. It is all over the press that EUR 2.7 billion in State aid is to be handed out, and then the Commission comes and tells us that it does not yet have a business plan or dossier. In my opinion, it is high time the Commission not only obtained the dossier – simply went to get it – but also, at long last, looked into whether this is a case of unlawful conduct. After all, it is indeed a case of unlawful conduct. State aid can be provided only for the development of new, innovative products.

Yet it appears that the EUR 2.7 billion requested from several EU Member States to keep their companies open is simply to be used in the context of general aid to keep the European plants, the European activities, going. It is time the Commission took this in hand and not only made statements – as Mrs Kroes and you have done – but also had its services actually obtain the business plan and take a look at whether or not illegal aid has been granted.

**Bart Staes**, *on behalf of the Verts/ALE Group*. – (NL) I do not know whether you realise this, but the credibility of Europe, of the European Union, is at stake here in the minds of thousands of families, of a large proportion of the European population.

We have already held this debate, last September. Even then, it was clear that the reaction of the European Commission was actually very hesitant. Commissioner Kroes did say at the time that she would investigate the matter for proper compliance with the competition rules; but, since then, little has happened, as Mr Verhofstadt pointed out. Evidently, the European Union does not have access to the business plan, even though – as we all know from the press – Opel is to request EUR 2.7 billion in State aid. Hence we all – MEPs and ministers in the regional and federal governments – feel that we are running behind the facts. That is unacceptable, Commissioner; these are vital matters.

I have to say that, since Mr Reilly of General Motors communicated the decision to us, I have received masses of emails with subject lines such as 'Worthless Europe' and 'Europe can get lost, it does nothing for its inhabitants'. This is the way people feel. Therefore, when I hear one of your colleagues, Commissioner – Commissioner De Gucht – say that the Commission does not even have access to the business plan, I find this absurd. At a time when we shall soon have to look into whether it is permissible to promise that EUR 2.7 billion in State aid on the basis of a recovery plan, of a study by an independent consultancy, and at a time when all of us in Flanders know that Opel does indeed have prospects, I say to you, Commissioner, that you are being defeatist here. This is your last speech in Parliament, but I expect more decisiveness from you in this House. I expect more decisiveness from the Commission. I also expect – and here I agree with Mr Belet – very tangible plans to put the car industry back on track and give it a real future oriented towards what the Group of the Greens/European Free Alliance calls the Green New Deal: a combination of the mobilisation of resources for the benefit of the climate with an environmentally sound approach.

**Derk Jan Eppink**, *on behalf of the ECR Group*. – (NL) Following the closure of Opel Antwerp, the question arises as to what scope remains for industrial policy. General Motors is a company that has lost its competitiveness as a result of the excessive pension costs exacted by American trade unions. The centre of American car manufacturing has already shifted to the southern United States, where the trade unions are weaker, and this includes German and Japanese car manufacturers.

General Motors is an illustration of what happens if labour costs become too high. The Flemish economist Geert Noels said recently that labour costs in Belgium have risen sharply since 2000; which, incidentally, was during the government of Mr Verhofstadt, who is present here today. In Germany, labour costs have been falling since the same period. Noels believes this is the reason for the closure of Opel Antwerp. Industrial policy requires that we maintain our competitiveness, Mr Staes.

Let us look to the future for once. What is the situation with the chemical industry in Flanders? It employs 64 000 directly and a hundred thousand indirectly: well over 160 000 people earn their living from the chemical industry. Recently, however, the German chemical company Bayer decided to relocate from Antwerp, and that is a bad omen. The car industry must also contend with the consequences of an anti-car policy propagated by the Greens. One cannot demand an anti-car policy whilst also demanding that car plants be left open. Cars are being rendered unaffordable, as people should be taking the bus. Cars are becoming too expensive for people on lower incomes. The result is that less cars are being sold, and now look at Opel Antwerp.

The chemical industry has to contend with European climate policy. Now that the conference in Copenhagen has failed, will Europe start to go it alone in reducing its CO<sub>2</sub> emissions by 20% by 2020? That would put paid to the Flemish chemical industry in the same way as high labour costs have put paid to Opel Antwerp. Madam President, an end to the Flemish chemical sector would be Opel Antwerp times 54. If Flanders neglects its chemical sector, it will become Greece on the North Sea, as the Flemish entrepreneur Thomas Leysen put it, and I hope my Flemish friends take note of this.

*(The speaker agreed to take a blue card question under Rule 149(8))*

**Guy Verhofstadt (ALDE)**. – (NL) I should like to say to Mr Eppink that, between 2000 and 2009, we did make sure that Ford remained open in Belgium, that Volkswagen stayed open and that the Audi 1 is going to be manufactured there, and that this was achieved through a reduction in costs: labour costs, through shift work. As a result, these companies have stayed in Belgium and made new investments.

It is my conviction, therefore – and I ask Mr Eppink if he shares this conviction – that Opel is indeed a profitable plant that would be able to stay in Belgium if we continued with that policy.

**Derk Jan Eppink (ECR)**. – (NL) I think Opel Antwerp would have had a future if it had not been for the crisis and the collapse of the whole concept of General Motors.

What Mr Verhofstadt cannot deny, however, is that recent years have seen a decline in the car industry in Europe and also in Flanders, and Mr Noels, the economist to whom I referred, has said that high labour costs were one of the reasons for the Americans closing Opel Antwerp instead of one of the others. Opel Antwerp was an efficient plant, but then that is also said of Opel in Luton, United Kingdom, and also the German plants, hence my belief that high labour costs always have an erosive effect on industrial policy, one that must be prevented if we want to maintain employment.

**Patrick Le Hyaric**, *on behalf of the GUE/NGL Group*. – (FR) Madam President, Commissioner, I have heard your explanations and I must tell you that I am alarmed. All that you have done is defend the General Motors plan. If you supported the general interest, you would defend and speak a little more about the workers. General Motors is not closing Opel Belgium because it is in difficulties: it has made a EUR 3.4 million profit, but this has not prevented it from getting rid of 2 600 jobs. Let it not be said to us that this is for geographical reasons, because General Motors is getting rid of 10 000 jobs all told.

In truth, they are closing down here so that they can go and exploit workers in South Korea; that is the truth of the matter, Commissioner, and we should be told as much. I would add that this is not happening against a backdrop of European solidarity because one Member State – Germany – is promising additional aid to Opel and is allowing the Anvers plant to close. In other words, there is no solidarity between us. And you, you are endorsing the closure by telling us in advance that a small amount of social aid will be used as a sticking plaster to ease the workers' pain whilst General Motors continues to reap its profits!

Well, this kind of management is antisocial; it is working against the territories of the European Union and is creating an enormous mess, as we can see currently at Toyota, where hundreds of thousands of cars are having to be recalled. It is even a threat to driver safety. Radical change is now required. The Commission must serve a purpose; let it serve the interests of the European people.

Those are the reasons why I shall be calling on the new Commission to draft a European directive which makes consultation of works councils and group-level works councils mandatory and which gives them powers to monitor the use of State and European Union aid. Such aid must be accompanied by a clause guaranteeing employment, training and wages, but it must also give impetus to a European strategy for cooperation between car-making groups in the fields of research and of the production of new, clean vehicles.

To this end, the European Central Bank must refinance national banks with a loan, which would be all the more beneficial because it would be used for employment, training and investment in research and for the development of a new generation of environmentally friendly vehicles.

Finally, we propose to draft a European regulation that obliges groups to include their financial companies and all of their holding companies in their accounts, so that the authorities and the trade unions have an overall view of a group's economic situation, rather than a case-by-case, factory-by-factory view, the sole aim of which is, in fact, to disarm the workers and confront them with a *fait accompli*.

**Paul Nuttall**, *on behalf of the EFD Group*. – Madam President, may I first say that I have sympathy with the workers in Antwerp, but I would like to point out another couple of issues regarding the EU and General Motors.

Spyker Cars becomes Saab Spyker in a EUR 400 million deal but, make no mistake, this is not a normal commercial deal where one company pays and another company is paid. This is a Commission-style deal which is more suited to a command economy. Spyker pays, but using money from the European Investment Bank. In other words, the European taxpayer pays and the whole deal is underwritten by the Swedish Government. Of course, only the risk is underwritten. General Motors will still take a share of the profits and Saab Spyker will be obliged to buy fully assembled cars from another General Motors plant, one located in that well-known European nation of Mexico.

Why are we saving jobs in Mexico with European taxpayers' money? Can we not rebody Vectras at the Ellesmere Port plant in my constituency? For that is all Saab has been reduced to.

And it is also common knowledge that General Motors and the European institutions have a special relationship. The European Bank for Reconstruction and Development has pumped over EUR 160 million into General Motors' operations in Russia and Ukraine, and it owns a 30% equity stake in the General Motors manufacturing plant in St Petersburg.

So I would like to ask the Commission why such extravagant financial support is available to countries such as Ukraine and Mexico but is never available to British companies. Rover could have been saved for a fraction

of the price, and jobs probably could have been saved at Rolls Royce in Netherton on Merseyside, in my constituency, but at the moment, General Motors jobs in my constituency in the north-west of England are still at risk and yet the Commission is using my constituents' tax revenues to secure General Motors jobs in Mexico and Russia.

**Philip Claeys (NI).** – (NL) The closure of the Opel plant in Antwerp is a disaster, not only for the workers and the supply companies, but also because a development is clearly perceptible whereby all forms of industrial production in Flanders and elsewhere in Europe are being cut back.

The Commission is to investigate whether State aid, if this is forthcoming, complies with strict conditions. Yet it should be possible to grant temporary State aid to a company such as Opel Antwerp provided such aid is channelled towards a conversion to more innovative production. Obviously, the aim cannot be to keep whole industrial sectors alive artificially for ever more, but we must bear in mind that Opel Antwerp is a profitable plant with highly skilled workers, high productivity levels and modern equipment.

I refuse to believe, therefore, that we are dealing with a kind of industrial dinosaur that is doomed to extinction in the very near future. In this debate, we have heard renewed pleas for another big rush ahead. Some say that Europe should take on even more powers, on the assumption that more Europe automatically produces a better Europe. Yet it would be good if the EU were to take a flexible yet consistent position within the framework of its current powers, for example, by ensuring that the rules apply as much to Germany as they do to Flanders, that the larger Member States do not get away with more than the smaller ones.

I should like to conclude by addressing a few words to the representatives of the Belgian parties in office. You are partly responsible for making Belgium one of the most expensive countries in Europe for industrial production. You have ensured, by dint of an oppressive tax burden, that Flemish workers cost significantly more than their counterparts in other countries and that, at the same time, they have less to show for it – this is also a factor – and it is time you gave this some more thought.

**Jutta Steinruck (S&D).** – (DE) Commissioner Špidla, Madam President, the Commission should protect European interests and on that point I agree with what previous speakers have said. The Commission should reconsider its approach.

From tomorrow, General Motors will be trying to rake in EUR 2.7 billion worth of public aid across Europe, without contributing a single cent of their own. We have to make it clear that Europe, i.e. the Commission, will not make any money available if that means that further plants will be shut down or that production will relocate outside Europe. However, at the same time, Member States should not support General Motors' plans to that effect and should not think only about saving their own plants.

We should not allow workers to be played off against one another, nor should Member States allow themselves to be so, because any such divisions would result in further off-shoring. The European taxpayer and Opel's other workers in Europe should not foot that bill. Nobody will understand that over there! People want to understand what the European Union is doing. Whatever plans General Motors might have for Europe, the Commission should ensure that they play to European rules.

