

THURSDAY, 25 MARCH 2010

IN THE CHAIR: MR BUZEK

President

1. Opening of the sitting

(The sitting was opened at 09.10)

2. Statements by the President

President. – Ladies and gentlemen, sad news has reached us of the recent shooting of French policeman Jean-Serge Nérin by ETA. This makes us aware that the problem of terrorism in Europe has not yet been solved. On behalf of Parliament, and for my own part, I would like to offer our condolences to the family of the murdered policeman. I hope the Spanish and French police will bring to justice not only the killers themselves, but also those who ordered the killing.

There is a second piece of disturbing news: the arrest in Cuba of 30 participants in a demonstration by the 'Ladies in White' group. The 'Ladies in White' are mothers and wives of imprisoned opposition activists. In 2005, the European Parliament awarded the 'Ladies in White' the Sakharov Prize. We join today with those heroic women, and we are thinking about them and their difficult situation.

3. ECB annual report for 2008 - Report on the 2009 Annual Statement on the Euro Area and Public Finances (debate)

President. – The next item is the joint debate on the following:

- the report by Mr Scicluna, on behalf of the Committee on Economic and Monetary Affairs, on the ECB annual report for 2008 (2009/2090(INI)) (A7-0010/2010), and
- the report by Mr Giegold, on behalf of the Committee on Economic and Monetary Affairs, on the 2009 Annual Statement on the Euro Area and Public Finances [COM(2009)0527 - 2009/2203(INI)] (A7-0031/2010).

Edward Scicluna, rapporteur. – Mr President, the last two years have certainly been the most challenging for the ECB, in its role as guardian of financial and price stability, since its inception. My report on the ECB's 2008 annual report was drafted in this context.

The report focuses on the ECB's continued response to the crisis, its exit strategy proposals, the increasing imbalances within the eurozone, the reform of the EU's financial architecture and, finally, issues related to the governance and accountability of this institution. I hope that a good balance has been found.

The financial and economic crisis has seen the worst global economic decline since the 1930s. After a relatively benign period of economic growth enjoyed across most of Europe, most Member States have had their economies stress-tested, not through a simulated model but in real time and with painfully real consequences. The result has been GDP growth of a meagre 0.7% in 2008, followed by a 4% contraction in 2009. Meanwhile, Member States across the EU have forecast a very sluggish and uneven return to growth in 2010 and 2011.

Most Member States are experiencing rising budgetary deficits and debts. The Commission's economic forecast in autumn 2009 predicted average budget deficits across the eurozone of 6.4% and average government debts of 78.2%, figures which, in turn, are both expected to increase in 2010. It will take years for these figures, brought about by the financial and economic crisis, to return to the pre-crisis levels.

I believe that the ECB has responded fairly well to the crisis. The primary function of the ECB is to maintain price stability. Although inflation was far above the ECB's self-imposed ceiling when it peaked at 4% in June and July 2008, inflation rates have since tumbled. The ECB has also steadily cut interest rates from a peak of 4.25% in June 2008 down to the current rate of 1% in May 2009, in a bid to reinvigorate lending and to kick-start the European economy.

The ECB's additional role during the crisis has been to expand liquidity provisions through the use of non-standard measures. Without such financial life-support, many financial institutions holding the savings and pensions of many European citizens would undoubtedly have collapsed.

Of course, it could be suggested that the ECB's interest rate cuts were not as radical as those taken by the likes of the US Federal Reserve or the Bank of England.

Similarly, while the ECB's massive cash injections have kept many institutions from collapse, the reality is that many banks have not passed on the liquidity to customers, particularly to the detriment of the small and medium-sized businesses on whom economic recovery rests. Instead, many banks have used the liquidity to buttress their own position. To justified public revulsion, it has allowed them to make bonus payments as well.

I also cannot avoid making a quick reference to the policy responses needed to the current fiscal imbalances, a subject which is surrounded by a lot of confusion and which requires timely and decisive action. However, I will leave it to my colleagues here perhaps to amplify on this.

Like previous rapporteurs, I believe that the dialogue between this Parliament and the ECB is constructive and is developing positively. This is something to build upon. I believe that Parliament should be more closely involved in the appointments of the ECB Executive Board members – including the next President of the ECB – by following the precedent that has recently been set by the procedure taken for the appointment of the new Vice-President of the institution.

The ECB is accountable to the citizens of Europe through the European Parliament. We must strengthen that accountability. Above all, the crisis has demonstrated that markets left unregulated do not always self-correct and are prone to systemic risk. For this reason, it is important to support and complete the comprehensive set of reforms to the financial architecture of the EU and, in particular, the establishment of a European Systemic Risk Board, a body designed to act as a watchdog, giving an early warning of any systemic risks of instability in the financial...

(The President cut off the speaker)

Sven Giegold, rapporteur. – (DE) Mr President, the report on the 2009 annual statement on the euro area and public finance was drafted during a period when the euro area was facing huge challenges and this period has not yet come to an end.

The economic situation is a matter of major concern for the citizens of Europe and for all of us. At this time, the report was adopted by the Committee on Economic and Monetary Affairs in a highly cooperative spirit and by a large majority. I would like to present the report against this background. On the one hand, it is very clear, both from the relevant Commission proposal and from the recommendations which Parliament and the Committee on Economic and Monetary Affairs are presenting here in the plenary session, that the economic situation must be stabilised. On the other hand, the crisis, which has achieved a certain level of stability as the growth figures have recovered slightly, has entered a second phase represented by huge public budget deficits. This is the price which we have to pay in order to emerge from the crisis. The report's message in this respect is very clear. We must return to the path taken by the Stability and Growth Pact as quickly as possible. We cannot pass on this level of debt to our children and grandchildren.

However, the report also states very clearly that the rules in the Stability and Growth Pact are not enough. There are no corresponding measures for improved coordination in the euro area and it is important to resolve the imbalances within the euro area and increase the coordination of budgetary and fiscal policy.

Those with responsibility for these areas in the euro area are now faced with the significant challenge of finding a responsible solution for these problems. This means that it is out of the question for every country to continue to insist on its individual privileges against a background of parochial politics. The Commission, in particular, and also the euro area countries, have a huge responsibility for introducing the necessary measures in this situation. I would like to summarise briefly our proposals in this respect.

Firstly, we need effective instruments for economic coordination. Secondly, the structural dependency of the euro area on finite resources must be brought to an end. We cannot afford to slip back into recession the next time that there is a rise in oil and resource prices, which is already under way. Thirdly, it is essential that the financial markets are effectively regulated after this crisis. However, we are currently seeing individual Member States ensuring that sensible proposals are not even being made by central authorities, such as supervisory bodies. Fourthly, it is unacceptable that in a crisis of this kind the focus is not on the objective

of social cohesion, contrary to the values of the European Union. Instead, individual Member States are expected to use ridiculous interest rates in order to finance their debts. This is why we are calling in the report for eurobonds or similar measures to be applied, in order to help the weaker Member States by means of solidarity. Most importantly, the necessary changes to fiscal policy must not be made at the expense of mass purchasing power. The simplest solution which would allow us to make good progress in this area is effective cooperation in the field of taxes.

At long last, the Commission must quickly come up with some proposals for a common consolidated corporate tax base. The report also calls for the implementation of a country-by-country reporting system for corporate income. We are asking you to submit a corresponding proposal. In general, the principle of tax cooperation must take priority over tax competition, in particular, in the context of the work done by Mr Monti and the reinvigoration of the internal market. We need you to come up with effective proposals so that we do not come out of this crisis with even higher debts. Strong economic cooperation between the Member States will help us to ensure that we do not leave behind debts for our children, but instead a euro area in which the countries cooperate with one another rather than being dragged down by competition.

Jean-Claude Trichet, *President of the European Central Bank*. – (DE) Mr President, ladies and gentlemen, I am pleased to be here with you on the occasion of the debate on the resolution concerning the European Central Bank annual report for 2008.

As a result of the parliamentary elections last year, this year's debate has been postponed for a long period. However, this gives me the opportunity to discuss the current situation at the end of the debate.

(FR) Mr President, as you know, the European Central Bank welcomes the very close links with Parliament, which incidentally go far beyond the obligations provided for by the treaty. Over the years, we have established very fruitful dialogue, and I would say that the excellent reports that we have just heard from Mr Scicluna and Mr Giegold are further evidence of this.

Today, in my statement, I will briefly review the economic developments observed in the past and the monetary policy measures taken by the European Central Bank. Then I will address a few points that were raised in the proposal for a resolution and I will say a few words about the current situation.

First, on the economic developments and monetary policy over the past year. In 2009, as was said very eloquently by Mr Scicluna, the European Central Bank was operating in an environment that future economic historians are likely to describe as the most difficult one for advanced economies since the Second World War.

Following the profound intensification of the financial crisis in the autumn of 2008, 2009 started with a continued synchronised freefall in economic activity worldwide. Until around April last year, economic activity was declining, month after month. During this period, the trade-mark which was vital for maintaining confidence – and it was the trade-mark of the ECB – was the ability to take the immediate and exceptional decisions that were necessary whilst, at the same time, remaining inflexibly attached to our primary objective of maintaining price stability in the medium term.

Overall, our non-standard monetary policy measures, which are known collectively as enhanced credit support, have served, we trust, the euro area economy well. They have supported the functioning of the money market, contributed to improving financing conditions and allowed for a better flow of credit to the real economy than could have been achieved through interest rate reductions alone. By and large, banks have been passing on the sharply lower key ECB interest rates to households and businesses.

The guiding principle is that, to the extent that the situation returns to normal, keeping these measures in place for longer than required risks changing the behaviour of financial market participants in an undesirable manner, and we do not wish to breed dependency.

This is why, in December 2009, we began to gradually phase out some of our extraordinary liquidity measures, taking account of improvements in financial markets. In particular, we scaled back the number, frequency and maturity of longer-term refinancing operations. At the same time, we have committed to maintaining fully accommodating liquidity support to the euro area banking system until at least October this year.