The European Works Council has proposed a solidarity-based solution and a sound financial rescue plan for Opel, whereby all the plants would remain in Europe and whereby adjustments would be made in all plants on the basis of solidarity. Management should not be allowed to ignore this plan, nor should Mr Reilly and his colleagues disregard the consultation process with the European Works Council or the rights of consultation and participation which we have secured for European workers. A solidarity-based European solution for Opel is possible, but the Commission must get involved.

**Frieda Brepoels (Verts/ALE).** – (NL) I am delighted that the Opel dossier is back on the agenda today, although I note that the European Commission statement contains very little news.

Commissioner, you spoke at length about the informal meetings that have been held based on a summary of a plan, but I did not hear you say anything about a real business plan. You also said you did not have the impression that the plan was based on non-economic considerations; I should like you to tell me what aspects of that plan or dossier you are referring to. You say that the Commission has no control over where the jobs are to be lost. This is true, but you could look into things, you could test criteria in respect of the business plan, you could examine whether they are indeed in line with European restructuring and competition legislation, but we have heard nothing about any of this today.

Yet your colleague, Commissioner Kroes, made us very clear promises in the September plenary. She said that the Commission would never accept taxpayers' money being used to serve national political interests. When I note that, apart from Mr Belet, no members of the Group of the European People's Party (Christian Democrats) are speaking here today – and certainly no German ones – I think this is very telling. The way I see it, Germany has hauled in the loot; but this is very tough on the Antwerp Opel workers.

**Evžen Tošenovský (ECR).** – (CS) Madam President, Commissioner, the Opel case shows us how debatable it is – as has emerged clearly from our discussion – and how difficult it is to intervene via political decisions in solutions to the economic woes of commercial enterprises.

Some months ago, we discussed here the possibility of financial assistance to Opel from the German Government. We all understand very well the important position of that company and the effects of its potential difficulties, particularly on the thousands of employees, as well as the related impacts on supplier firms and also, of course, on increased costs for State social systems in case of a catastrophic course of events. Despite this, many of us warned against political decisions on large subsidies from the public purse.

As we can see today, neither the so-called scrappage schemes nor the sizeable planned financial subsidies have solved the problem. On the contrary, they seem only to have postponed the issue and added to the economic problems of the company, and we are not even sure whether these are real problems or tactics of the company. A crisis situation is currently affecting a certain section, with the Antwerp firm getting into a very difficult position. We can only speculate as to why it is that the problem is affecting precisely that part of the company which lies outside the country of the parent company.

The Opel case is acquiring one further dimension. We are getting into a disagreeable solution for a multinational company when we start discussing the nationality of specific parts of the firm. The problem of the firm then becomes a problem of various countries and a solution at the European level becomes very difficult. In the given situation, the European Parliament should remain in the position of a body demanding compliance with the adopted rules of the EU Member States in such a way as to avoid interfering with the competitive environment while accepting the principle of subsidiarity. It is, at the same time, very dangerous if such complicated economic problems of large firms can provoke rivalry between EU Member States with signs of protectionism in a specific branch of industry.

**Evelyn Regner (S&D).** – (DE) Madam President, I am an Austrian and I have asked for the floor because European law is being broken and because this case is topical and, as such, it concerns us all. The case of Opel Antwerp is not, as Opel Management would constantly have the public believe, primarily about shutting down plants in order to address surplus capacity arising from fewer cars being sold. This case is about off-shoring to South Korea, a breach of contract on the part of Mr Reilly, Head of Opel-Vauxhall, a violation of workers' rights and their rights and those of their representatives to information, consultation and participation. Ultimately, this is about cherry-picking, in other words collecting, or attempting to now collect, EUR 2.7 billion in public aid. Mr Reilly negotiated the Delta Framework Agreement with European Works Councils only to then break it. The car models that were supposed to be manufactured in Antwerp are now most probably going to be manufactured in South Korea, and European workers will ultimately have to foot this bill through pay restraint.

Another point which causes me much concern is the issue of management overheads, which are also supposed to be reduced by 30%, but those of Mr Reilly are being increased from the legally stipulated 7% to 21%. This means that the German right of participation is being flouted. I therefore call on the Commission to pay regard, not only to the question of efficiency in the determination of State aid, as you have said Commissioner Špidla, but, above all, to compliance with the rights of information, consultation and participation.

**Olle Ludvigsson (S&D).** – (SV) Madam President, we are currently facing what is probably one of the worst economic crises that any of us in this House has experienced. The car industry is one of the industries that has been hardest hit. Once again, we are facing a situation in which there is the risk of closure of a European car plant. This affects not only the car plant itself, but also its subcontractors and those who work for the subcontractors. This is not just a personal tragedy for the employees who will lose their jobs, but also a major problem for Europe because it weakens a very important branch of industry.

Globalisation will bring changes and we are seeing enterprises relocate their operations to other parts of the world. When enterprises relocate to other countries because employees in those countries have worse conditions, poorer working environments and fewer union rights, then there is cause to review the arrangements in our trade agreements and other instruments.



We also need to discuss what we can do together to address this problem of competing with countries that offer workers worse conditions – both within the Union and in respect of third countries. We also need to act in unison to prevent enterprises playing off one Member State against another. A European plan for the car industry must be forward-looking and based on knowledge and development, not on poorer conditions.

**Inés Ayala Sender (S&D).** – (ES) Madam President, I should like to begin by expressing our full solidarity with Opel workers and with their families. We also stand in solidarity with workers employed in companies supplying Opel and their families. These people have endured several months of uncertainty leading to a plan which calls for State aid and sacrifices by the workers.

This situation will affect the plant at Figueruelas in Spain too, and all who are employed there. Consequently, and also in order to prevent similar situations arising in the future, we call on the Commissioner and the incoming Commission to devise a new active industrial policy, notably for the automotive sector. Such a policy must involve monitoring and acting to avoid non-investment such as that which left several companies like General Motors and Opel in impossible situations whereby the workers bear the brunt of the consequences.

The Commission cannot remain a mere observer. Thus, we also therefore call on the Commission to rigorously verify and check the content of the Opel plan, as it still seems very imprecise as regards issues pertaining to viability. The only areas in which it is clearly defined relate to the sacrifices expected of the workers and the local area.

We also call on the Commission to act as is incumbent upon it to ensure that any action taken regarding financial viability is agreed to by the workers and their representatives, which has not always been the case in the past. As to securing the future of Opel Europe, once again we call for future projects to comply with genuine economic and industrial viability criteria in a European framework, to avoid a repetition of situations such as the one we are now faced with and ensure that the European automotive industry becomes an innovative and sustainable sector with a future.

The citizens who follow our discussions and decisions on the vehicles of the future still wish to travel in safer, more comfortable and more sustainable vehicles that comply with the high European quality standards to which they have become accustomed. Consequently, they also wish to see European workers continuing to deal with these cars in the future.

**Seán Kelly (PPE).** – Madam President, firstly, I would like to empathise with my Belgian colleagues as I am involved with the Dell workers in my own constituency who lost their jobs when the factory relocated to Poland. I can understand their position perfectly well. From my experience, I would point out a few things to them.

Firstly, it is absolutely paramount that the help is activated as quickly as possible because, once the clock starts ticking, the Commission's hands are tied and they cannot extend it without legislation, and that will not happen for some time, if at all.

Secondly, whatever help is given must be worker-centred, not to workers fitting into preordained courses, etc. that state agencies may have. That is absolutely crucial. I am involved with the workers at Dell and that particular issue at the moment. So I would say to my colleague, Ivo Belet, and others that it would perhaps be interesting for us to get together, exchange experiences and keep working as this process progresses. I endorse it completely.

**Silvia-Adriana Țicău (S&D).** – (RO) I would like to begin with three vital questions. What lies ahead for Europe's industrial policy? Which direction is the European economy's competitiveness going in? Lastly, what is going to happen with Europe's labour force and, by extension, European citizens' quality of life?

At the start of this year, the unemployment rate in the European Union reached 10%. This figure is 20% in countries such as Latvia and Spain. This is why I believe that this is such an important subject. It is also the reason why I think that, in the case of a European multinational corporation where a restructuring process is being carried out, it is important for trade unions from other Member States to be involved in the consultation process, as well, as part of the European works council, and not only from the State where the corporation has its head office. I believe that, as Commissioner for Employment and Social Affairs, you, or the person who is going to take up this post, can impose this measure.

**Ilda Figueiredo (GUE/NGL).** – (PT) Madam President, Opel had a large factory in Portugal, in Azambuja, and employed a total of almost 2 000 workers. However, the company closed down, abandoned production

in Portugal and moved to Spain. This left behind a trail of unemployment affecting thousands of workers who were either directly or indirectly affected by Opel's strategy.

It should be noted that the company did not do this because of wages, which were lower in Portugal than they were in Spain. The company did this as a means of increasing production, without considering the social consequences of its decision. It is therefore necessary to remember Opel's history and to act in an effective manner when monitoring its activities. We must remember that as far as State support for multinationals is concerned, we have to support industrial production, workers' rights and the rights of communities in affected areas, and we also have to guarantee trade unions and other workers' representatives that we will intervene in an effective manner.

**Krisztina Morvai (NI).** – Madam President, it appears that the main law or the main rule of globalised neoliberal capitalism is for a small group of the rich to privatise profit and to nationalise the losses and the damages and have it paid for by taxpayers, most of whom are poor people.

What does this have to do with justice? What does this have to do with morality? Or are these not concepts that can be used in the context of the economy? Is this not a system that is fundamentally wrong? Is there not something structurally wrong with this system? And should we not as the European Parliament and the European Union start reconsidering the whole structure – the whole system as such?

**Czesław Adam Siekierski (PPE).** – (PL) Madam President, the latest announcements of group redundancies in EU Member States, including those announced by the Opel concern, are in line with the broader wave of problems being experienced in recent times by the motor industry and other industries as a result of the economic crisis. In the context of the problems of the motor industry, we should ask ourselves the following question: in order to save jobs, is it acceptable to give State subsidies to motor concerns or other producers? Over the last year or two, we have had many examples of such State protectionism being extended to the producers of various goods, and also a variety of reactions and decisions from the European Commission. This has met with a dubious reception from public opinion. On the one hand, it has been pointed out that such subsidies distort competition in the international market while, on the other, it has been stressed that it is essential to fight rising unemployment and that State aid certainly serves this end.

In my opinion, in a period of economic crisis, a more flexible policy is needed in this area – a policy which has been agreed by Member States and the European Commission and is the same for this sector as for other sectors.

**Jutta Steinruck (S&D).** – (DE) Madam President, I have a comment to make on what our fellow Member has said about there not being enough German MEPs attending this debate. Although I am a German Social Democrat, I share your criticism of the Minister of North Rhine-Westphalia, who is a member of the CDU, having said that he was pleased that it was the plant in Antwerp, rather than the one in Bochum, that was being closed down. We, the German Social Democrats, are in favour of a European solution, in other words, the plan put forward by the European Works Council. Let me say this very clearly once again: I have no idea why the German Conservatives and Liberals have shirked this debate.

**Vladimír Špidla, Member of the Commission.** – (CS) Ladies and gentlemen, the debate has touched on a range of issues, some of which are topics of discussion for the next Commission, in my opinion. The discussion will undoubtedly be very profound, covering the overall concept of industrial policy, the overall concept of State aid and other issues as well.

As far as the case raised here is concerned, in other words, the Opel case, it does not involve industrial policy as such. It is clear that the Commission has room for manoeuvre within the framework of the treaty. I think I can state with some satisfaction that the Commission has so far made use of all the possibilities open to it under the treaty and has made use of them even in ways that were not entirely conventional. I could mention the two meetings planned by my colleague, Günter Verheugen, where Member States discussed the situation as it stood and, to some extent, this undoubtedly enabled a coordinated approach. The assessment of plans *ex ante* was similarly unconventional. I have to say that the structure of EU law does not offer a form of solid legal basis for such approaches. Despite this, in view of the importance of the issue, it was used.