The Governing Council is of the opinion that the current monetary policy stance is appropriate, and that the continued firm anchoring of inflation expectations bodes well for price stability in the medium term.

Let me now turn to some of the issues you raise in the resolution and which were mentioned in the report.

On the issues of accountability and transparency, we very much appreciate the regular dialogue with the European Parliament and the constructive spirit with which this exchange is conducted.

I therefore welcome the repeated support by the Committee on Economic and Monetary Affairs for our quarterly monetary dialogue. I think, as it was said again very eloquently by the rapporteur, we are accountable to the European people, which means to Parliament.

We consider the ECB to be one of the world's most transparent central banks. Our practice of holding a press conference immediately after the Governing Council meeting on monetary policy each month remains a pioneering initiative that has not yet been replicated by our major sister institutions. With the publication of our comprehensive introductory statement in real time, we explain policy decisions and their underlying rationale.

During the crisis, as you know, we have further intensified our communication efforts and thereby helped to smooth financial market reactions, to build confidence and lay the foundations for recovery.

You have also requested the views of the ECB on the establishment of a clearing house for instruments such as credit default swaps (CDSs) within the euro area. I would like to say that the robustness of euro-denominated CDS markets is of direct relevance for the Eurosystem as regards control over its currency and financial stability in the euro area.

Central counterparty clearing is very important, not only for delivering transparency, but also for diversifying and sharing risk exposures and reducing the incentives to take excessive risks. Certain financial instruments which were introduced for hedging should not be misused for speculation. Regulators should be able to undertake effective investigations into possible improper conduct, and there it seems to me that we are very much in line with Parliament's concerns.

Let me say just a word on the outlook for EMU during challenging times. An economic recovery is in progress, but this does not mean that the crisis is over. For one thing, we know that the pace of recovery will be uneven and we cannot rule out setbacks.

For another, we are still facing numerous challenges regarding the reform of our financial system. Finance must play a constructive role, and not a destructive one, in our economies. The litmus test for a constructive role is that finance serves the real economy. To ensure such a role, we still need to improve the functioning of financial systems considerably further.

Thus far, a great deal of attention has been focused on the banking sector. Effective reforms also have to look very closely at non-bank financial institutions and at the set-up and functioning of financial markets. We have to devise mechanisms and incentives to ensure that finance does not spiral out of control in the destructive way that it did just prior to the crisis.

We have to contain systemic disruptions that lead to economic hardship for the people of Europe. Setting up the European Systemic Risk Board, legislation for which is currently being considered by the Parliament, is part of the correct response to this challenge.

There are other challenges facing the European economy, and they are associated with public finances, as was again stressed by the rapporteur, and sovereign financial health.

Within Europe's economic and monetary union, there is a clear allocation of responsibilities. With respect to that allocation of responsibilities, everyone can count on the commitment of the ECB to maintain price stability in the euro area as a whole over the medium term.

Based on our last projections for this year, we will have at the end of this year, after 12 years of the euro, inflation at a yearly average of 1.95%. That is in line with our definition of price stability: less than 2%, but close to 2%.

The commitment of the ECB, the strategy of the ECB and its track record are consistent. The smooth functioning of Europe's economic and monetary union does not rest only on monetary union but also on economic union. Policy makers at the national level must keep public finances sound and their economies competitive.

In the current circumstances, where Europe faces pivotal decisions, it is more important than ever to recognise that a prosperous union requires determined action by all. Monetary union in Europe is far more, in my opinion, than a monetary arrangement. It is a union of shared destiny.

(The speaker added in French and German: 'We share a destiny in common.')

This destiny is for our common good, and it is the vision of our founding fathers. Monetary union is not a matter of convenience. It is part of an overarching process of advancing the integration of the people in Europe that began after the Second World War.

I believe we often play down the achievement that Europe has attained. We are often too quick to criticise our institutions and processes. But they have generally worked well, even in the most difficult times. I trust that European institutions and processes have remained effective during the financial crisis.

On this side of the Atlantic, we have avoided dramatic events that could have triggered a new intensification of the crisis, which started in the United States in September 2008. It is within this present context that I appreciate the commitment of euro area Member States, made on the occasion of the last European Council meeting, to take determined and coordinated action, if needed, to safeguard financial stability in the euro area.

I would also take advantage of my presence in front of the European Parliament to lay out what I have already mentioned at the hearing before the Committee on Economic and Monetary Affairs on Monday. It is the intention of the ECB's Governing Council to keep the minimum credit threshold in the collateral framework at investment grade level (BBB-) beyond the end of 2010. In parallel, we will introduce, as of January 2011, a graded haircut schedule, which will continue to adequately protect the Eurosystem. I will provide the technical details when reporting on the Governing Council decisions of our next meeting on 8 April.

Let me conclude. The introduction of the single currency just over a decade ago represents the greatest achievement, in my view, in the history of European integration to date – a process that has ensured peace and prosperity in Europe.

The global financial crisis has brought fresh challenges to which we in Europe have risen. Our monetary union and our very close ties, inside the single market, with all EU Member States' economies have prevented the crisis from being compounded by currency crises, as was the experience in the early 1990s.

Today, Europe faces further pivotal decisions. Our common task is to continue to ensure peace and prosperity, to make our union an even more attractive place to live and work in.

For this we need strengthened surveillance as again was said by the rapporteurs, and strengthened cooperation. We also need to revive the sense of common purpose, the shared ideals that motivated our founding fathers. Their endeavour was visionary and all that we see in today's world confirms their lucidity.

Olli Rehn, *Member of the Commission*. – Mr President, first of all, I would like to thank you for the chance to discuss the 2009 Annual Statement on the euro area. When we prepared our Annual Statement, we knew that the selected issues would be topical. They might, however, have become somewhat too topical recently.

Let me congratulate both rapporteurs, Edward Scicluna and Sven Giegold, for their excellent reports. In order to respect the independence of the European Central Bank, I will focus on the Giegold report, which makes a very substantive contribution to the current debate on economic coordination and economic governance within the euro area.

In my view, the broad support the Giegold report enjoyed within the Committee on Economic and Monetary Affairs is indeed a testimony to the relevance and balance of his approach and issues. I fully agree with Mr Trichet that the euro is not only a technical monetary arrangement but is rather the core political project of the European Union, which must be defended and developed in this European spirit, not least today and tomorrow, as the European Council is convening at a very critical moment.

Since 1999, the euro area has mostly been an area of economic stability. It has shielded our citizens from economic turbulences. However, since the end of 2008, the euro area has been hit hard by the global financial crisis. Despite the economic recovery policies and strong fiscal stimulus, financial markets still remain volatile and the degree of uncertainty remains exceptionally high. Recent waves in the market have seriously tested financial stability and economic governance in the euro area, especially in relation to Greece.

I would like to say that Greece is now on track to meet the 4% target of deficit reduction this year, following the bold and convincing measures that the Greek Parliament decided earlier this month and which are now in force. This moment may indeed be a turning point in Greek fiscal history and economic development.

However, neither Greece nor the eurozone are completely out of the woods yet as there are still concerns regarding financial stability in the euro area. Therefore, the Commission has strongly encouraged the euro area Member States to take a political decision on a mechanism to ensure financial stability in the euro area as a whole, a mechanism which could be swiftly activated if needed, in conformity with the treaty and its bailout clause, and without any automaticity built into this mechanism.

On our side, I can assure you that the Commission is ready to put such a European framework in place for coordinated and conditional assistance, which could be used if needed and if requested. We are working closely and intensively together with all euro area Member States and the ECB in order to reach such a solution this week in the context of the European Council.

However, in addition to the immediate crisis management, we need to look at how similar situations can be avoided in the future so that we never again have cases similar to the Greek case now. The Greek crisis has demonstrated the need for enhanced economic governance. This was already recognised and the legal base provided in the Lisbon Treaty. Therefore, we are currently preparing proposals for the implementation of Article 136 of the Lisbon Treaty and the Commission will make a proposal for enhanced economic policy coordination and reinforced country surveillance in the coming weeks.

Like you, Mr Giegold, in paragraph 28, we regret the lack of binding commitments among governments to enforce coordination in the euro area. Therefore, an integrated and forward-looking approach focused on policy action and clear operational arrangements is needed. First and foremost, we needed to prevent unsustainable public deficits and therefore we need to be better able to monitor the mid-term budgetary policies of the euro area Member States. We need to be able to issue broader and more stringent recommendations to the Member States to take corrective measures. I also count on your support in this matter.

We can also make better use of existing instruments. It is possible for the Council to address recommendations to a Member State whose economic policies risk jeopardising the proper functioning of economic and monetary union. This has been used in the past, probably too rarely. With the new Lisbon Treaty, under Article 21, the Commission can issue similar early warnings directly to a Member State. This is something we must do in order to help Member States to address emerging economic problems at a much earlier stage.

As I seem to be running on injury time, I will continue on macro-economic imbalances in my concluding remarks. That is the second core element of reinforced economic governance. By and large, I share the views of the rapporteur in this regard.

I just want to conclude by saying that the financial crisis has harshly demonstrated that the continuous economic growth of past decades cannot be taken for granted. Today, the worst may be over. The economic recovery is now in progress but it is still fragile and not self-sustaining. Unemployment has not yet changed for the better. The same applies to the consolidation of public finances, which is a prerequisite for sustainable growth. No matter how important fiscal stimulus was for the economic recovery, the two years of the crisis have wiped out over 20 years of consolidation of public finances.

These clouds will overshadow our economic landscape in the coming years. We must do our utmost to clear the sky and bring back growth. Therefore, this is indeed no time for business as usual. Instead, this is time for a change in step to promote sustainable growth and job creation.

Sophie Auconie, *on behalf of the PPE Group*. – (FR) Mr President, ladies and gentlemen, let me firstly congratulate and thank the rapporteur, Mr Giegold, who has proposed a work of high quality and has shown himself ready to listen to the rapporteurs from other groups.

This report, the European Parliament's response to the European Commission annual statement on the euro area and public finances, is rich in analyses and proposals. Of course, it is, to a great extent, marked by the big event of 2009, the economic and financial crisis, which is without any doubt the most serious crisis the European Union has faced since it was created.

I have learnt two main lessons from this crisis. On the one hand, the Economic and Monetary Union has shown how useful it is. The euro, a stable common currency, has played the part of a real monetary shield. Belonging to the euro area has enabled more than one country to avoid a devaluation of their national currencies, which would have further exacerbated the consequences of the crisis. The euro area has therefore become more attractive, as the case of Iceland shows.

Moreover, the active and flexible monetary policy conducted by the ECB, increasing its injections of liquid funds into lending establishments, has played a significant role in keeping European banks afloat.

The first lesson then is that while we often say that Europe was built on crises, this one has shown that economic Europe is both effective and necessary at the same time.

From this I draw the second lesson, which is that we should strengthen European economic governance. Today, the only genuine European economic policy is monetary policy. There is limited coordination of budget policies. However, the euro area, which – as mentioned again by this report – is intended to integrate all the Member States of the European Union, must establish effective governance in every aspect of economic policy.

It must begin with macro-economic as well as financial monitoring, something we are busy working on in the European Parliament. It must be carried forward within the framework of the Stability and Growth Pact as a real instrument of fiscal coordination. At this time of crisis, the considerable drop in revenue, the tax incentive measures taken within the framework of the recovery plan and the operation of economic stabilisers have led to a deterioration of the budget balances of the Member States.

Reducing public debt remains a fundamental commitment, as it concerns our children's future. Let us be austere, but let us also be inventive. Let us think about a new European fiscal policy, let us think about eurobonds, and let us be bold in European economic governance.

Liem Hoang Ngoc, *on behalf of the S&D Group*. – (FR) Mr President, ladies and gentlemen, Mr Giegold's report is particularly significant given the current macro-economic debate. This report is all the more relevant given the fact that its author is a German MEP who wanted to draw the attention of Europeans to the distorted effects, for the countries of the euro area, of the German strategy of reducing labour costs in the single currency system.

The German Government is, in fact, about to drag the euro area and the whole of the European Union into generalised wage deflation with damaging macro-economic consequences. Particularly in the absence of consistent structural funds and sufficient budgetary resources, and faced with the impossibility of devaluation, Member States with current accounts in deficit are condemned, in order to resist, to trim their wages and reduce the perimeter of their social security systems.

The result is firstly a slowdown in internal demand which, since the second quarter of 2008, has led to negative growth, and this was even before the start of the liquidity crisis. Secondly, we are seeing a rise in the personal debt of households with modest incomes and means, whose purchasing power is no longer increasing. Their debt to acquire homes was fed by the whole deregulated financial machinery, in Spain, in the United Kingdom and in Ireland, with the disastrous consequences we have observed in the subprime crisis.

Ladies and gentlemen, listening to the debates in committee, a significant number of MEPs would seem to be forgetting the lessons of this crisis. This crisis is far from behind us. The current recovery is all the more fragile given the fact that Europe is continuing with wage deflation and the Commission, but also the President of the Eurogroup and the President of the European Central Bank – whom we heard on Monday – are calling on the Member States to prematurely adopt exit policies that are comparable to real austerity plans.

These policies risk nipping growth in the bud when it has barely become positive again, even though capacity utilisation rates remain low. These policies will fail to reduce the deficits in Greece, in Spain and elsewhere, because the expected tax revenue will fail to materialise also. They will exacerbate unemployment and will fuel social tensions.

The Giegold report has the merit of drawing attention to some of these macro-economic imbalances. Unfortunately, the final version, amended by the Group of the European People's Party (Christian Democrats) and the Group of the Alliance of Liberals and Democrats for Europe, refuses to condemn wage deflation. However, on the whole, the debate opened by Mr Giegold may be beneficial at a time when neoliberal dogma thrown into doubt by the crisis is back in force in Parliament, in the Council and in the Commission.

Ramon Tremosa i Balcells, *on behalf of the ALDE Group*. – (ES) Mr President, first of all, I would like to congratulate the rapporteurs Mr Scicluna – who knows a great deal about central banks – and Mr Giegold. We held long discussions with them and in the end, agreed on many compromise amendments.

I would like to talk to you today about the euro. I would like to point out to you all that I am new to politics: until nine months ago, I was giving classes on macro-economics at the University of Barcelona. In the autumn of 2008, my family and I were living in London for academic reasons and I was a direct witness of the pound sterling's sudden drop of 30% over the course of a few weeks. All of a sudden, all my English colleagues had become poorer, and the pound has still not recovered today. In light of how much the pound has dropped, I do not even want to imagine what the value of the peseta would be today if we still had that in our wallets.

These two years of terrible global economic crisis have shown that the euro has firmly anchored us to stability. It is, in fact, the only major Western currency that has not made its users poorer.

The euro has been a secure port against the huge waves of the global financial storms, to borrow the evocative image of the British financier David Marsh. A convinced Eurosceptic for many years, 12 months ago, this respected public financier published a book praising the euro, acknowledging it as a success and as the future global currency.

The euro is not in crisis today: it is the fiscal crises of certain Member States that are causing the single currency difficulties. The euro is a shining example of monetary union that is being studied and admired by the economic elites of China, India, Brazil and Russia. The euro poses no risk to the Mediterranean economies. The euro is the opportunity for their economies to be permanently integrated into the good, reforming and advanced practices of the countries of Central Europe.

The report that we are debating today includes severe criticism of the practice of state intervention in the Chinese currency. Its artificial devaluation has contributed to the creation of the huge global imbalances that are one of the causes of this crisis.

We in the euro area must not penalise the countries that export the most. The history of financial crises shows us that, once financial health has been achieved, economic recovery comes hand-in-hand with exports.

It is true that Germany needs to begin consuming again and do more as the motor for European economic growth. Nevertheless, under no circumstances must its export strength be weakened. I am a liberal Member from Catalonia, and my region – which is the source of 28% of Spain's exports – also has a very high ratio of exports to gross domestic product: almost 30%. Those who do best cannot be penalised.

Finally, the euro now has a great deal of prestige worldwide, but it needs to make a little more effort to be transparent. Mr Trichet, the verbatim records of the debates of the European Central Bank should be published, as is the case in the United States, Japan and Sweden.

Philippe Lamberts, *on behalf of the Verts/ALE Group*. – Mr President, since I would like Commissioner Rehn to understand me loud and clear, I will speak in English.

I would like, starting from where we are today, to take a look forward. Where are we? We have huge and unsustainable public deficits and, mind you, the Greens do not support this kind of deficit.

Second, we cannot ignore the fact that we already have huge and deepening social inequalities. 16% of Europeans below the poverty level is not a small figure; 40% of young Spaniards under 25 unemployed is not a small figure, and I could carry on.

Then we are facing climate change and resource scarcity, and all this means there is a need for investment in infrastructure, in education, in research and innovation, etc.

So what we believe is that we should really switch gear.

Herman Van Rompuy said, after the February summit, that coordination of macro-economic policy needs to be considerably increased and improved. Of course. What does that mean? It means, of course, that in terms of budgetary expenditure, we need to have more peer review, more ex ante control. Greece has 4% of its GDP going to military spending. They have got an air force that is as big as the Luftwaffe. I mean, how come? It is such a tiny country and they are arming themselves like hell.

But if we just look at the expenditure side, we will not succeed. We need to look, and to take a hard look, at coordinating our tax revenue because, what do we need to do? We need to rebalance tax income away from labour income towards other forms of income, including capital income. We need to make sure that we have an effective corporate contribution – effective, not just on paper – and that means CCCTB country-by-country reporting, etc.

We need to implement the financial transaction tax; we need to implement the carbon tax, both to shift behaviour and to provide income. And we cannot do that just by asking countries to coordinate their policies. We need more integration. If we do not do that, our governments will prove incapable of reconciling the need to balance budgets and to meet social needs and investment needs.

So I believe that Europe is now at a critical juncture. The choice is between a higher degree of integration, not just coordination, and decline. The lesson that I take from Copenhagen is not just that we missed the climate agreement. It is that Europe has proved to be irrelevant if it is not acting together. We spend too much time coordinating, too little time acting together. So that would be our contribution to this debate.

Kay Swinburne, *on behalf of the ECR Group*. – Mr President, coming from a non-eurozone Member State, I am not sure whether my opinion holds much weight with my colleagues in this debate. Currently, many would claim that the eurozone problem is one which should be solved by eurozone members.

However, the euro does not sit in isolation. It sits in the global market and has been affected by the global financial and economic crisis just as those outside the eurozone have. How we manage our states' finances during the good years entirely affects how we are able to react and recover today. As many have pointed out, there is a reason why Germany faces a very different government deficit to Greece. While they may be united by a common currency, attitudes towards saving and spending vary considerably. Joining a monetary union did not unite completely different cultures and traditions of fiscal policy.

The UK perspective has a lot to say on differences in fiscal policy. We also bloated our public sector, spent and spent in the good years, borrowing more and more to create debts we could not even admit to when it looked as though the good times were gone forever, and creating a culture where a supposedly respected economist from the UK even last week stood up in front of one of our committees and claimed that governments can magic money.

Fundamentally, money to fund the public sector does not magically appear. It comes from tax receipts from the private sector. Germany realises this. Its policies in the recent past have focused upon using government spending and incentives to help stimulate the private sector. Hence, it is now in a strong position for recovery. Ultimately, the public sector has done its job in the crisis. It bailed out the banks and stepped up when the private sector failed. Now it is the turn of the private sector to replenish the coffers.

The downside of austerity measures, which will put hardworking people out of public sector jobs, must be turned into an upside for start-up companies, taking advantage of entrepreneurial spirit by reducing start-up costs for businesses so that they can create the profitable private sector that is required to dig all of our countries out of the holes we now find ourselves in. All of those countries that have practised unsustainable economic policies for the past few years – including my own – need to realise that change is essential and inevitable.