As far as the issue of State aid is concerned, no State aid has been negotiated so far, no state has been proposed and it is up to the Commission to assess finally whether State aid is being provided within the framework of the rules. I firmly believe that the procedure here must be as strict as possible, because we cannot allow such a serious decision to be motivated by factors of a non-economic nature and for a situation to come about where, instead of competition between companies, we have states competing to offer the largest subsidies.

From this perspective, the Commission will assess the plan for State aid very strictly, as well as all of the circumstances connected with the State aid, of course.

In my last speech about three months ago, I stressed that we were doing everything to ensure compliance with all of the rules over employee consultations. This is what we did and this is what we continue to do. We will not hesitate in the meantime to adopt all the measures which the legal structure of the European Commission affords us. I believe that my successor will be no less strict in this.

Ladies and gentlemen, I believe that this case opens up a whole series of questions which must be discussed and I also believe that the Commission has a duty to make the best use of all available options in this area.

I would like to stress one final thing which I mentioned earlier in my introductory speech: if any employees are laid off – and it has been mentioned in the debate here that General Motors is considering laying off around 8 000 to 10 000 employees – then the impact of this affair will undoubtedly reach beyond Antwerp. The Commission is again using and mobilising all of the instruments at its disposal which are useful in such a case. This includes the European Social Fund and the European Globalisation Adjustment Fund.

We will make every effort to ensure that this matter is decided on as quickly as possible. Parliament has an active role here of course, because the proposals put forward by the Commission can become a reality only after they have been discussed by Parliament.

Ladies and gentlemen, all EU aid must first be directed at people and not at companies, and that is also a fundamental framework for all of our decision making.

**President.** – The debate is closed.

#### **Written statements (Rule 149)**

**Veronica Lope Fontagné (PPE)**, *in writing*. – (ES) Madam President, ladies and gentlemen, I simply wish to express my solidarity with the families of all those affected by the dreadful news of the closure of the Antwerp plant. We are thinking not only of all those who will be directly affected and lose their jobs, but also of all the subcontracting companies that will suffer as a result. We must keep them in mind too. The Figueruelas plant is in my region, Aragón, so this matter affects us directly. We therefore advocate an active policy for the automotive sector, with new models that are more environmentally friendly and innovative and lead to the creation of new jobs.

### **16. Equality between women and men in the European Union — 2009 (debate)**

**President.** – The next item is the report by Marc Tarabella, on behalf of the Committee on Women's Rights and Gender Equality, on equality between women and men in the European Union – 2009 (COM(2009)0077 – 2009/2101(INI)) (A7-0004/2010).

**Marc Tarabella**, *rapporteur*. – (FR) Madam President, ladies and gentlemen, first of all, I wish to congratulate the European Commission on its excellent report. In fact, this report on equality between women and men, which we vote on each year, has special resonance for me. It is the first report that I have presented within the Committee on Women's Rights and Gender Equality, of which I am an active member. Moreover, it is a report that is absolutely essential this year given the economic, social and financial crisis that the European Union especially is going through.

This is why I have been keen to stress, in my report, the impact of the crisis on women. First of all by observing that men suffered more redundancies at the start of the crisis – that is to be expected given the impact on heavy industry, in particular – but recent months have seen unemployment of both women and men grow in the same way and at the same rate.

Moreover, in a good dozen Member States, the unemployment rate remains higher for women, and women are over-represented in part-time employment. I therefore call on the Commission and the Member States to supply accurate statistics on the impact of the crisis on women and men, and on the Member States, before they implement any budget austerity policies, to carry out gender-based impact studies so as to prevent women from being disproportionately affected.

The fight to eliminate violence against women is also, in my opinion, an important point. Twenty to twenty-five per cent of European women suffer physical violence during their adult life, that is a fact, but

10% of them are also victims of sexual violence. I believe therefore that men must also make a commitment to combat violence against women.

The Spanish Presidency of the European Union has decided not only to make the fight against violence against women one of its main priorities by creating, among other things, a European inter-gender violence monitoring centre to provide harmonised data, but also to create a European protection order for victims. I therefore support this approach and would also call for the creation of a European Year for combating violence against women so as to raise awareness in all the Member States and to ensure that this fight becomes a priority.

Let us turn to employment. Here is a fact: women have made a huge investment in the labour market. 59.1% of women work today. The Lisbon Strategy set an objective of 60%. We are almost there, but the difference is still significant in some Member States, as is the average pay gap, which varies, depending on which study you read, between 17 and 25%.

I would therefore ask the Member States properly to apply the directives on equal treatment between women and men in employment matters. I would ask these same Member States to introduce legislative measures to promote gender balance in positions of responsibility, especially in private companies. Obviously, I believe that we have to combat sexist stereotypes. In my previous role as a minister for training, I met a woman who had to give up training to become a school bus driver because her trainer was making fun of her.

I hope that, in future, no one will be surprised if a man does the washing up or a woman drives a school bus, as I have just mentioned. In short, the Commission and the Member States must be called on to launch awareness campaigns on this issue in schools.

Sexual and reproductive rights are an important chapter because women must have control over their sexual and reproductive rights. Thousands of women have put their lives at risk to fight for these rights and, today, 24 of the 27 European countries have legalised abortion. The European Parliament has a duty to protect this *acquis*, which is absolutely fundamental for women, and we insist that women must have control of their sexual and reproductive rights, not least by having easy access to contraception and abortion.

Let us turn to paternity leave. Here is a fact: men have a right to be fully involved in the first few days following the arrival of their child in the family. It is true that, in this regard, we can ask the Commission to support any steps aimed at introducing a form of paternity leave at European level. We consider that maternity leave must be linked to paternity leave.

I will finish, Madam President, Commissioner. When it was presented within the Committee on Women's Rights and Gender Equality, this report received high praise from representatives of all the political groups in the European Parliament. The vote in that committee went very well too, and the report was adopted by a comfortable majority. I therefore invite all of my fellow Members to support my report again when the vote takes place on Wednesday, but I shall be listening carefully to the debate that is due to take place, and I will then be able to reply to your questions.

**Vladimír Špidla**, *Member of the Commission*. – (FR) Madam President, honourable Members, the current Commission welcomes the report and the draft resolution on equality between women and men in the European Union 2009.

I wish to thank the rapporteur, Mr Tarabella, for the support expressed by Parliament for the approach adopted and the actions taken by the European Commission to promote equality between women and men. Gender equality is one of the European Union's fundamental values and a prerequisite for the achievement of the European Union's growth, employment and social cohesion objectives.

On this basis, the European Union has built a real policy to promote equality between women and men. Whilst unquestionable progress has been achieved in this area, major challenges remain. The Commission shares the rapporteur's view that it is essential to continue with our efforts.

During my mandate, gender equality and women's rights have been at the centre of my concerns. During these last five years, the Commission's commitment to gender equality has been formalised in the roadmap for equality between women and men. In the course of implementing this roadmap, the Commission has introduced several notable initiatives. By way of illustration, I will mention three of these.

The Commission has proposed some practical actions to overcome the pay gap between men and women. This discrepancy, which amounts to 17%, is quite simply unacceptable. In 2010, the Commission will report

on the analysis of the effectiveness of the European legislation and will present courses of action to overcome the pay gap.

The Commission has noted the interesting ideas contained in the European Parliament's resolution. I would also remind you that, in March 2009, the Commission launched an awareness campaign aimed at mobilising all of the parties involved to combat the wage gap. Given the success of this campaign, it will be extended into 2010.

During my mandate, I have also been careful to promote greater representation of women in economic and political life. On that basis, in June 2008, I introduced a European Network for Women in Decision Making. Some progress has been made. The current European Parliament, for example, has its highest ever percentage of women: 35%.

However, significant efforts are still required, especially at national level, where women on average make up only 24% of all national members of parliament, and in companies, where women make up less than 11% of the board members of the major stock exchange-listed companies.

The third notable initiative is the introduction of the European Institute for Gender Equality. I am pleased to be able to say today that, despite a slower start than we had imagined, the institute has begun its activities in Brussels and is already installed in its offices in Vilnius.

The current crisis is having serious repercussions for the labour market, threatening the recent progress made in relation to female employment, given that women are less likely to be able to find a new job and that they are more disadvantaged to begin with.

Ladies and gentlemen, during my mandate, I committed myself to improving the work-life balance. I agree with the European Parliament when it stresses the importance of enabling fathers to play a greater role in family life. This is why I have asked my services to begin a cost-benefit analysis of a potential Commission initiative in this area.

The European Parliament's report also rightly stresses the importance of eliminating violence against women. The Commission will work towards this goal with purpose and with great determination.

I would not wish to end this speech without stressing the very good cooperation between Parliament and the Commission. This cooperation has been a key factor in the progress made in relation to gender equality. Gender equality is not merely an end in itself. The achievement of the European Union's growth, employment and social cohesion objectives depends on it.

Thank you for your cooperation and your attention.

#### IN THE CHAIR: MRS ANGELILLI

*Vice-President*

**Astrid Lulling**, *on behalf of the PPE Group.* – (FR) Madam President, the Committee on Women's Rights and Gender Equality voted for this report by a tiny majority of three votes, since six of its 33 members were absent. I do not believe one can talk of a 'comfortable' majority. It is clear that we share all the concerns about the discrimination that still exists in relation to equality between women and men, despite the very good European legislation that we have had in this area since 1975.

Why has this discrimination persisted so? It is either because these directives are badly applied, or because those discriminated against are unable, for some reason, to assert their rights before the courts. Rather than continually demand new directives with the risk of dilution that this entails, let us ensure that the existing body of legislation is fully applied by governments, by the social partners and in the everyday world of work.

This report once again echoes every complaint, every gross generalisation about poor, battered and raped women ... Some affirmations therefore need to be put into perspective by means of amendments. What I find more serious is that this veritable glorification of the social or solidarity-based economy is meant to make us think that, by shoehorning women into it, we would successfully demonstrate their employability, and thus enable them to improve their social status and to become more financially independent.

The opposite is true in fact. They would sink into widespread poverty, lose any incentive and motivation to earn wages based on merit and have any responsibility taken away from them.

Furthermore, the proposals to create a European charter of women's rights, and therefore a new form of protection in addition to human rights – which, fortunately, women already enjoy – and a new form of bureaucracy in the shape of a European inter-gender violence monitoring centre, even though we have enough departments to carry out this work, are either counterproductive or incompatible with the principle of gender equality which is, in fact, firmly established in the treaty. If ridicule could kill, some members of the Committee on Women's Rights and Gender Equality would no longer be around.

Finally, I deplore the obstinacy of some members who, on every occasion, irrespective of whether it is appropriate, advocate including in this report non-essential abortion on the pretext that, to ensure sexual and reproductive health, one must advocate free and easy access to abortion. No. The priority must be to promote improved information for young girls, especially with regard to contraception. The latter exists today to prevent pregnancy at a very early age. It was not around when I was young. We have therefore proposed separate votes so that we do not have to vote against the report by Mr Tarabella, who is not to blame, but who has again fallen victim to the extremism of some of his comrades.

**Iratxe García Pérez**, *on behalf of the S&D Group*. – (ES) Madam President, I should like to begin by thanking Mr Tarabella and all the Members who have helped to develop this report for the work they have undertaken.

A year ago, we debated a report very similar to the one on the table today. Unfortunately, we need to continue focusing on key issues on which we have yet to make progress regarding equality between men and women. These include gender violence, which is deemed to be one of the main scourges of society, not just in Europe but also the world over. Then there is the pay gap that remains unchanged and which we have been unable to bridge. Other issues include sexual and reproductive health rights, reconciling family and professional life, women entering the labour market on equal terms with men, the situation of vulnerable groups of women, such as disabled women or women in rural areas, plus the representation of women in public life.