Jürgen Klute, *on behalf of the GUE/NGL Group*. – (DE) Mr President, ladies and gentlemen, I would like to make use of this opportunity to take another look at the situation in Greece, because I believe that the crisis in Greece gives us an insight into the political status of the euro area. Firstly, however, I would like to make a remark about the calls from the German Chancellor, Mrs Merkel, to exclude Greece from the euro area, if necessary.

My group, the Confederal Group of the European United Left – Nordic Green Left, believes that this proposal is absolutely absurd. On the one hand, we are talking about a community with a common destiny. If we mean this seriously, then we cannot call, on the other hand, for a Member State to be excluded during the first large or moderate crisis that we have encountered. That is preposterous! Most importantly, this would be an admission of failure which would amount to kowtowing to the financial sector.

The financial sector has shamelessly allowed itself to be bought out of the crisis by taxpayers, but we are now being asked to deny help of this kind to Greece. It will be difficult to explain to the pensioners and the workers in Greece and also in the other countries affected – according to the media, Portugal is the next country to come under scrutiny – why they are now being asked to pay up, having already supported the banks with their taxes. Taking this route would be the equivalent of driving the EU project into a wall.

Despite all the justified criticism of Greece – and the Greek Members will realise that there is much to be done in their country – the crisis is by no means solely the responsibility of Greece. I would just like to point out that the majority of decisions on financial policy in the euro area have been handed over to the European Central Bank. The euro cannot provide the answer to the different levels of productivity in the individual

economies. Major exporters such as Germany are forcing Greek economic policy to its knees. Therefore, this also represents a crisis in EU economic and competition policy.

This is why we are calling for the ban on financial assistance for EU Member States to be lifted. The Member States in the euro area should make euro loans available, the European Central Bank should buy up debts in the same way that the Federal Reserve in the USA has done and credit default swaps should be banned. This is what we are calling for.

(The President cut off the speaker)

IN THE CHAIR: MR SCHMITT

Vice-President

Nikolaos Salavrakos, *on behalf of the EFD Group*. – (EL) Mr President, 25 March is the birthday of both Europe and Greece. On 25 March 1957, the European Union was born under the Treaty of Rome. On 25 March 1821, Greece was born.

Today, on their birthday, Europe and Greece are being tested; Europe on cohesion and Greece on its economy. Everyone in this House knows that, of the 15 countries in the euro area, 6 have high public debts and financial deficits. Everyone in this House knows that all 30 countries which belong to the OECD have debt of over 100% of GDP and 30% higher than in 2008. Even the United States of America is trying, in this huge economic crisis we are experiencing, to resolve its problems primarily by printing money.

We also know that Greece has introduced severe austerity measures to the point at which it has exhausted its citizens. Many people will say it serves Greece right and it should pay for its mistakes. Yes, certain people must be called to account for this. However, we must not forget that Greece imports EUR 15 billion more products from other European countries, especially Germany, than it exports.

I would therefore ask the leaders of the European Union to bear in mind that addressing speculation will create a geopolitical situation in the wider policy.

President. – Thank you, sir. Your time has run out. I would respectfully ask that you abide by the speaking time allotted to you.

Werner Langen (PPE). – (DE) Mr President, I would like to raise a point of order. The Members want to vote on this later and we will be in serious difficulties if we do not keep to our speaking times.

Hans-Peter Martin (NI). – (DE) Mr President, Mr Trichet, firstly, I would like to congratulate you on what you have achieved in recent years. However, at the same time, you must be aware that hundreds of millions of people are currently holding their breath because they are worried about the euro, which is something that we did not expect to see in this generation.

Firstly, we are worried about what will happen next with the six-monthly and yearly refinancing operations and whether you will succeed in withdrawing from this package of extraordinary liquidity measures. Only those people with a masochistic tendency when it comes to financial policy could fail to wish you luck in this respect. However, inflation is also a cause for concern and you are making good progress in this area. As an Austrian, I would like to advise against the Germany-bashing that has been taking place here. Everyone should be aware Germany has been the source of a great deal of stability in the past. It should not now be punished because it has achieved better results in many areas than other countries. It is not possible to show solidarity with people who have been responsible for mismanagement, waste and excessive administrative measures.

Burkhard Balz (PPE). – (DE) Mr President, as the shadow rapporteur from the Group of the European People's Party (Christian Democrats) for the European Central Bank annual report for 2008, I am very happy with the report that is in front of us now. As a result of the close and effective cooperation with the rapporteur Mr Scicluna and, above all, with Mr Tremosa from the Group of the Alliance of Liberals and Democrats for Europe, I believe that we have produced a very balanced commentary on the ECB annual report for 2008. Mr Trichet and Mr Rehn were of the same opinion.

I think that the ECB was faced with particularly difficult tasks in 2008, which was the first year of the crisis. Given these challenges, in my view, the ECB has acted effectively and, above all, very prudently. Mr Scicluna's report reflects this approach. However, the ECB is not in a simple situation and this is not likely to change

in the near future. On the one hand, we are very far from having overcome the crisis and, on the other hand, the planned regulatory measures present new challenges and problems for the ECB. It is important for the ECB to continue to ensure the stability of the euro area in the months and years to come. Like a tanker on the high seas, the ECB must stay on the correct course.

On the other hand – Mr Trichet, I have already mentioned this in the last but one discussion on monetary policy – the independence of the European Central Bank must be maintained, in particular, given its future inclusion in the European Systemic Risk Board. This is of paramount importance because you, as President, and other members of the ECB will become heavily involved in this area. This should be an important criterion for future assessments of other measures taken by the central bank. It is essential for us to bear this point in mind when considering other reports in the next few years.

Gianni Pittella (S&D). – (IT) Mr President, Mr Trichet, Commissioner, ladies and gentlemen, the king has no clothes! The gravity of the situation has been accurately described. Now it is useful to concentrate on the treatment, and the first step of this treatment can only be European economic governance, in the absence of which the economic system will not grow and the debt will become even less sustainable.

Greece must be supported and helped, and a potential domino effect must be avoided in the case of those European countries with economies characterised by a weak level of competitiveness and elevated levels of debt. Real European governance must guarantee three objectives: 1) a policy of growth; 2) financial instruments suitable for sustaining that growth; and 3) a policy for managing emergencies.

This morning, I have heard so many speeches exalting the virtues of the euro. Very well, I am obviously in agreement, but why not think of the euro as a currency that saves us not only from inflation but, by means of a little virtuous and guaranteed debt, also secures us greater liquidity to launch a major European investment programme by issuing Eurobonds? As far as managing emergencies is concerned, I agree with the idea of establishing a European Monetary Fund, which would be a sensible solution.

Ladies and gentlemen, what I should like to say in conclusion, and say it clearly, is that at this stage it is no use temporising, drifting, waiting for the long night to end. A ‘Don Abbondio Europe’ is of no use to us. If Europe does not show courage today, when will it have to show courage?

Sharon Bowles (ALDE). – Mr President, we have had a heavyweight week in committee with the President of the ECB, the President of the Euro Group and the nominee for ECB vice-president. We all agree that stronger surveillance of Member States, with accurate statistics to enable early intervention, is a key requirement.

Work on this has started, including audit powers for Eurostat, and the committee is impatient to assert its enhanced role to help.

But there are indicators beyond the Stability and Growth Pact that need respecting too. Greater fiscal coordination linked to macro-economic stability is an option. But this has been tried, of course. Remember the row in 2001 over the Ecofin warning to Ireland during a time of fiscal surplus. So we know the lesson: exerting discipline in times of surplus is even harder than policing deficit. And, just like in the financial markets, failure to do so ends in crisis.

On imbalances between Member States, the focus should be on loss of competitiveness, often hand in hand with foot-dragging on the single market and failure to address structural reforms, including pensions. This, too, does not necessarily have a deficit trigger.

And finally, as Mr Scicluna said, liquidity provision by the ECB has been a valuable tool through the crisis, but it has not been passed on to the real economy. Often, it has simply been reinvested in assets bearing higher interest. And I dare say some of these were even recirculated on repo to the ECB. No doubt in some quarter, such activity is even viewed as deserving of a bonus. So I say: should we really listen to the pleas of such banks on new capital adequacy implementation dates?

Michail Tremopoulos (Verts/ALE). – (EL) Mr President, may I start by saying that this is an important report, which strikes a worthy compromise between the tensions in the European Parliament. It identifies elements of social cohesion which are not present in similar debates in the European Parliament. We should also like it to signal an important turning point in the policy of the European Union as a whole.

Of course it refers to 2009, while in 2010, important developments are taking place which, of course, concern my country, Greece. One might conclude that, apart from monetary union, we also need economic and

political union, as many have said. The euro should be accompanied by a minimum social security indicator for social cohesion.

That is clear from the various things being said in Greece, much of which is inaccurate. For example, I cannot but highlight the fact that productivity in Greece was not much lower than the average of the EU of the 27. That is clear from Eurostat statistics: it was approximately 90% in both 2007 and 2008.

The increase in the budget deficit and public debt in Greece over the last two or three years was the result of the collapse in incomes, the reduction in income from abroad, such as tourism and shipping, due to the crisis, and the increase in public spending. Of course there is wastage, but people are also being recruited to the public sector in various forms.

Certainly all this needs to change; we also need to request this social protection indicator and not content ourselves with general calls not to do anything that will overly affect low incomes. Spending and arms need to be controlled, as does everything that has increased significantly over the last two years, but especially incomes, which have decreased equally significantly. The income of large sections of the population, who are on the verge of poverty, must not fall.

Obviously, there are matters which also concern the summit under way today here in Brussels. However, the Giegold report must also signal a more general change and the incorporation of these positions in the Stability Pact. Above all, we do not need to take any recourse to the unacceptable policy of the European Monetary Fund which, apart from anything else, also has a viability deficit.

(Applause)

Peter van Dalen (ECR). – (NL) Mr President, Mr Rehn and Mr Trichet were quite right to talk about the situation today. The Greek position in the euro area is very shaky and, as far as I can see, the answer lies with the International Monetary Fund (IMF). These days, the IMF is the right organisation to help Greece out of the crisis. If that does not work, then we need to be decisive and cut the Gordian knot. Countries that are not playing by the rules of the euro area must leave the game.

Mr President, let us try and learn from this situation. When it joined the euro, Greece was as unpredictable as the Oracle at Delphi. The figures it submitted were unclear and unreliable. It is not right for the Greek Government to keep on insisting that other States in the euro provide the solution because they were supposedly partly responsible for the current crisis in Greece. That is turning the world on its head. Anyone who submits unsound figures cannot point accusing fingers at anybody else. Allow me, therefore, to ask Mr Trichet and Mr Rehn a specific question: were you aware of the fact that the figures Greece submitted when joining the Euro area were inaccurate and incomplete? If not, should you not have known that? I hope you can give me a straight answer to that question.

Charalampos Angourakis (GUE/NGL). – (EL) Mr President, I should like to start by wishing my fellow countrymen the very best for 25 March.

The capitalist crisis has resulted in a spiralling deterioration in the living standards of the workers. At the same time, it has given capital an opportunity to step up the application of anti-labour policy choices. Under state terrorism of the workers, the plutocracy started a real war against fundamental wage and social rights, in a bid to increase the profits of capital.

The basic pillar of the anti-grassroots policy being exercised by the European Union and the governments of the Member States is the ECB. It is a harsh policy exercised solely on the basis of the criterion of the profitability of capital. The constant calls since it was founded for wages to be cut and capitalist restructurings to be speeded up found fertile soil in the capitalist crisis.

The ECB has acted as the bourgeois assistant of the plutocracy in shifting the burden of the crisis on to the workers' shoulders. It has channelled over EUR 1 trillion to the banks and monopoly groups. Today, however, it is calling on the workers to pay for the damage and to repay that money.

That is why the anti-imperialist fight needs to be stepped up, the fight to get out of the European Union, the fight for people power and a people's economy, the fight for socialism.

Godfrey Bloom (EFD). – Mr President, I appear to have been living in some sort of parallel universe here, hearing about the success of the euro. Let us bring it all down to earth just a little bit shall we?

Unemployment, youth unemployment in the Iberian Peninsula and many eurozone countries is chronic. It has been at 30-40% for years. Nothing to do with the crisis at all. A complete disaster. GDP per capita in the USA is miles ahead of the European Union. GDP in the Pacific Rim is miles ahead of the GDP in the Union.

No, the euro has not been successful at all. It is already failing. It is already crumbling before our eyes. Just look at some economic basics. There is no lender of last resort, which is why we have this Greek crisis and a Portuguese crisis round the corner. There is no lender. This is impossible in global, in currency management, whether it is an optimal currency zone or not.

There is no coordinated fiscal policy so it is doomed to failure and it is failing as we speak.

Let me just remind everybody here about something else if I may. There are two sorts of people: wealth creators, those people that go out and work in the private sector and create wealth, and there are the others who spend wealth, which are politicians and bureaucrats and there are too many of us. Far too many of us. We are the monkey on the economies' back and, until these currency zones start cutting down public sector spending, it is going to get worse and worse and worse.

Corneliu Vadim Tudor (NI). – (RO) The mafia is the major cause of the crisis. I will give you a few examples from my own country, Romania. Believe you me, as a writer and historian who runs a daily newspaper and a weekly magazine, I know very well what I am talking about.

Since 1990, approximately 6 000 companies valued at EUR 700 billion have been privatised fraudulently. Unfortunately, only EUR 7 billion, or 1% of this money, has been received so far. In many cases, it was not even privatisation being carried out, but the transfer of assets from the ownership of the Romanian state to the ownership of other states, in other words, nationalisation. This is no longer a market economy, but a jungle economy.

This situation is being repeated in several Balkan countries where the local mafia has joined forces with the cross-border mafia to form an organised crime cartel. Just like 100 years ago, the Balkan Peninsula is sitting on a powder keg. The flame of social protest may quickly spread from Greece to the other countries in the region.

While in the 20th century, we spoke about exporting revolution, in the 21st century, we can talk about exporting bankruptcy. Starvation is the most powerful electoral factor in history. We must switch the focus from the fight against corruption, which is some abstract notion, to the fight against the corrupt.

The population's mood is becoming increasingly gloomy and if we fail to put an end to the fraud in our countries, the European Union's noble project will collapse like a sandcastle.

However, there is one hope of salvation: radical solutions are required at such an historic crossroads. It is not under control the mafia needs to be, but under the ground.

Werner Langen (PPE). – (DE) Mr President, first of all, I would like to thank the President of the European Central Bank, Jean-Claude Trichet, warmly for his very successful work over the last six years. Of course, I would also like to thank the rapporteurs for submitting a report that has been given majority support. Mr Rehn, I would like to remind you that you have some huge tasks ahead. I hope that the Commission finally has the courage to look at the deficiencies of the Stability and Growth Pact in a new proposal. The model of economic governance led by the finance ministers is not a possible solution in this case, because these finance ministers have failed in the past. We need a more automated system. We do not need economic governance under the control of finance ministers. Instead, we need an automatic system that responds in the case of violations, with the support and leadership of the ECB and the Commission. This could be the result of the summit.

I would like to make two remarks about what Mr Trichet has said on the euro area. I very much welcome the fact that you have referred to the need for us to be competitive throughout the world. This is not just about one euro country competing with another, but about us being able to hold our own against the USA and Asia.

Secondly, the EU has largely succeeded in balancing its accounts, thanks to the countries in surplus. If that had not been the case, the ECB would have had to put much stricter policies in place.

Thirdly, there are no examples in economic history of countries with a falling population generating long-term growth in the internal market. They have to export their goods.

As far as Germany is concerned, it made a poor start in the Economic and Monetary Union, but it has caught up and is now an example to many other countries. That is not sufficient. We have enough to do ourselves with the budgetary consolidation. It is important not to underestimate the work involved. Who came up with the idea of punishing those countries that have largely succeeded and excluding those that have not fulfilled their obligations? This is not a true European policy. Therefore, I would like to wish the Commission courage and give my warm thanks to the ECB.

(Applause)

Anni Podimata (S&D). – (EL) Mr President, allow me to start by congratulating the two rapporteurs on the excellent work they have done at a particularly difficult juncture.

The work of one of the most crucial summits is due to start shortly and there is still much talk raging around the so-called Greek issue and around if and to what extent we shall adopt a European mechanism that will operate, in times of need, as an economy protection indicator needed for the stability of the euro area as a whole.

Without doubt, the basic responsibility for this situation lies with Greece and it has fully assumed it. However, there are other – collective – responsibilities. The common currency has provided a great deal, but it also has serious weaknesses. In 11 years of EMU, we did not want to see and to acknowledge that the competitiveness divide and the significant inequalities and imbalances between the economies in the euro area are not compatible with either the viability or the stability of the euro area.

The speculative attacks which, so far, have been directed mainly at Greece – but which also resulted in Portugal's credit rating being downgraded just the other day and which have already been directed at other countries, such as Italy and Spain, and no one knows what the consequences will be – have made that much clear.

If, therefore, we want to show that we can deal with the situation, we should immediately move towards a new, enhanced model of economic cooperation and economic governance which, Mr Langen, respects the rules of the Stability and Growth Pact, but which, at the same time, will be able to go beyond financial coordination in the narrow sense to economic coordination with additional criteria attached and attain the objectives of the EU strategy for employment and sustainable development.

Olle Schmidt (ALDE). – (SV) Mr President, Commissioner, Mr Trichet, the euro is ten years old and it has largely passed its tests, even though the current turbulence is not over yet. I am certain that, already today, we will see the first important step towards a European solution, with or without the International Monetary Fund. We share a common destiny, as Mr Trichet so rightly said. The alternative, if it fails, would, of course, be a frightening prospect.

The ECB has been a bastion of strength when the financial storms have hit. It is worth repeating that the euro has been a success during the financial crisis and it has been an anchor in Europe, including for countries outside the euro area.

The euro has provided stability and the conditions for creating millions of new jobs, and that must not be forgotten in these days when everyone is talking of a crisis. Greece's problems and those of other euro area countries cannot be blamed on the euro. Careless expansion of public expenditure will result in problems regardless of the choice of currency. On the contrary, the economic crisis would have been considerably worse if we had not had the cooperation that the euro involves. We would have had to deal with speculation and competitive devaluation among more than 20 national currencies.

Many of us have experienced this and I myself sat on a Swedish finance committee with a 500% interest rate. The crisis in Greece naturally demonstrates the fact that the pact for keeping the budget deficit at a low level must be tightened up. The deficit is still extremely large. We need better supervision and coordination of economic policy at EU level, in other words, financial coordination that is worthy of the name.

I would like to finish by saying something about speculation. Sometimes, when countries are subject to speculation, as my own country was in the 1990s, it actually provides us with a good opportunity to organise the measures we take. When we were in a difficult situation, as a result of George Soros, among others, we knew what to expect and so we took the necessary measures. That is something that those of you in the countries that are currently experiencing difficulties will have to think about.

Ryszard Czarnecki (ECR). – (PL) Mr President, I shall avoid the military language which the previous speaker used. The language of war does not suit the style of banks. I am a representative of what is probably the only political group in this Parliament which has attracted the majority of its members from outwith the euro area. Only two are in euroland. My point of view, therefore, will be different.

Mr Trichet's speech can be summed up by the number 36, because this is how many Members of the European Parliament were listening to his speech. Does this mean we are lazy? No – it means, in fact, that MEPs do not really believe the European Central Bank can be a solution, a remedy, to the crisis, or that it can be a lifebelt. Mr Rehn said the euro area is something of value in itself, and then spoke about the crisis in Greece. There is a certain contradiction here. Greece is currently going through a crisis because it entered that oasis of stability too soon. We should avoid such inconsistency.