We have raised these issues year after year and have been unable to make much progress. Allow me to quote one single piece of information, namely, that only in 3 of the 27 Member States do women account for more than 40% of Members of Parliament.

I believe it is essential for us to insist on the need to intensify our work on promoting equality between men and women. It is vital to support initiatives like those taken by the Spanish Presidency, which has declared equality between men and women to be one of its priorities. This is a commitment to the women of today and also to the women of future generations. Progress has been made, but there is still a long way to go, and we must be ambitious when devising policies to ensure that one half of the population of Europe enjoys the same rights and opportunities as the other half.

**Sophia in 't Veld**, *on behalf of the ALDE Group*. – (NL) First of all, my compliments to the rapporteur. I should just like to start with a few small points on which I do not agree with him. When it comes to the impact of the economic crisis on women, I actually think it very important that we put our public finances back in order and restore them to health as quickly as possible; it is this, not the prolongation of public debt, that will benefit women. I also think that the report contains a few proposals that may sound very appealing but tend towards symbolic policy, such as a year for this, a monitoring centre for that. Let us just concentrate on specific measures.

Nevertheless, the report also contains a number of things that I very much welcome. The first – thanks to an amendment tabled by the Group of the Alliance of Liberals and Democrats for Europe – is a reference to the position of single-person households. I would appeal to the European Commission to carry out a study on the subject for once, as we have a European family policy, but few people realise that one in three households in Europe is a single-person household. These people often suffer severe discrimination in terms of social security, tax issues, housing and such like.

Secondly – and here I am also looking at Mrs Lulling – I am actually delighted with the very plain references to sexual and reproductive health and the sexual autonomy of women; and access to safe, legal abortion is part and parcel of this sexual reproductive health. Whilst I fully agree with Mrs Lulling that information is certainly very important, I note that – in my home country, at least; it may be different in Luxembourg – it is actually the Christian Democrats who always put paid to this kind of thing. Therefore, if we are able to work together on sound, straightforward information for young people, you can count on my support, and I also think that we must put an end to the hypocrisy; we cannot be throwing women into prison or condemning them to unsafe abortions.

Finally, Madam President, regarding violence against women, I very much welcome the initiative of the Spanish Presidency to make this one of its priority areas. After all, few people realise that violence against women claims many times more victims each year than terrorism, yet is still – entirely wrongly – regarded as merely a women's issue.

**Marije Cornelissen**, *on behalf of the Verts/ALE Group*. – Madam President, we have a relatively new European Parliament, and we almost have a new European Commission. This is basically the first time with the Tarabella report that we are voting on the action that the new Parliament's Committee on Women's Rights and Gender Equality wants taken in the coming years.

The Greens are very happy with this quite progressive report. It is brimful of plans that we want carried out. We finally want legislative action to be taken to further the sharing of care between men and women, with a call for paternity leave. We finally propose to further women in decision making by looking at the Norwegian practice of a quota for boards of directors.

The Greens are also really happy with the attention paid to the effects of the crisis on women: women's unemployment differs, and the effects on women of cuts in public spending differ. We should look at that seriously.

We very much hope that Parliament will show the courage and the readiness to combat discrimination of women, and further equality with concrete measures that might actually bring results, by voting in favour of this report. We hope that the Commission will take action accordingly.

**Konrad Szymański**, *on behalf of the ECR Group*. – (PL) Madam President, through its proposal to make abortion easily available in the European Union, this report breaches the exclusive competence of Member States in this area. However, this is not the most important reason to vote against this document. No faith at all is needed, today, to see a person in an unborn human foetus. A simple ultrasound examination, available in every town in Belgium, even the smallest, is sufficient to enable us to see an on-screen image of an unborn human being. Therefore, every responsible legislator should do everything possible to make the number of abortions fall. For making abortion more accessible is an indicator of how our culture has fallen, and shows our departure from human values. Therefore, I would ask for this to be borne in mind, before anyone in this Chamber votes in favour of this harmful document.

**Ilda Figueiredo**, *on behalf of the GUE/NGL Group*. – (PT) Madam President, as reality shows and Eurostat itself confirms, the economic and social crisis is having a serious effect on women. This is because of rising unemployment, precarious work and low wages, combined with pay inequalities between men and women, which have risen again and exceeded, on average, 17% at EU level. It is also because of the resulting poverty, whether from the issues surrounding low wages and income, including retirement and pensions for elderly women, or from the difficulty in gaining access to low-cost or free quality public services. There are also the issues of the trafficking and prostitution of women and girls, violence at work and at home and the various forms of discrimination against women in more vulnerable situations.

As is emphasised in the report, and I would like to congratulate our rapporteur here, it is therefore necessary to pay particular attention to the economic and social situation of women when developing Community policy. This requires studying the social impact of new Community strategies, to prevent an increase in discrimination and inequality, to ensure equality in social progress and not in the decline of economic, social and employment rights, and to protect the social purpose of motherhood and fatherhood. It is vital to invest in a true strategy for development and social progress that gives priority to employment with rights, to production, to quality public services and to social inclusion. It is time to take significant steps towards improving the lives of the majority of women, including in the area of sexual and reproductive health, and putting an end to the hypocrisy that still surrounds the issue of abortion.

**Gerard Batten**, *on behalf of the EFD Group*. – Madam President, there is an ideology that is gaining ground in Europe that teaches inequality between men and women. It says that women are of a lower status than men. It says that, under inheritance law, a man's portion must be double that of a woman. It says that, in a court of law, two female witnesses are required against the testimony of a single male witness. It says that, in a rape trial, it takes four male witnesses to convict a man but the testimony of a female is not accepted, not even that of the raped woman. By the way, the four witnesses must be Muslims, not non-Muslims.

You have guessed that I am speaking about Sharia law. Now, apparently, some Muslims believe that suicide bombers are rewarded with 72 virgins in Paradise, but I cannot find any reference that female suicide bombers are rewarded with the male equivalent. Surely this is a case of blatant gender discrimination.

The British Government has already officially recognised Sharia law in some tribunals. While bigamy is still illegal in the UK, polygamous Islamic wives are officially recognised as dependants for the purposes of tax relief and benefits payments.

Europe is boldly marching backwards to sixth-century Arabia. If we want genuine equality, then individual European States must not recognise Sharia law in any way, shape or form.

**Angelika Werthmann (NI).** – (DE) Madam President, ladies and gentlemen, more women have entered the labour market. However, more jobs does not always mean more quality jobs. There are high numbers of women in part-time work and in jobs that have been particularly hard hit by the present crisis. Approximately 60% of all university graduates are women, and yet, there are barriers effectively stopping women from making the most of their potential. That is why we have to establish binding minimum standards: EU-wide minimum standards for parental leave, improved child care and improved health care. That is how we can break many gender-based stereotypes and finally achieve the imperative of real equality between the sexes.

**Edit Bauer (PPE).** – (HU) Mr Tarabella will surely forgive me if I do not start by thanking him now, but direct my thanks first of all to Commissioner Špidla, since he is here with us probably for the last time in his capacity as commissioner. I would like to emphasise his dedication in dealing with gender equality, women's employment and similar problems.

Several questions came up in connection with the report. I wish to draw attention to at least two points: one is the wage gap between men and women. The most recent statistics indicate a difference of more than 17%. Improvement is not only slow but also ambiguous, since this figure is higher than it was two years ago. And we do not really know yet what the consequences of the crisis will be. Daily experience suggests that improvement in the short term is not likely.

What is fundamentally unacceptable, however, is the fact that wage differences show up not in the case of those who are at the start of their careers, but when mothers return to the labour market after maternity or parental leaves. In a Europe struggling with a demographic crisis, this in itself is disturbing and totally unacceptable. Such discrimination is obviously forbidden by EU regulations.

As has already been mentioned, the pertinent legal standard dates back to 1975, and it is obvious that this directive, like many others, is completely ineffective. I am very glad Commissioner Špidla announced that we can expect a report in 2010 on steps the Commission intends to take in order to make legislation more effective. I would like to add just one more sentence concerning the Charter of Women's Rights. It is probably more important and urgent to improve the effectiveness and accessibility of existing laws than to create a new legal standard which will be just as ineffective as the previous ones.

**Edite Estrela (S&D).** – (PT) Madam President, I would like to begin by congratulating the rapporteur on his outstanding work and I hope the proposals contained in this resolution are adopted. During the European Year for Combating Poverty and Social Exclusion, we are seeing the face of poverty become increasingly feminine. The majority of the almost 80 million people living in poverty in Europe are women and children. Women are suffering more than anybody else in the economic and social crisis. Women are the last to enter into the labour market and the first to be unemployed and, in addition to this, in 2004, the pay gap between men and women was 15% and in 2009, it was more than 17%.

I would like to draw to your attention some proposals that I feel are innovative and of great importance and would like to ask for the support of fellow Members in these proposals: the much-needed creation of the European Charter of Women's Rights, as has already been mentioned, the proposal for a directive to prevent and combat all forms of violence against women, domestic violence and the trafficking of women, the inclusion of paternity leave in European legislation, which already exists in the overwhelming majority of Member States, as a means of promoting a balance between work life and family and personal life, and boosting the birth rate.

I would like to finish by thanking Commissioner Špidla for everything he has done in promoting gender equality and for his involvement with the European Parliament. I wish you every success Commissioner.

**Antonyia Parvanova (ALDE).** – (BG) Madam President, ladies and gentlemen, I, too, would like to congratulate the rapporteur, Mr Tarabella, for this report. I firmly believe that this report provides a response to the need to combat stereotypes and incidences of sexual discrimination. This report may be run of the mill for many of my fellow Members, but I regard it as a renewed, more effective commitment to gender equality at European level aimed at boosting the socio-economic status of women, especially of those from



the new Member States, as well as at ensuring their broader representation in political and business life and promoting their career development.

Given that social, legal and economic institutions determine the access women and men have to resources, their opportunities and relative power, I feel that it is extremely important for women to be guaranteed equal rights with regard to their involvement in politics, occupying important political and management positions in business and their representation at the highest level in company boardrooms. This also applies to raising educational qualifications and offering them the same opportunities as men for career development, especially following a lengthy period of maternity leave. At the same time, consideration must always be given to maintaining the balance between career and family obligations.

We need to devise an institutional mechanism for initiating a consistent policy on this issue because the battle against sexual discrimination is won by introducing long-term positive incentives and legislative reforms, and by increasing incomes and the quality of life. Otherwise, we would not be discussing this matter in this Chamber today.

In order to make significant progress in terms of equality before the law, equal opportunities, including equal remuneration for work done, and equal access to human resources and other production resources which provide more chances, we – the European Parliament and European Commission – have the opportunity to and must encourage Member States and civil society to adopt effective measures.

I believe that women's equal involvement in the management of resources, in economic opportunities, and in government and political life, will have a positive impact on the economic development of our society, thereby strengthening countries' ability to develop, reduce poverty and be run efficiently and better.

In this respect, the promotion of gender equality is an important component of the strategy for exiting the economic crisis and providing a satisfactory solution to the demographic crisis. This will provide women and men with the opportunity to tackle poverty and improve their standard of living.

**Franziska Katharina Brantner (Verts/ALE).** – Madam President, I would like to draw the new Commission's attention to two aspects of the report which are particularly important for our group, the Greens, and I hope that these comments can be forwarded to the incoming Commissioner responsible.

Two points: the first one is the long-awaited revision of the Directive on equal pay for equal work. We think that this is crucial for women across Europe. The pay gap is unacceptable: we are now in 2010, and it is time that action was taken to close that gap. You, Mr Špidla, have recognised that we need new legal action. We are really looking forward to receiving a proposal from the Commission on new legal action in the course of this legislative period.

The second point concerns paternity leave entitlements. Here, I would like to underline that this report is about equality between women and men. We want equality for men also, so that they can share time with their kids and have that responsibility if they so desire. We need equal choice for women and men on how to live, how to work and how to take care of their families and their children. So, while we think that is crucial for the European Parliament to send a signal to fathers, we would like to send more than signals: we would like to open the door to a modern society. We are relying on the Commission to finally introduce a very modern, forward-looking directive on this question.

Finally, we are looking forward very much to the Spanish Presidency's proposals with regard to eradicating violence against women throughout Europe, and we hope the Commission will take those proposals up.

**Julie Girling (ECR).** – Madam President, we female MEPs are definitely in a minority position. We have satisfying and stimulating work, with equal pay, equal pensions, equal access to positions of responsibility: so very different from so many of our constituents.

I welcome this report and applaud the emphasis that Mr Tarabella puts on the economic well-being of women. I think this is the single most important factor in promoting gender equality. If women control their lives economically, they are much better able to control all other aspects of their lives. We must ensure that, in these challenging economic times, women are not left behind in low-paid, low-security jobs.

I would like to congratulate the European Engineering Industries Association for their recent policy vision, in which they ask for the promotion of maths and science studies, especially for women. They want, and I quote, 'to bring in, in much greater numbers, skilled women who have for too long shunned many areas of engineering'.

Yes, the position of women is about policies, it is about direction, but it also about action: action which speaks louder than words. This is the way forward, with enlightened employers recognising women's strengths and promoting their economic well-being.

**Eva-Britt Svensson (GUE/NGL).** – (SV) Madam President, I would like to thank Mr Tarabella and his colleagues on the Committee on Women's Rights and Gender Equality for a good report.

I would like to highlight two things in particular. I hope that plenary supports the importance of paternity leave. Paternity leave not only sends an important signal that children are the responsibility of both parents, but also has other positive consequences. Studies show that fathers who have taken paternity leave continue to take greater responsibility for the home, family and children in later life. In other words, getting fathers involved creates a sound basis for further equality work.

The second point that I would like to raise, and which I support, is that women must at last be granted the power to decide over their own bodies, their sexuality and their reproduction. Giving women that power means that when children are born, they are wanted and are genuinely able to develop – something that is every child's basic right. We want to see an end to women's lives being harmed, to the fact that women are dying even today because of illegal abortions. Give women the right of self-determination – not just when it comes to finances, politics and society, but also over their own bodies.

**Morten Messerschmidt (EFD).** – (DA) Madam President, I, too, feel that this issue is important and therefore, as I sit and listen to the debate I cannot help wondering at the fact that it seems all the political groups, with the exception of the Europe of Freedom and Democracy Group, think that the fight for women's equality is something for women to deal with alone. You might get that impression at any rate, listening to the otherwise excellent speakers here today. I think there is a striking lack of male speakers and I am glad that my group has been able to send two.

Having said that concerning the style and form of the debate, I would like to say that in my opinion, the report itself concentrates heavily on solely socio-economic considerations. There is plenty about the labour market, pay differentials, training, rules on directors of companies and the like, and those things are indeed important; but there is one area in particular – as a previous speaker has already mentioned – that is completely absent, and that is the huge cultural problem that we face as a result of immigration from the Islamic world. I think it slightly shameful that a report that is supposed to deal with the equal rights of women does not even mention problems such as forced marriage, enforced headscarf wearing, honour killings, circumcision, lack of access to education, and so on. These elements must be included if we are to have an accurate picture of Europe in the year 2010.

**Krisztina Morvai (NI).** – (HU) I wish to propose that the European Parliament take a new approach to the question of abortion. I ask that we put an end at last to the stunning lie purporting that abortion is some kind of beneficial thing for women, perhaps even a yardstick of women's freedom. No! As many people know, women and men alike, abortion is a painful and harmful intrusion on a woman's body and soul equally. Precisely for this reason, instead of talking constantly about easier access to abortion, let us talk at last about preventing abortions, emphasising this and helping women in this regard. Let us help women to prepare for planned pregnancies, and should an unplanned pregnancy occur, an unplanned child be conceived, that child ought to be allowed to come into the world and be brought up with love by women, by couples, because they should get all the help and support in order to be able to do so.

**Anna Záborská (PPE).** – (FR) Madam President, Commissioner, the motion for a resolution by Mr Tarabella, who joined us in the Committee on Women's Rights and Gender Equality at the last European elections, is ambitious. I refer, in particular, to paragraph 20: 'Parliament wishes to see a European Charter of Women's Rights established'.

Anyone familiar with the history of European integration will remember that the Treaty of Rome already provided for the principle of gender equality in the labour market. Laws on equal treatment between women and men exist in every Member State. It is an easy solution to ask for new charters. It is more of an effort to apply the existing instruments.

In reality, if we do not remove paragraph 20 from this motion for a resolution, we will be adding to the Council of Europe's European Convention on Human Rights, to the European Union's Charter of Fundamental Rights and to the brand new European Institute for Gender Equality a fourth instrument which would take the form of a special new charter dedicated to the promotion of women.

I have some questions. What would be the use of a new charter of women's rights? What added value would it bring? There is none. It is a mistake to believe that a charter will solve women's problems. Natural law, which ought to guide us in our thoughts and in our responsible political action, does not admit of special rights. No one can say that the legal instruments ignore women's rights. That would be intellectually dishonest and factually incorrect.

That is why I am voting against paragraph 20. The charter is the main issue. If paragraph 20 remains in the motion for a resolution, I am unable to support it.

Finally, Commissioner, I thank you for your cooperation with the Committee on Women's Rights and Gender Equality during your mandate.

**Sylvie Guillaume (S&D).** – (FR) Madam President, first of all, I would like to congratulate my colleague, Mr Tarabella, on the quality of the report that he has written and on his successful handling of this task, in which he addresses a whole range of issues relating to gender equality.

We must acknowledge that definite progress has been made with regard to equality. However, much effort is still required, in particular, in a context of economic and social crisis that is having an even greater impact on one already extremely vulnerable section of the population, namely women.

We must also emphasise the double discrimination that sometimes affects women due to a handicap, to age or to their membership of a national minority. I want to emphasise three particular points. We need to equip ourselves with common, reliable and consistent indicators at European level. This should enable us to propose solutions that reflect real-life conditions, which can be measured using credible data relating to gender equality.

If we truly wish to move towards real equality, then paternity leave must be introduced at European level. This is an important factor when it comes to equality of opportunity in employment and family life.

My third point, finally, is that gender equality necessarily relies on women having control of their own bodies. This very clearly means that contraception and abortion must be made as accessible as possible to women. I regret that this issue still results in such sensitivity, to say the least, but it is evident that, until women are able to control their sexual rights, we will have failed to achieve our objective in our battle for true equality between men and women.

**Siiri Oviir (ALDE).** – (ET) Madam President, Commissioner, ladies and gentlemen, first of all, my compliments to Mr Tarabella, but now to the report. Equality between women and men is not an objective in itself, but it is a precondition for achieving our general objectives.

Equality in everyday life is in everyone's interests, both men's and women's, but this problem will not be solved merely by individual pieces of legislation. The fact that we are still talking about this today, and have been talking about it for 40 years, is a sign that only a multifaceted integrated policy will bring us closer to our objective. I want to stress, therefore, the great importance of implementation and supervision.

Second, the proliferation of outdated gender stereotypes keeps men and women in essentially medieval roles in society and reinforces gender inequality. We want to change the situation, but we should also set an example ourselves here. Tomorrow, we will be ratifying the new European Commission, of which women make up only a third. We can no longer change that today. I would ask that when a new Commission is next elected, two candidates for Commissioner should be nominated from each Member State – a man and a woman. And thus, we will decide not on the basis of gender, but on the basis of their competence. Education statistics show that women should not be afraid of this, and thus I am sure that we should not be ashamed. Finally, I want to thank Mr Špidla and I hope that he fulfils all the aims that he has set himself.

**Michail Tremopoulos (Verts/ALE).** – (EL) Madam President, this important 2009 report quite rightly states that violence is a fundamental obstacle to equality between men and women. However, it does not refer specifically to domestic violence. Unfortunately, this problem is rife and it affects every community. In Greece, for example, 35 spouse murders have been recorded over the past eighteen months.

And yet, support structures for abused women are basic or even non-existent. The European Parliament should encourage the Member States, including Greece, to create support structures for abused women in every local authority, with full psychological, legal and professional counselling and properly staffed hostels for women.

The Member States should also take account of the amendments proposed by women's organisations and lawyers to remedy the ambiguities and loopholes in the law in connection with domestic violence. Finally, anti-sexist education programmes should be introduced in schools in a bid to change social stereotyping.

**Jaroslav Paška (EFD).** – (SK) I would like to begin by saying that I consider it right for the European Parliament to be closely involved in the issue of gender equality. I cannot help thinking, however, that our European policy suffers from a serious, a very serious form of schizophrenia. I would like to quote from one recent agency report. Sixteen year old Medine Memi from the town of Kahta in the Turkish province of Adiyaman was buried alive by her family in a hen coop next to the family home. The police found her resting in a sitting position buried two metres below ground. In the post-mortem, it was found that the girl had large quantities of earth in her lungs and her stomach. The father of the girl calmly admitted the deed to the police and said that he had buried her because the girl had befriended some boys. Ladies and gentlemen, in Turkey and similar countries, women and even girls are murdered in this way for example only because they have spoken with other men. If we take gender equality seriously, how can we possibly entertain the notion that a country with such an attitude to the fair sex could be part of a civilised Europe. Gender equality is not just about calculating small differences in income but, first and foremost, about the right to life and human dignity which is repeatedly denied to women in many of our neighbouring states.

**Laurence J.A.J. Stassen (NI).** – (NL) Madam President, today we are debating the progress report on equality between men and women in the European Union. A good deal has been discussed, but if one subject is absent from the report, it is the appalling inequality between men and women in the European Muslim community, where women are totally subordinate to men on the basis of the rules in the Koran. Participation by Muslim women in working life or higher education is barely open to discussion for the men and, if at all, the women must wear the burkha or a headscarf, which greatly reduces their chances of finding a job.

Therefore, the European Union should be fighting not for the right to wear the burkha but for the right to work without wearing it. The Dutch Party for Freedom (PVV) supports France in seeking to ban the burkha in public places, and would like to see such bans introduced at national level in the other Member States, too. Madam President, something must be done about the shocking subordination of these women.

The PVV wants to see this backwardness combated with vigour. These women have a right to freedom of expression and to freedom to study without having to fear an Islam that would have them isolated. It is time for a new wave of emancipation. The PVV will not be endorsing the present report, therefore, as it fails to address the really important issues, which we think is a great shame.

**Christa Klauß (PPE).** – (DE) Madam President, Commissioner, ladies and gentlemen, we have heard it said many times today that women in Europe continue to suffer inequality in the workplace. Yet, their employment rate increased from 51% in 1997 to 58% in 2007. Today, women are highly qualified, but the number of women in executive positions has remained unchanged over the past few years, and yet the number of female students enrolling in economics, business and law is higher than that of male students.

We must recognise that, in 2007, 31% of women were employed in part-time jobs, which is four times as many as men. On average, women earn 17.4% less than men, they are at the greatest risk of poverty and, especially in old age, they are hard hit not only by loneliness and a reliance on care, but also poverty. We have to change that.

Women in business, women at work – that is what we clamour for. We call for special arrangements, for parental leave and maternity protection to be put on the same footing, and somehow we have achieved the opposite: women are too expensive and so do not get the jobs. It is the economy that is coming up with all the solutions. The actual injustice of that situation lies in women's inferior position and the fact that there is little recognition for their family and housekeeping duties.