Nikolaos Chountis (GUE/NGL). – (EL) Mr President, I agree with my fellow members who said that the crisis is not over. The economic situation in numerous countries is clearly negative. Unemployment is increasing in most countries. The measures being taken to address deficits are exacerbating the crisis.

Mr Trichet and Mr Rehn – and I am speaking institutionally – did you not see the crisis coming? The signs were there. When the crisis broke, you hid behind the perception that everyone had to resolve their problems on their own. Now, here you are repeating monotonously the words 'monitoring deficits' and 'austerity in the Stability Pact'.

In my opinion, the problem in the European Union and in Greece is not one of sound finances. You know that, in order to cover borrowing, countries such as Greece are prey to speculators but, at the same time, they reveal the institutional and political gaps in EMU.

As such, I would say to you that what is needed is a change to the Stability Pact. Insisting on the application of the Stability Pact, especially in a recession, will clearly increase and exacerbate regional and social inequalities, increase unemployment and wipe out any prospects of growth.

Bastiaan Belder (EFD). – (NL) Mr President, the situation in which Greece and the euro area have deservedly found themselves is regrettable. Financial assistance for Greece should come primarily from the International Monetary Fund (IMF). The IMF has itself said that it is in an excellent position to help Greece. The establishment of a European Monetary Fund (EMF) seems to be motivated by political considerations, in particular, that is, to save Europe's face in case Greece appealed to the IMF. However, let us not rush headlong into establishing a new body as a remedy against non-compliance with the existing rules. The necessity and desirability of setting up an EMF are dubious. The penalties provided for by the Stability and Growth Pact must be implemented more actively in order to enforce compliance with the rules. It is really up to the Council now to make a move. Eurostat needs to be given the scope to carefully inspect the budget figures of the Member States of the euro area and thereby monitor compliance with the Stability and Growth Pact.

Csanád Szegedi (NI). – (HU) Mr President, ladies and gentlemen, the report has one serious flaw: it does not name those responsible. And yet, we will not be able to put an end to the economic crisis in Europe until those responsible have been identified. Let us finally tell it like it is: the crisis was not caused by people living off their wages or salaries, but by those banks, multinationals and insurance companies that milked European societies dry.

At the moment, if a multinational company wants to establish itself in Hungary, the way to proceed is as follows: it receives free land from a local municipal government, is given a reduction on taxes and contributions, employs people for minimum wage and does not even allow them to unionise. These are the conditions that have led to a crisis for job seekers in Europe. We demand that multinationals, banks and insurance companies play their part and shoulder the task of solving and putting an end to the economic crisis.

Antolín Sánchez Presedo (S&D). – (ES) Mr President, the crisis through which we are struggling is the worst in eight decades and the most significant since the launch of the Community project.

It started with the North American subprime mortgage crisis and, following the collapse of Lehman Brothers, it is now in its third phase, after leaving Europe with a 4% drop in GDP in 2009, more than 23 million unemployed and a sharp deterioration in the state of the public finances, with debt in excess of 80% of GDP.

The European Central Bank played a decisive role in maintaining liquidity in the system, using non-conventional mechanisms to counteract the credit restrictions and cooperating closely with the main monetary authorities.

Now that a moderate recovery is expected and there is no inflationary pressure, it must continue to contribute to the reestablishment of credit and avoid compromising the economic recovery through the early or indiscriminate withdrawal of the extraordinary measures.

The crisis has shown us that the monetary and economic pillars – the basis of monetary policy – need reinforcing. One eye needs to be kept on the progress of the prices of the principal financial assets and private debt in order to guarantee the stability of prices and the economy in general.

Twenty Member States currently have excessive deficits. The true meaning of consolidating public finances – an unavoidable task, that must be done in a coordinated and intelligent way – is restoring demand, promoting investment, and favouring reforms that will allow the economy to be revived, increase the potential for sustainable growth and create jobs. Greater economic union may make the difference.

Global imbalances need to be corrected. The European Union is one of the most balanced regions. That could come under threat unless its competitiveness is strengthened and there is greater international monetary cooperation. We will only improve our ability to compete globally if we strengthen internal economic cooperation in the areas of competitiveness and the balance of payments, in order to correct the imbalances and differences within the euro area.

The efforts and courage of Greece deserve clear and resolute support. It is a question of common interest and uncertainty harms all Europeans. Subsidiarity and solidarity are two sides of the same coin: the European currency. As Mr Trichet said in English, French and German, the euro is more than just a currency: it is our common destiny.

I have repeated it in Spanish, which is one of the European Union's global languages. I will finish by saying it in Greek, which is the language that best expresses our universal vocation: Το ευρώ είναι το κοινό μας μέλλον.

Pat the Cope Gallagher (ALDE). – (GA) Mr President, the economic crisis has had a negative impact on Member States all over the European Union. Unemployment rates have increased dramatically all over the Union, and it is young people that are suffering the most. The public funds of many Member States have declined as a result of this crisis. To deal with this issue, the Irish Government took decisive action in the years 2008 and 2009.

Unchecked, Ireland's deficit was heading towards 14% of GDP. The government's action stabilised the deficit at 11.6% of GDP in 2010. The action taken by the government has gained recognition in international markets. Since its last budget, in December of last year, the cost of Irish borrowing, relative to benchmarking, has stabilised. In fact, I understand that at the meeting of the Committee on Economic and Monetary Affairs this week, the President of the Central Bank recognised and praised the actions of the Irish Government. In many ways, Ireland is ahead of many other countries in its fiscal adjustment. Countries such as the UK and the US, both with deficits in excess of 10%, will have to undergo significant adjustment in order to restore sustainability to their public finances.

Can I say in conclusion that Ireland is still a good location for business as the fundamentals of the Irish economy are in place and we will retain our 12.5% ...

(The President cut off the speaker)

Zbigniew Ziobro (ECR). – (PL) Mr President, the widening crisis in the euro area shows the dangers which may face economic projects that are not backed up by economic calculation, but are based on ideological assumptions, especially when integration includes the economic integration of different Member States which have different economic conditions.

We have to ask whether some states should have entered the euro area as early as they did. At a certain point, the euro project became, primarily, not so much an economic project as a political one, aimed at accelerating European integration. European taxpayers in many countries may, today, pay a great deal for this haste. It would be good if we could draw some conclusions from this lesson for the future. The euro is not an answer to the structural problems of individual economies, or to excessive debt or a lack of financial discipline. It is the Member States which are responsible for the state of their finances, and these problems should be solved in the countries where they arose.

Marie-Christine Vergiat (GUE/NGL). – (FR) Mr President, ladies and gentlemen, I have read the reports with some surprise, and the speeches I have heard this morning only strengthen my beliefs.

With a few exceptions, it is still a matter of budget restrictions, containing inflation, and the Stability and Growth Pact, even though 20 of the 27 countries no longer meet all the criteria.

It is true that many are demanding economic governance. However, we want a political Europe that ensures control of both its economic and its social choices and that is able to intervene with regard to monetary choices.

The Greek crisis is telling: it is Germany that has control and is imposing its demands. In the United States, the central bank has just intervened directly to finance the state budget by buying treasury bonds. In Europe, the European Central Bank flew to the banks' assistance, but in terms of Greece and more generally of the PIGS, it is still the same ones who have to pay, in other words, employees, civil servants and pensioners, even though their countries have also been victims of financial speculation.

It is not minor reforms that we need, but a different Europe, an economic and social Europe for the benefit of the majority, not just of a few.

Jaroslav Paška (EFD). – (SK) The report on the annual management of the euro area and of public finances in 2009 analyses in detail the management of the EU during the global financial and economic crisis.

The decline of economic output in various EU countries has led to a dramatic rise in unemployment and a growth in the debts of European countries. The impact of the crisis on individual countries has varied and the measures through which individual countries have tackled the crisis have consequently differed from one another. Despite the efforts of EU bodies to adopt coordinated and collective measures, it appeared that in certain countries, populist governments with no proper sense of responsibility for the administration of public finances were courting disaster.

That is why the European Union as a whole has found it harder to deal with the impact of the crisis than other major economic centres, such as the United States, China, Japan and India. It has become apparent that the European economic environment as a whole may be diverse and extensively regulated but, compared to competing economies, it is very cumbersome. In the forthcoming period, we must therefore, along with efforts to consolidate the public finances of the euro area, also strive to restructure and greatly simplify the rules of the internal environment. We should not forget that it is the productive sector alone that generates the resources on which the whole of society lives.

Enikő Győri (PPE). – (HU) Ladies and gentlemen, in the course of its activities in 2008, the European Central Bank was faced with unprecedented challenges as the world economic crisis wound its way into Europe in September 2008. The financial crisis turned into a crisis of the real economy as the capital markets froze up due to mistrust, and financial institutions would not extend credit to each other or to businesses. The ECB reacted quickly and, in my judgment, appropriately to these financial events, but when we evaluate the crisis relief measures, we cannot overlook one deplorable fact, namely, the discrimination towards countries not in the euro area.

I am convinced that the ECB acted contrary to the spirit of the European Union when, at the height of the crisis, in October 2008, it did not set equal conditions for drawing on liquidity facilities. The ECB arranged currency exchanges with the Swedish and Danish national banks in order to ensure proper euro-liquidity for the banking systems of these two countries. By contrast, with the Hungarian and Polish central banks, it was prepared to do the same only against collateral.

This course of action on the part of the ECB contributed, unfortunately, to a growing uncertainty on the markets, further aggravating these countries' situations. Now, when we are in the process of designing a new financial system, we have to take measures to ensure that in future, similar inequalities will be eliminated. We cannot, therefore, introduce regulations that treat certain parts of the Union less favourably than others. I would carry this idea further, when talking about the creation of the European Systemic Risk Board that we are all working on now. The ECB will have an important role in this area. The presidency of that Board will be held by the president of the ECB, and we will need to ensure that countries within the euro area – as well as those outside it, such as the Central and Eastern European states – receive equal voting rights in the new organisation.