Commissioner, you have just said that you would like a cost-benefit analysis of this situation to be carried out, but you cannot calculate this any more than you can pay for it. We must recognise that mothers and fathers would be happy to choose looking after their families if this were not regarded as inferior and if it were not generally disadvantageous to career progression. People who do family work do a very important job in society, because they generate our future; they acquire skills, and even empowerment, for their future occupational activities as well.

Therefore, the economy should be working to support families and women. Rethinking how our societies work is much more urgent than establishing new European monitoring centres and institutes.

**Antigoni Papadopoulou (S&D).** – (EL) Madam President, the international economic crisis is clearly having a negative impact on men and women. It has caused job losses and resulted in financial austerity policies. However, under no circumstances should it be used as an excuse to stop promoting equality policies, because these policies can drive social and economic development and recovery in Europe.

At the same time, the crisis is a unique opportunity for, and challenge to, the European Union and the governments of the Member States to create conditions for increasing competitiveness at global level, by reviewing and incorporating the gender equality dimension into every policy, in order to address the long-standing democratic deficits at the expense of women.

We need to step up our efforts to stamp out unequal pay, violence, the glass ceiling, discrimination and poverty. We need to find ways of reconciling work and home life, improving care facilities for children, infants and the elderly, supporting working women and working couples and single-parent families and people with disabilities. First and foremost, however, we need to effectively put all the equality laws into practice.

**Nadja Hirsch (ALDE).** – (DE) Madam President, we have the European Year against Poverty and Exclusion. Women are still at a very high risk of becoming poor or having to live in poverty. There are many small steps which land them in that position: girls tend to choose jobs which do not pay so well. They then decide to have children, which often leads them to only be able to work part-time. Alternatively, they might decide to look after their parents or grandparents, which again puts older women in a situation where they are unable to return to work. These periods add up and, as a result, women's professional careers progress much more slowly. This is also reflected in the fact that they have lower pensions, for example. There are many aspects to this, and many have been included in this report.

The really important message we need to put across is that there are already many opportunities out there, but girls and women need to make use of them. The awareness that a girl is studying engineering, and that she is brave enough to do so – that is what we have to promote in schools. This also applies particularly to immigrant women. I would also like to make another point: if you look around the Chamber today, you will see that two thirds of us attending this debate are women and one third are men. We must also win men over to taking a much greater interest in this subject, so that, one day, we can have the two remaining thirds of men attending and supporting women's issues.

**Joanna Katarzyna Skrzydlewska (PPE).** – (PL) Madam President, in Mr Tarabella's report on equality between women and men in the European Union, several very important suggestions have been made to the European Commission and the Member States. Once again, the problem of inequality in terms of women's pay has been highlighted, as well as the lack of a legislative proposal from the Commission in order to reduce these differences. The question of women working in small family businesses has been raised, where women are often without social security affiliation and their work is not included in records of the length of time they have worked, and so is not counted towards their pension entitlement. The importance and necessity of careers advice has been stressed, which would help to activate women who have lost their place in the labour market, very often because they have given birth to a child or have stayed at home to care for an elderly person. Emphasis has been given to the need to give assistance to women who want to set up their own business. A call has been made for the promotion of technical professions among young women who stand at the beginning of their working life, to increase the proportion of women in jobs typically done by men. Emphasis has been given to the need for priority treatment of groups of women who are in especially difficult situations, such as women with disabilities, elderly women and women with dependants.

However, in my estimation, among these significant and fundamental issues there are also unnecessary provisions concerning reproductive health, and others which give broad and unlimited access to abortion. I would like to draw the attention of fellow Members to the fact that decisions on matters related to abortion lie within the competence of the governments of individual Member States. We are fighting for equal treatment of women and men, but we should not make this dependent on choices related to areas of sexuality. This kind of practice may considerably reduce support for the report we are discussing.

**Vilija Blinkevičiūtė (S&D).** – (LT) Firstly, I would like to thank the rapporteur, Mr Tarabella, for the work he has done.

In order to overcome the economic downturn, it is very important to invest in human capital and social infrastructure, creating the conditions for women and men to exploit their full potential.

The European Union has now moved closer to the Lisbon Strategy goal of reaching a female employment rate of 60% by 2010. However, female employment varies greatly from one Member State to another. Therefore, the Commission and the Member States must take effective measures to ensure the implementation of the Directive on equal treatment of men and women in matters of employment and occupation.

Today, men's and women's pay in the Member States varies greatly and therefore, we must urgently call on Member States to apply the principle of 'equal pay for equal work'. The Commission has yet to present for debate a proposal related to the application of the principle of equal pay for men and women.

It is imperative to encourage the equal sharing among men and women of responsibilities in personal and family life and better distribute the time allotted to paid and unpaid work.

The Member States must take all possible measures on access to pre-school child care institutions.

The matter of paternity leave has yet to be resolved. Therefore, we must find a common solution on the consolidation of this leave in the directive.

Moreover, in the Commission's consultations on the new 2020 strategy, insufficient attention is paid to matters of equality between men and women. Matters of gender equality must be strengthened and integrated in the new strategy.

In conclusion, from the bottom of my heart, I would like to thank the Member of the Commission for our long cooperation in the areas of gender equality, employment and social affairs. Thank you and good luck!

**Lena Kolarska-Bobińska (PPE).** – (PL) Madam President, changes are taking place in Europe – as can be seen from the report – which favour improved education and rising employment among women, although there are still great differences. This improvement is taking place in areas in which women are deciding for themselves and are showing initiative and fortitude. However, in areas where they have little influence, stereotypes are functioning which do not allow them to advance or to participate in public life. This is why the number of women in managerial positions is not rising, and why their participation in politics is rising very slowly. Therefore, it is crucial, here, to fight the stereotypes and take action intended to promote equality of the sexes in public life and in politics. The report talks about intensifying this action, but that is not enough. We must, together, make such proposals. We must encourage the Commission and Member States to start a debate and take action to increase the participation of women in politics. Where women are more involved in politics, more thought is given to social matters, child care facilities, women's affairs and the equality of women in general.

In Poland, we have started a debate on the subject of priority in politics. A group of women has started a grass-roots initiative to draft a law on parity in politics, so that 50% of the candidates in elections would have to be women. We have collected over 100 000 signatures in support of the law and have submitted it to the Polish parliament. A huge debate has begun, and I do not know if the idea will be successful – if parliament will vote in favour of our proposal. I do not know if it will be a great success, but the debate itself which is under way has changed the awareness of society very much. We have the results of polls which show this. I appeal, therefore, for the commencement of such a debate on the participation of women in politics in the countries of the European Union.

#### IN THE CHAIR: MR WIELAND

*Vice-President*

**Joanna Senyszyn (S&D).** – (PL) Mr President, it is good that the resolution under discussion includes item 38, which stipulates that women must have control over their sexual and reproductive rights, notably through easy access to contraception and abortion, and the possibility of a safe abortion. This is significant, especially for citizens of countries which have restrictive anti-abortion laws and in which deceptive pro-life propaganda is being spread. In my country – Poland – the political Right, which is under the thumb of the clergy, does not allow proper sex education, and restricts contraception and legal abortion. Even the word 'abortion' has been almost totally eliminated from the Polish language, and has been replaced by the expression 'killing of a conceived child'. In order to put an end to legal terminations of pregnancy, of which only several hundred are performed annually, attempts have been under way for several years to add a clause to the Polish Constitution which would protect life from the moment of conception. The figure of 100 000 illegal abortions does not trouble the so-called pro-life campaigners, who hypocritically pretend that these abortions do not take place.

The European Union must put an end to Member States' contempt for the reproductive and sexual rights of women.

**Danuta Maria Hübner (PPE).** – Mr President, women represent half of Europe's talent. We must not waste this creative potential. If we succeed in channelling this potential into the economy, we will make a huge leap forward, with regard both to the attitudes still present in European societies and to the Union's new agenda for more growth, jobs and competitiveness.

Equal opportunities do exist on paper. The Union has produced at least 13 directives on gender equality. The principle is anchored in the treaty and in the constitutions and legislative acts of Member States, but the real-life data speaks a different language. Never before were women so well educated, but, when it comes to entrepreneurship, women are still largely under-represented.

On the gender pay gap, virtually nothing has moved in recent years. When doing business, women rarely default when it comes to reimbursing their loans, but access to finance is more difficult for women, and this is determined by the banks' quest for collateral. You need to have more money in order to borrow money, but only 1% of the world's assets are owned by women.

Despite higher qualifications, despite higher education, women remain totally under-represented among decision makers. Getting more women into decision-making positions is the key to everything. Women can promote their case and market their agenda, but the real power lies in decision making, and that is why women ought to take part.

Critical mass is essential to bring about change. One single woman in a decision-making body will soon have to adapt her behaviour, to be accepted by the male majority. As a starter, having a few women on a decision-making board could already make a difference, yet all these strategies will help little if we do not succeed in removing the biggest obstacle for women: reconciling family and working life. Remaining obstacles call for a policy response, and that is why we still need policies geared towards gender, both at national and European level.

**Georgios Papanikolaou (PPE).** – (EL) Mr President, I should like to endorse what has been said by my fellow members, the many women and numerous men, and our rapporteur Mr Tarabella, whom I congratulate, and to say that we all passionately support any action and initiative to stamp out any form of discrimination between men and women. That goes without saying, because that is how we need to operate in the open, democratic, liberal society in which we all want to live.

Important efforts are being made and we need to emphasise that. At European level, I would remind the House of Directive 2006/54/EC, which requires the Member States to stamp out all forms of discrimination between the sexes by August 2009. I would also remind the House of the European Roadmap for equality between men and women 2006-10.

I also welcome and would remind the House of all the initiatives being taken on this issue by the national governments in the Member States of the European Union, the most recent being that by President Sarkozy's government to promote legislation to ban the burkha in public places.

These are all specific steps, but more are needed if we are to change, first and foremost, our attitude in terms of preventing all forms of discrimination. Unfortunately, discrimination still exists and one vulnerable category I should like to mention is that of new mothers. I was astonished to read in a European Commission report on the Barcelona objectives and on child care facilities in the European Union that almost all European mothers state that they are unable to raise their children as they would wish, due to the excess of responsibilities which they face on a daily basis. We need to understand, and to place the utmost emphasis on the fact that the inability to achieve real equality between the sexes is endangering today's children, who are deprived of a stable family environment in which the mother's presence is acutely felt. It is endangering the psychological equilibrium and the development of a stable personality in today's children, who are tomorrow's citizens of the European Union.

**Zita Gurmai (S&D).** – Mr President, the economic crisis has underlined the fact that women's rights and gender equality are interlinked with ongoing economic issues.

In countries that have introduced gender equality-friendly legislation, women's representation on the labour market tends to be significantly higher, as well as the percentage of birth rate. These states tend to have a healthier economic, social and pension situation. Besides, women's salaries are of crucial importance in the family.

It is clear that the upcoming EU 2020 strategy needs to outline a clear commitment regarding gender-equality mainstreaming in all European policies. The strategy has to be coordinated with the new roadmap for gender equality and also with the future charter for women's rights. As my colleague, Marc Tarabella, put forward in his report, women's health and sexual rights are an equally important tool for women's socio-economic empowerment as well. We need to provide access to knowledge, information, medical care and assistance to give all women the choice and position of equal rights and access.

I would like to say thank you for the five years I have worked together with Vladimír Špidla, because this is the last chance to say hello to him. Thank you very much for an excellent contribution from you and from your team.

**Hella Ranner (PPE).** – (DE) Mr President, ladies and gentlemen, this extremely interesting debate has already covered just about everything. I can hardly think of anything new to contribute to it. However, there is one brief point I would like to make: we should all aim to ensure that women are no longer in a situation where they have to choose between family, on the one hand, and work, on the other. We need to create the conditions for that to become a reality. It should be possible for us to take swift action in order to ensure that a woman can fulfil her maternal and occupational roles as well as possible.

Realistically, exclusion from an existing salary scheme is probably inevitable. However, it should be possible for a woman, once she returns to work, to make up for lost working time. I believe this is the solution we should and ought to be working towards, particularly in challenging economic times. If we are successful, and we in the European Parliament can contribute a great deal to such success, then we will achieve a modern Europe of real equal opportunity. It is clear to us all that this is really only possible with consistent equality between women and men.

**Britta Thomsen (S&D).** – (DA) Mr President, Mr Tarabella's report on equality between men and women gives an excellent account of the great challenges that we face in the area of equality in the EU. One of these challenges is to bring about an increase in the proportion of women on the boards of public and private enterprises – not least within the financial sector. We are in the middle of an economic crisis in which we need to utilise all the talent we have if we are to create the necessary growth. Quite simply, our competitiveness is at stake.

The EU should therefore learn from Norway. Back in 2002, the then Norwegian trade and industry minister took the initiative to propose that at least 40% of each sex be represented on the boards of enterprises based on a cold calculation: Norway needs to utilise all the talent it has if the country is to compete internationally. The current form of recruitment, in which men primarily recruit men, is destructive as regards generating innovation and growth. We must exploit the potential of both sexes and take the initiative in the EU for legislation similar to that of Norway. In 2002, there were around 200 women sitting on boards in Norway; today there are nearly five times that number. At the same time, studies show that businesses with both sexes represented on the board do better in purely economic terms. It is therefore sheer common sense to fight for equality.

**Carlo Casini (PPE).** – (IT) Mr President, ladies and gentlemen, Commissioner, the principle of equality between women and men is part of the central current of the great river that has already freed foreigners, slaves, black people, and that is the principle of human dignity, the same for everyone. The Tarabella report and that of the Commission are therefore both commendable, because it is right to always insist thoroughly on this principle.

There are, however, two critical remarks that I feel I should make. The flow of human dignity and equality should concern everyone, absolutely everyone, including those who are waiting to enter the world, unborn children. It is therefore unacceptable to do as point 38 of this report does, that is, to speak of abortion as an aspect of sexual reproductive rights, or women's rights. No one is denying the complexity of problems where difficult and unwanted pregnancies are concerned – there are serious problems – but, in any case, these things should not be spoken about except in relation to the need to nurture respect for life and to offer mothers all kinds of help so that they can freely choose to continue with their pregnancy.

My second criticism concerns the extension of the concept of sexual and reproductive health, as is done in recital X, beyond physical and mental aspects, to include social aspects as well.

I wonder what it means that all sexual behaviour, whatever it may be, must receive from others justifications of wellbeing, and therefore recognition and praise. Does this not mean that we end up violating not only



freedom of conscience, but also freedom of opinion? I will merely ask this question because I do not think it is a banal one.

**Mairead McGuinness (PPE).** – Mr President, let me agree with colleagues who say that more legislation is not the answer if we are not implementing existing legislation on equality.

Secondly, as someone who grew up with the movement for more equality, I worry that young women think the battle is over. Therefore, we need to invigorate the debate amongst young women and young men about the equality agenda.

On the economic crisis, yes it is affecting women, but, of course, when men lose a job, women are also affected. I think we need to be very clear that the economic crisis affects everybody, particularly families.

On paragraphs 34 and 35, I fully agree and would endorse the call for those countries which have not done so to ratify the European Convention on Action against Trafficking in Human Beings. I hope that the Irish Government lives up to its commitment to do so this year.

Domestic violence is a horrible reality: many women are indeed murdered in their own homes. We have had a recent court case involving an incident of that kind in Ireland.

Paragraph 38, however, fails to respect the subsidiarity clause in relation to abortion, and I think it needs amending.

**Olga Sehnalová (S&D).** – (CS) Commissioner, ladies and gentlemen, when the struggle was under way about a hundred years ago for voting rights for women, it was not a privilege that women were fighting for but the just recognition of their basic civil rights. Let us also try to take that path today.

I firmly believe that the greater involvement of women in political life, especially at the national level, will be assisted by genuinely free competition between candidates in electoral contests. Under such conditions, women will undoubtedly hold their own. For example, during the last parliamentary elections in the Czech Republic, a free contest between candidates would have increased the overall number of women elected from all parliamentary parties from a paltry 15% to an acceptable 26%. We find similar results with other types of election.

Women must not be in the role of supplicants. If they have an equal chance, they will win through. However, as long as electoral systems are contests between selected groups of candidates for predictable seats with no real chance for other candidates to be elected, there is no equal opportunity. Let us strive, therefore, for genuinely equal opportunities for all, in other words, for women too. Then there will be no need for quotas.

**Gesine Meissner (ALDE).** – (DE) Mr President, ladies and gentlemen, a short while ago, I gave a speech about my work in the European Parliament, about my tasks here and about my many appointments. Then a man asked me this question: 'What does your husband say to that?' I have heard this question many times. I know that women get asked it, but I believe that, the other way around, no man is ever asked the question: 'What does your wife say to that?'

*(Heckling)*

Yours has? Well then, in your case, we can talk about real equality.

Let me give you another example: A young married couple, friends of mine, have just had a baby and the parents share one job, that of looking after their baby. For the wife, it is considered normal, but the husband gets asked why he spends half the day changing nappies and does he not feel this has set him back career-wise. That is not equality, either.

In conclusion, let me touch on equal pay, which we have discussed today. Although there are companies which pay union wages, there is evidence that women work in departments where they have fewer opportunities to progress and where they are paid smaller allowances. One final example: companies whose management consists of at least 30% women achieve better business success. Equality does pay off!

**Rareș-Lucian Niculescu (PPE).** – (RO) I welcome this resolution and am pleased that a key place has been given to the issue of women who work in agriculture and do not enjoy any clear, definite legal status with regard to right of ownership and their role in the family household. This issue, which has possible major consequences, is also on the agenda of the Council's Spanish Presidency as an important objective. We must look for the best applicable solutions for this matter.

I also hope that the role played by women in the European economy will have an important place as well in the future EU 2020 strategy, which will be discussed this very week at the information summit in Brussels.

**Karin Kadenbach (S&D).** – (DE) Mr President, Commissioner, I would very much like to thank my fellow Member, Mr Tarabella, for his report. The fact that this report contains more than 40 paragraphs is clear evidence that equality and equal opportunities for women are not a subject that we can do justice to in just under an hour. There is enough material here for several debates. Today, however, I would like to focus on two points. The first one is paragraph 8 of the report, which is critical of the fact that gender mainstreaming in the current Lisbon Strategy is basically non-existent. I would like to join the call that the Commission and Council include a gender mainstreaming chapter in their post-Lisbon 'EU 2020' strategy.

Furthermore, it is essential that Member States carry out a gender-based impact assessment, because if we want to be serious about fighting the effects of the current crisis, we need action which will take into account the particular position of women. I think that Member States really should be urged to take action based on such data and impact assessments in order to promote economic recovery. I am also of the opinion that women have rights over their own bodies and health.

**Norica Nicolai (ALDE).** – (RO) While welcoming this report, I would like to highlight one thing. I do not think that legislation is relevant, especially because this equality between men and women is a major component in a people's civilisation and culture. I believe that positive measures must be adopted at the start of every individual's development and begin with a form of upbringing which removes stereotypes and gives strong support and a purpose to gender equality right from childhood. Unless we adopt this mindset and carry out integration in this way, we will continue to have the same discussion about investigating this matter and less about doing something.

I would like to emphasise one further thing. Inequalities become narrower in a knowledge society or new form of economy. I believe that these are important steps towards equality.

**Zuzana Roithová (PPE).** – (CS) Mr President, ladies and gentlemen, I would like to point out that the outdated Barcelona objectives referred to in this report conflict with the recommendations of experts. It has been proven by experts that the youngest children, those who are up to two years old, should not be placed in institutions and it is therefore impossible to impose such a target on Member States. For the healthy mental development of infants and toddlers, it is fundamentally important for them to be looked after all day long by their mother or father. This report, moreover, interferes with the rights of Member States, since it wishes to change their pro-family policies. Our job, of course, is to struggle for effective European measures to combat people trafficking and violence against women and children. I believe, and I would like to point out, that this report does not respect the right to life of the unborn child. I consider this report to be lacking in balance. I would like to conclude by thanking Commissioner Špidla and wishing him every success.

**Katarína Neveďálová (S&D).** – (SK) It is true that the European Union has done much over the past thirty years to improve the position and rights of women. However, the most striking difference, which still persists and which even continues to deepen, is in the pay of men and women.

Women earn almost 20% less on average, while pay differences between women and men also have a significant effect on the lifelong earnings and pensions of women and what we increasingly refer to as the feminisation of poverty. The differences in pay are connected to many legal, social and economic factors, the extent of which is broader and goes beyond the issue of equal pay for equal work.

We should also mount a Europe-wide campaign to try to eliminate deeply ingrained prejudices concerning the supposedly natural fact that there are those who wear trousers and there are less valued persons who wear skirts. We must speak openly about the topic of domestic violence and human trafficking, which is still taboo, and, of course, about taking gender equality into the education process of pupils in primary school.

I would like to end by asking one question for everyone sitting here today. How can society value and protect women as unique and exceptional beings, as the bearers of life, when we consider International Women's Day to be a socialist hangover?

**Piotr Borys (PPE).** – (PL) Mr President, I am very pleased that men, too, are speaking today, although, as can be seen, we are in the minority. I would like us to look at gender policy in categories of a huge, untapped social potential, and, therefore, within the next 10 years of this generation, the disproportions should be evened out in every area if we want to think of a rapidly developing society.

There are three problem areas: firstly, the disproportion in the academic world. Women are better educated, but they do not gain promotion. Secondly, the participation of women in politics should be significantly greater, and this is why I think rules on parity should be put in place in all Member States. Thirdly, the area of entrepreneurship. Women cope better with, for example, micro-enterprises, but their participation in the management of large companies is quite small. The current rate of growth suggests that women will achieve equal participation only in the year 2280. This must be changed.

There are three conclusions. Firstly, the monitoring centre should look at best practices. Secondly, I want to express immense thanks to Mr Špidla for allowing, in the European Social Fund, the European Union's great financial instrument, the possibility of investing in kindergartens. Thirdly, I would like to declare that, if I plan to have a child during this term, I will take paternity leave, if Mr Buzek allows me.

**Silvia-Adriana Țicău (S&D).** – (RO) I believe that an effective career planning system is required in order to ensure equal opportunities for men and women, which means that there must be sufficient child care facilities, such as crèches and nurseries.

The European Union currently has waiting lists for children to be registered in crèches and nurseries. There are even a large number of children who cannot be registered in such educational institutions due to an insufficient number of places. Every euro invested in developing child care facilities means a return of six euros for society, resulting from the jobs created and the improvement in European citizens' quality of life. This is why I hope that in the future, the European Union and Member States will invest more in these care facilities for children of a very young age.

Last but not least, I would like to draw your attention to the situation of single-parent families and to the difficulties encountered by single parents bringing up children on their own.

**Sidonia Elżbieta Jędrzejewska (PPE).** – (PL) Mr President, in my opinion, there are two keys to the equal rights of women and men. One key is equal access to economic resources, and the second key is equal access to decision making in public life. In my opinion, differences between pay for women and men, which stubbornly continue to exist, are unacceptable. There should be equal pay for equal work. Furthermore, I would like to stress that it is very important, in my opinion, to have greater participation of women in political life and in public life in general. I am profoundly convinced that greater participation of women in public life, in greater numbers and on fairer principles, will mean that the budgets and policy which will be created, and the plans which will be made, will, to a greater degree, reflect the dreams, needs, aspirations and plans of the whole of society.