There is a danger that if we do not raise our voices against the discrimination we have already experienced during the crisis, inequality will become the practice in the new financial supervisory bodies, and this is something to be avoided at all costs. The ideal of reunification must not be allowed to be whittled away by replacing the former political disunity with economic division.

George Sabin Cutaş (S&D). – (RO) It comes as no surprise that the exceptional measures which had to be adopted by the European Central Bank at a time of crisis feature at the heart of its annual report.

Against this backdrop, I think it is appropriate for the European Central Bank to continually increase liquidity provisions to banks in the euro area. However, we must not forget that Member States outside the euro area were also themselves among those hit hard by the crisis and that intervention is required from the European Central Bank in this area as well, in the form of liquidity-enhancing measures.

In addition, an increase in budget deficits, government debt and the unemployment rate among young people under 25 is being seen in most European Union Member States. The Stability and Growth Pact is going through an identity crisis and losing credibility, thereby making it impossible to apply its principles effectively.

I think that what is required is a less automatic and uniform implementation of the pact and an approach which takes into account the circumstances of each Member State where the emphasis is placed much more on the long-term sustainability of public finances and less on the government deficit.

The pact's main aim was prevention. It was meant to provide multilateral supervision of budgetary development using an early warning system. This is why, in keeping with the spirit of Mr Scicluna's report, I feel it is absolutely necessary to set up a European Systemic Risk Board, which will meet the objective of providing a rapid warning against systemic risks or imbalances threatening the financial markets.

The current financial crisis and its recent deepening in general must produce a prompt explanation of the mutual support mechanisms available at EU level, while also strengthening the coordination instruments between Member States in support of common economic governance. One of the main lessons of this crisis is the need for greater fiscal responsibility and, by extension, for economic monitoring procedures for maintaining budgetary balance.

Roberts Zīle (ECR). – (LV) Thank you, Mr President and Commissioners, last December, in Strasbourg, Mr Almunia, who was then Commissioner for Economic and Monetary Affairs, said that barring any significant developments, next summer, Estonia would be invited to join the euro area, with effect from 2011. Well, there have been some significant developments, not only for Estonia, but also for the euro area. Estonia is practically the only EU Member State that currently satisfies the Maastricht criteria. What sort of signal will it give if Estonia is not accepted into the euro area, in accordance with the rules? To my mind, it would signal to the financial world that the malaise in the euro area is so deep that it is incapable of accepting a small but fiscally responsible country. In other words, a sign will be put on the euro area club door, saying: 'The club is closed for major refurbishment'. What sort of signal would it be, however, for the new Member States, such as my country, Latvia, which is under an IMF programme and maintains a fixed rate of exchange against the euro, and which, in order to introduce the euro, devalues its economy with a double-digit fall in GDP and extraordinarily high unemployment? The signal would be why should we do our utmost to repay private debt with a high exchange rate for our national currency, when this debt has been issued as euro loans by EU banks against, for example, immovable property? Thank you.

David Casa (PPE). – Mr President, 2008 was an extremely important year for the European and indeed the global economy. It was the year that was characterised by a great deal of uncertainty as regards the extent of the crisis, which only seemed to worsen.

A great deal of uncertainty was also present with regard to the time it would take for the European economies to recover as well as the tools that we should use to stimulate such a recovery.

This was no easy year for the ECB, which had to face a number of challenges. During 2008, the ECB engaged with other major central banks to form a coordinated approach in order to provide the banking system with plenty of short-term liquidity, and this approach by the ECB proved to be extremely successful.

In this respect, I must support my colleague in the conclusion he has come to concerning the performance of the ECB. I agree that 2008 was instrumental and that those responsible have risen to this occasion. I also share some of the rapporteur's concerns with regard to the lack of transmission of interest rate cuts from the bank to the consumer and I feel that this should be further looked into, so please take note, Mr Trichet.

All in all, I feel that this is an extremely well-balanced report, an excellent piece of work by my Maltese colleague, Edward Scicluna.

Pervenche Berès (S&D). – (FR) Mr President, unfortunately, due to another engagement President Juncker is unable to join us as usual. Quite clearly, I am sorry to hear this.

Here we have two very good reports that enable us to go more deeply into our discussion at a critical moment for the euro area.

Mr Scicluna's report allows us to lay the foundations of a number of elements of the debate, in particular, relating to the conditions of appointment of your successor, Mr Trichet. In terms of democracy, the monetary dialogue is an important element, but also with regard to the very functioning and running of the European Central Bank.

The report by our friend, Mr Giegold, asks questions of you, Mr Rehn, which come under your responsibility and not that of the European Central Bank.

The risk we face, as regards the functioning of the euro area, is the dismantling of our social model. When your predecessor, Mr Almunia, gave an assessment of the euro area's 10 years of operation, one factor was blatantly obvious, namely, the increasing divergence between the Member States of the euro area. That is where we are and that is what the very authors of the treaty and the authors of the Stability and Growth Pact underestimated. This is what we must take into account.

We must take this into account for two reasons. Firstly, to understand that, even if the sustainability of public finances is a key element, it is not enough. Faced with national competences, the Member States do not have a natural appetite for sanctions and therefore their coordination, their cooperation is not good cooperation. This is the spirit that we have to discover. This is the magic panacea that we need.

The second pillar which cannot be overlooked and which we cannot do without is the matter of fiscal harmonisation. As you know, I deplore the fact that, from this point of view, the 2020 strategy does not even mention the work in progress on the harmonisation of the tax base for corporate taxation, which we absolutely must continue with determination.

Sari Essayah (PPE). – (FI) Mr President, in the wake of the financial crisis, public debt has become rapidly worse, even if, in many countries, they are beginning to turn off the taps of recovery. Having dealt with an acute economic crisis, we need to focus very closely on the long term and serious imbalance in public finances.

We have had the Stability and Growth Pact, but the problem lies in the fact that the Member States have not complied with it, and so we now have acute deficits in public finances to deal with. Attention has been given to incorrect statistical information in the case of Greece, but the core of the problem is a badly managed economic policy.

We politicians are faced with very difficult decisions, amid slow growth, an ageing population and an employment situation that is improving only sluggishly. There are only a few cures for public finances: to increase revenue from taxation, to boost economic growth or to cut expenditure.

In the search for remedies, key indicators are the sustainability of public finances and the deficit. The sustainability deficit is a reflection of how much the tax rate should be raised or the rate of expenditure lowered for public finances to be on a sustainable basis over the long term. To achieve a balance, we have to continue to recognise that accrued debt will increase by the difference between interest rates and the growth in Gross National Product, and an ageing population will cause the cost of pensions and care to rise substantially in the years to come. In order to boost income in public finances, it is absolutely essential to have growth and employment, increase the productivity of public services and implement the structural measures that can guarantee the sustainability of pension schemes, for example.

In the long term, an increase in the birth rate and preventive health care will be of significance for the balance in public finances. In the midst of the economic crisis, we called for better coordination of public finances, and I would like to ask how Commissioner Rehn intends to bring this about. I believe, however, that this economic crisis cannot be used as a way out of the back door for the economies of the Member States to be brought under control. We just have to observe strict budget discipline in public finances.

Olle Ludvigsson (S&D). – (SV) Mr President, I would like to highlight three main points in the reports that we are discussing.

Firstly, we should not devote the debate on public finances to issues relating to austerity alone. We also need to focus on what we can do to initiate growth and combat unemployment. In many countries, cuts in public expenditure are needed. At the same time, however, it is also important to increase revenue via positive growth, by getting more people into work and paying taxes.

Secondly, I appreciate the fact that Mr Scicluna takes up the issue of increased transparency in the financial sector in his report. There is still much to do in this regard. Transparency is not only an excellent way to counter harmful risk-taking behaviour on the financial market. Enhanced transparency is also necessary for supervision to be effective and for the public financial institutions to have the public's trust, which is extremely important.

The ECB should lead the way in this area and take immediate measures to make its work more transparent. A good first step would be to begin to publish the minutes of the ECB Council meetings. Openness should also be a key principle in the establishment of the European Systemic Risk Board (ESRB). In order for the Systemic Risk Board's recommendations to have an impact, the guiding principle should be that they be made public.

Thirdly, I am pleased that, in his report, Mr Giegold emphasises the importance of having a clear environmental and climate perspective, even in times of crisis. We must not allow the financial crisis to slow down the switch to a green economy. We should instead promote economic recovery by investing in renewable energy sources, environmentally friendly transport systems and the development of green technology. Only by making these kinds of investments can we create growth that is sustainable in the long term.

Frank Engel (PPE). – (FR) Mr President, 2009 was, without doubt, the most difficult year for the euro since its introduction, but it was also the most useful. Without the euro, the European Union would have sunk into a war of competitive devaluations against the backdrop of the crisis. In 2009, monetary instability could have weakened the political solidity of the European Union.

Thanks to the euro, we have been spared the pain of a continued imbalance of exchange rates and monetary policies. But for how much longer? Today we are hoping and praying for better governance of the European currency – more restrictive, more visible and more responsive governance.

The fact is, the attempts by countries to take back control of the euro's ground rules do not contribute whatsoever to the emergence of proper European economic and monetary governance. Only solidarity can curb the speculative activities of which Greece is a victim today and which may hit other countries in the euro area at any moment.

Solidarity goes hand in hand with solidity in the emotionally charged context of sovereign debt markets. The political prevaricating of recent weeks has not only damaged Greece. It has seriously shaken confidence in the euro. Non-assistance to countries in danger is undermining the monetary stability of the whole of the euro area.

Beyond emergencies, let us finally give the euro the instruments it needs. We need a coordinated European bond market to avoid bottlenecks with too many sovereign debts in too many countries coming to maturity at the same time. We need representation outside the euro area at all levels, in all bodies, including international financial institutions. Why is the President of the Eurogroup not in the G20?