**Elena Băsescu (PPE).** – (RO) Against the backdrop of the economic and financial crisis, the unemployment rate for women rose by 1.6% in 2009, compared with the rate for men, which rose by 2.7%.

There has been a significant increase in women's involvement in the decision-making process in politics. The percentage of women in the European Parliament has risen from 31% to 35%, compared with the previous parliamentary term. The percentage of women representing Romania is 36%. Taking the example of Romania, the election of a woman, a former MEP, as President of the Romanian Parliament's Chamber of Deputies marks a first. On a personal note, as a young woman embarking on a political career, I stood as an independent candidate for the European Parliament, managing to obtain the necessary number of votes, without the help of a party list. In the private sector, women are much better represented, with a third of them ...

*(The President cut off the speaker)*

**Seán Kelly (PPE).** – Mr President, the title of the debate here this evening is 'Equality between women and men', yet most speakers, when dealing with the issue, said 'between men and women'.

That, I think, in part answers the question asked by Mrs Lulling about why more progress has not been made since 1975. The reason is tradition. It is cultural. Women were seen to have an inferior, subordinate role. That still exists in many countries worldwide and it is a big challenge to change it.

Thankfully, however, the EU has made good progress and nowhere probably more than in this Parliament where, numerically and attitudinally, there is real equality. That needs to continue through legislation, through targets and through directives.

The point was also made that we should have more information for young girls. I agree, but we also need more information for young boys, particularly to offset the damage that has been done by many films and

many television programmes which are not at all conducive to creating an equal society in the spirit of equality. There is a lot of work to be done there and we need to start doing it.

**Czesław Adam Siekierski (PPE).** – (PL) Mr President, it is usually the case that, in difficult times, more problems with ensuring the everyday welfare of the family rest upon women. Not only should they receive gratitude on all sides for this, but they should be given substantial support as part of social policy. I think we have a lot to do in this area.

Gender equality and women's rights stem from human rights. It seems that creating excessive legislation to uphold this fundamental right may be perceived as an outright denial of the principle. Finally, we can do most in the area of equality between women and men by having a system of appropriate education, because respect for women is not enough, and it cannot be fully defined and incorporated in the best documents if it is not part of our culture, customs and upbringing.

In Poland, there is a saying that the woman holds up three corners of the house, and the man only one. We could say that this situation distinguishes and values women, or that it excessively exploits them and is an example of inequality.

**Vladimír Špidla, Member of the Commission.** – (CS) Ladies and gentlemen, the debate has been unusually extensive. I have attended many debates in Parliament and this has certainly been one of the most prolific. In my opinion, it also showed clearly that the policy formulated by the European Commission and Europe as such is a policy that has its own inner sense and its own inner logic and it must be continued. Equality of opportunity is, in my view, a really fundamental element of our make-up, emanating no doubt from human rights, and it is also clear that we must secure it for all. We cannot accept that there will be isolated areas where equality of opportunity is not consistently applied.

The policy formulated in our plan for equality should, in my view, continue in the future and I similarly agree with the opinion that in the forthcoming 'Europe 2020' strategy, we should reinforce gender issues. As has already, been said many times in the discussion – and I am in complete agreement with this – a modern society that wants to be successful cannot afford not to make use of its full human potential. In my opinion, equality of opportunity represents a unique competitive advantage for Europe.

Ladies and gentlemen, we have also discussed measures, cultural aspects, lawmaking and many other aspects of this complex issue. I believe that we cannot adopt a negative or positive opinion *a priori* on any remedy. Existing legislation must certainly be applied consistently. There is no doubt about that and there are many problems here. It is also clear, of course, that new and very bold legislation can often fundamentally change a situation. The Norwegian example of quotas for the administrative bodies of large joint stock companies was mentioned here and this law has clearly changed the situation and I think it would be interesting to study the Norwegian experience. Despite this, however, I believe that emphasising the full application of current valid legislation should remain a priority.

Ladies and gentlemen, the importance of the work-life balance has been clearly pointed out and, in my opinion, it has also been stated clearly that equality of opportunity is an issue for both men and women. I am therefore delighted that we have held this debate on the basis of the experience of both sexes and I think that this should always be the case.

**President.** – Commissioner Špidla, I would like to join in the chorus of thanks given to you from different quarters of the Chamber and in all the good wishes. I wish you all the best and God bless!

**Marc Tarabella, rapporteur.** – (FR) Mr President, I, too, would like to congratulate the Commissioner on this final effort – yes, I who have often challenged him in other forums – and to simply thank everyone for this very rich debate, in which many Members have spoken.

I have listened carefully to all of them, and it is true that a number of men have spoken, which I am pleased about. At any rate, the proportion of men was higher than in the Committee on Women's Rights and Gender Equality, since, of the 61 members, there are only four of us men, which is far too few. I do, of course, agree with those who have said that this is a fight in which men, too, must participate.

I cannot respond to everyone, but Mrs Lulling said that the margin of the vote in committee was not a comfortable one. Well, there were 15 'yeses' to five 'noes', three times more 'yeses' than 'noes', and seven abstentions.

I know that we have spent a great deal of time on chapter 38, which is devoted to reproductive health, to sexual rights and, in particular, to contraception and abortion. I know that this issue is perhaps more sensitive than the others, and I did not want my report to become a ragbag, but I could not overlook that issue.

I make reference in particular to young girls, who end up suffering if they accidentally become pregnant because they did not have all of the information they needed. What bothers me most is the frequent hypocrisy of some who wish to ignore these situations and poke fun at the problems of these young girls and yet, when it happens to one of their children, they have the resources to pay for them to have 'revitalisation' therapy, in Switzerland or elsewhere, without it attracting much attention.

As for the pay gap, Mrs Bauer put it well. We are talking about a figure of 25% when we add up the effects of part-time hours, which are limited. It is, of course, difficult to be precise.

This is not – and I will finish here because I have only a few seconds left – a ragbag report, even though mention is made of genital mutilation, the burkha and forced marriages. Rest assured that I believe that, in a democracy, these practices are not cultural; rather, they are practices that we must combat by means of democracy.

The fact is, had I put that in the report, it would have overshadowed all of the rest which, in my view, was more important.

**President.** – The debate is closed.

The vote will take place on Wednesday, 10 February.

#### **Written statements (Rule 149)**

**Corina Crețu (S&D), in writing.** – (RO) Even though the number of women in the labour market is higher than the number of men for the first time in history, instances of gender-related discrimination persist. A considerable proportion of the jobs done by women are usually on a part-time or fixed contract basis, with unsuitable pay. More than half a century after the principle of equal pay was included in the Community Treaties, a woman in the European Union needs to work 418 calendar days to earn what a man earns in 365 days.

Even though the EU's policy has been pioneering, the pay gap has remained stubbornly wide since 2000. We have the necessary legal instruments to act on this. This is why I am calling for the future European Commission to be involved in transposing, in all Member States, Directive 2006/54/EC on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation. While the recession has primarily hit the sectors dominated by men, there is the risk, including in Romania, that budget restrictions will lead to the loss of numerous jobs in the public services sector, an area where women are represented the most. I believe it is vital that gender equality policies are not modified by discriminatory measures aimed at public sector employees.

**Vasîlica Viorica Dăncilă (S&D), in writing.** – (RO) The report on equal opportunities is proposing to give new impetus to equal opportunities within the European Union because the promotion of genuine, democratic equality between women and men remains a benchmark for creating a democracy which integrates the whole of society.

Equal opportunities offer a boost for social progress and must not simply remain a judicial instrument. In most European countries, segregation by occupation and sector remains almost unchanged. This is reflected in the lower salaries for women, the smaller number of women who work when they have dependants, as well as in the sharing of responsibility between men and women in family life.

Furthermore, we must not forget either the role of women in agriculture in Europe and their contribution to it: one-third of agricultural workers are women. They are often unpaid and do not enjoy adequate social protection because they carry out their work on farms providing food for their own families.

I believe that the European Parliament must support the initiative in favour of setting up a European centre for monitoring violence against women and, by extension, European legislation aimed at protecting victims, as well as the establishment of a body promoting equal opportunities at United Nations level.

**Sirpa Pietikäinen (PPE), in writing.** – (FI) Mr President, ladies and gentlemen, I would like to thank Mr Tarabella for his excellent report on equality between women and men in the European Union. Inequality between women and men in the labour market is reflected in the fact that women still get 80 cents for every euro that

men get doing the same job. There are measures in place to achieve equal pay and now is the time actually to put them into practice. For example, it should be made compulsory to undertake an assessment of the demands of a job and pay should be determined based on it. Sanctions should be imposed on employers if no proper equality programme has been drawn up for the workplace. Women should not have to confront obstacles to their career paths and see their career development brought to a halt on account of their sex. Both companies and the public sector must pay more attention to ensuring that there are more women in top jobs. When the European Commission is being formed, each Member State should propose both men and women as commissioners. As the report states, there are also problems in reconciling work and family life that are relevant to equality between women and men in professional life. The development of public services to facilitate care provision and more scope for parental leave are ways to even out the differences between women and men in the labour market. The European Union needs social regulation. The EU has already begun to work towards a more equal Europe: the status of European women has improved considerably, thanks to EU legislation. The Union is heading in the right direction in matters of equality, but things do not happen by themselves: in the future, we will require a stronger EU social dimension to guarantee a more equal and more social Union than ever.

**Daciana Octavia Sârbu (S&D), in writing.** – (RO) Equality between women and men is a fundamental principle of the European Union. Considerable progress has been made in this regard down the years. However, there are still significant discrepancies between Member States when it comes to offering equal pay for work done, the number of women occupying management posts and the percentage of women in the labour market. In spite of current EU legislation, there is still a difference seen in Member States, on average, of 15-17% between the salaries received by men and women. This is because women have poorly paid jobs or work on a part-time basis. As a result of the reduction in women's earnings and pensions over the course of their lives, these salary gaps cause poverty among elderly women. 21% of women aged 65 years or over are exposed to the risk of poverty, compared with 16% of men in this situation. To ensure equal rights for both women and men, Member States must exchange good practice in terms of guaranteeing gender equality. Furthermore, I would like to stress the need for educational programmes in schools to avoid the legacy of stereotypes associated with women.

**Livia Járóka (PPE), in writing.** – (HU) The most important task concerning the European Union's policy for the promotion of equality for men and women is the evaluation of the successes and failures of the four-year schedule ending this year and plotting the outlines of the new strategy. The roadmap beginning next year must stress – just like the present one – the phenomenon of multiple and 'sectional' discrimination, while paying closer attention to women's rights aspects of the situation of ethnic minorities. The report correctly points out the harmful effects of the global economic crisis on the situation of women, particularly as far as jobs and the gender-based wage gap are concerned. It is crucial, therefore, for the new strategy to consider the economic importance of equal opportunities for men and women, since gender-based discrimination is not only unfair but it slows down the economy. Member States and the enterprises concerned must be urged, therefore, on the one hand, to incorporate into their crisis-handling strategies the consideration of gender equality and, on the other, to refrain from financial restrictions detrimental to equal opportunities for men and women. The roadmap that comes into effect after 2010 has to maintain the priorities of the previous strategy, with greater focus on aspects involved in bringing down poverty and social exclusion, especially in a European year dedicated to that topic. The new strategy must be a concrete action plan with realistic, verifiable goals. In addition, much more efficient coordination is needed between the European Commission and Member States in view of their implementation.

## **17. Agenda for next sitting: see Minutes**

## **18. Closure of the sitting**

*(The sitting was closed at 22.50)*