Let us also accept that the new members want to join the euro area as quickly as possible. We must welcome them with enthusiasm, not with petty-mindedness. Contriving to exclude euro area members amounts to abandoning the ambition of a strong Europe in the world. The expansion of the euro area must go hand in hand with the implementation of the instruments needed for genuine economic union: coordination of budget policies and harmonisation of economic and fiscal policies. This is the price of the euro's continued success.

Czesław Adam Siekierski (PPE). – (PL) Mr President, a crisis is a disease which usually ends not only in recovery, but also strengthens and creates mechanisms of resistance. It may also lead to what are known as complications, and even to certain kinds of permanent impairment of the body. Let us think about how this illness, which we call the crisis, arose.

In most cases, an illness is the effect of the various ways in which we neglect our bodies, or it has an external origin. The cause of the crisis was activity which was contrary to market principles – speculative activity. The market itself is not able to reject, counteract or limit these factors if there is not suitable supervision and monitoring of the progress of processes, particularly in situations which are not typical for the market. Until now, financial markets were monitored and supervised mainly by state and national institutions. Globalisation has led to the establishment of world financial institutions and a global finance market. However, adequate world, regional and, in our case, European institutions for supervising and monitoring these markets have not been established.

The market is not guided by values, but, above all, by the need to achieve profit at any cost. The crisis did not begin in 2008 with the collapse in the financial markets, but in 2007, with the crisis in the food markets, as well as the undermining of the energy market, which is controlled by political instruments. The situation in the European Union is the sin of not observing the universally established and accepted principles of the Stability and Growth Pact.

It is a pity that the warnings from the Commission were too gentle. Some Member States were allowed to get away with more, because, after all, they were not going to let some Commission or other lecture them. Some Member States behaved like children, hiding their misdeeds. This kind of behaviour cannot be the basis of Community or our integration. It is important to admit the mistakes which have been made, to tell our citizens, to apologise to them and to ask for understanding and cooperation as we emerge from the crisis.

We must take action so that the costs of the crisis do not fall on the weakest and poorest. European Union solidarity obliges us also to support the countries which have been worst hit by the crisis. Recovery will not come from outside, if the body, or the state, does not take up the fight.

Othmar Karas (PPE). – (DE) Mr President, ladies and gentlemen, Mr Trichet, I would like to thank you very much, not only for what you have done in recent years, but also for your approach in recent weeks. You have been competent, independent and consistent. You and your staff have been a calming influence in troubled times.

Mr Rehn, you have made some very encouraging statements over the last few days. We should do everything possible to continue on the path that you have taken.

The euro is a stabilising force, even in times of crisis. We must put an end to the myth that the euro and the Stability and Growth Pact are the cause of the problems experienced by Greece and other countries. Last week, the Greek Prime Minister said very clearly in this House that the euro is not to blame. On the contrary, it is part of the solution. There can be no reform without the euro. There can be no appropriate restrictions on the objectives that we can set ourselves without the euro. We must not make the euro weaker, if those countries which are affected feel that the euro protects rather than weakens them.

I would also like to add that Greece is not begging for money, which is the impression often given by the daily press. It would be a good thing if many members of the Council stopped focusing on popular opinion on the domestic political front when they talk about this subject but instead worked with us to find common European solutions. Greece cannot be given subsidies, but it wants support for implementing its reform and savings plan. The President of the European Central Bank, Mr Trichet, has also stated very clearly in a three-step plan what is possible and when the measures can be taken. No one has said that nothing could be done.

We have a monetary union, but we do not have an economic union. To achieve an economic union, we need the political will of the Member States rather than advice. The economic union includes the coordination of budgetary policy, the harmonisation of taxes and the coordination of education, economic and social policy. This is what we are calling on the Member States to do and we expect them to show commitment. We must continue on this route in the interests of the euro.

Danuta Jazłowiecka (PPE). – (PL) Mr President, last year was an extremely turbulent one for the euro area. It began with Slovakia's entry to the Eurogroup, and ended with huge economic and financial problems in Greece. During this period, the world experienced its biggest economic crisis for years.

Discussions are currently under way on how to cope with the new challenges, what direction the global economy should take and what European Union policy should be. The resolution we are considering at the moment is part of this debate. I would like to draw attention to one aspect of it.

Ladies and gentlemen, the economic crisis, the problems in Greece, and also the current debate on assistance for Greece, show that the division into the new and the old Europe is still a reality. Last Friday, the head of the European Commission, José Manuel Barroso, referred to the idea of creating a mechanism of support for countries in the euro area which are struggling with financial problems. According to the head of the Commission, the principles and conditions which would govern the use of this instrument should be established only by members of the euro area.

I would like to take the opportunity of this debate to give my strong support to the position of the Commissioner for Financial Programming and Budget, Mr Lewandowski, and Professor Jan Rostowski, the Polish Minister for Finance. I would like to add my voice to their appeal, and also to the opinion of many

fellow Members, that all Member States, including those which are outside the euro area, should now, already, take an active part in measures to strengthen the euro area and create aid instruments for its members. Poland, which is one of the countries outside the euro area, will soon adopt the common currency, and we would like, today, to be responsible for the future form of the Eurogroup. Therefore, let us not exclude the new Member States from such an important debate. We have had the 'two-speed Europe' slogan. Let us not now divide Europe into a Europe in the euro area and a Europe outside the euro area, because we are a single Union.

Finally, I would like to give my wholehearted support to all parts of the resolution which call on the European Central Bank, the European Commission and members of the Eurogroup to support the process of euro area enlargement – enlargement based on the current criteria. I would also like to thank the President of the European Central Bank, Mr Trichet, for his good work, especially this year, which has been such a difficult one for Europe.

Alajos Mészáros (PPE). – (HU) I am grateful to the Commissioner, to the President of the ECB and to the rapporteur for having taken an open and highly professional approach to this problem that concerns us gravely. Indeed, it is alarming that despite all our efforts, the rate of unemployment and the level of state indebtedness keeps rising in almost all Member States of the European Union. My country, Slovakia, is no exception to the rule. Unemployment has risen above 13%. Slovakia was the last state to join the euro area, on 1 January 2009, and this had positive repercussions on economic as well as political and social areas. The vast majority of the population still feels positive about the euro. We think it is important therefore to maintain the strength and prestige of the euro. Parliament must help the Commission and the ECB in their efforts in order to avoid failure in this endeavour. The first thing to do is to bring the integration of the European economy to a higher and sustainable level. This is, however, a strategic question, in which the Council's committed support is indispensable.

Zigmantas Balčytis (S&D). – (LT) The way out of the complicated economic and financial crisis was not as effective as we had hoped. When the crisis began, the Member States' programmes of support for banks were not coordinated with joint conditions set down at European level and some banks used additional funds allocated from the European Central Bank to cover their losses. Support for economic activity, in particular, small and medium-sized enterprises, was not coordinated either. The impact of these actions is clear: when they failed to receive loans from the banks on time, small and medium-sized businesses folded en masse. It was easier for the countries of the euro area to overcome the difficulties, as the European Central Bank ensured the provision of liquidity to these. If we believe in European solidarity, if we operate in one open market with the same competitive conditions and the main goal is to exit from this complex situation as soon as possible, I think that the European Central Bank should have ensured and must ensure the provision of liquidity to Member States not in the euro area that were hit particularly hard by this crisis.

Andrew Henry William Brons (NI). – Mr President, the rapporteur, Mr Scicluna, said that the ECB had tried to expand liquidity, but that liquidity had not been passed on by the banks to their customers. That is true outside the eurozone as well as inside it.

My party is pleased that the UK remains outside the eurozone. A state's currency must reflect the condition and needs of its own economy and not the average needs of 27 different economies. However, keeping our own currency is only part of the answer. The central problem is that credit creation and distribution is in the hands of private companies – the commercial banks – and that is true outside, as well as inside, the eurozone.

The function of credit creation – in effect, money creation – must be removed from the hands of private companies. Extra spending power, when it is needed – either to distribute existing or imminent growth or to finance large infrastructure projects – must be created by the government and spent into circulation, not created by the banks and lent into circulation.

Petru Constantin Luhan (PPE). – (RO) We have been able to observe during this crisis that the fluctuations triggered by interest and exchange rates have come up against a single currency which has properly shielded the euro area.

The single currency has not provided a solution to all the internal and external imbalances which have occurred. However, the benefits provided through allowing national financial institutions to have access to the European Central Bank's liquidity and the elimination of the risk of exchange rate fluctuations have increased the interest shown in it by the Member States outside the euro area.

The efforts made by these states through improving their own economies and fiscal policies in order to adopt the single currency must be welcomed. I call on the Commission and European Central Bank to further encourage the expansion of the euro area as quickly as possible in order to provide them with greater protection against the effects of the economic and financial crisis.

Karin Kadenbach (S&D). – (DE) Mr President, Mr Trichet, I would like to thank you very much for the part of the report which warns against excessive cuts in wages with the aim of reducing deficits, because low incomes result in a fall in economic growth. I want to thank you for this paragraph, because I believe that this not only slows down economic growth and reduces the competitiveness of Europe, but also restricts the opportunities for European citizens to play a full part in society.

It is essential for us to draw up our budgets according to the guidelines, but it is equally important for the Member States to have room for manoeuvre in an economic and social context. If we have a Europe where there is no longer any investment in education, health and research, we will also have a Europe that is unstable and cannot compete with the rest of the world. Those groups which are not responsible for the crisis must not now be made to bear the cost. If we do not invest in people, we will not have a future in Europe. This is why I am calling for the emphasis to be put on the social aspect in future.

Angelika Werthmann (NI). – (DE) Mr President, ladies and gentlemen, the current economic and financial crisis, which is also a structural crisis, is forcing us to impose long-term controls and to introduce cautious budgets. Globalisation is compelling the euro area to play an effective role with regard to financial policy. However, this must not happen at the expense of the ordinary citizens and I would like to remind everyone that caution and responsibility are needed.

Jean-Claude Trichet, President of the European Central Bank. – (FR) Mr President, I have to say that I have been addressing Parliament for six and a half years now, and this is the first time that I have noted so many speeches, so many analyses, so many suggestions and so many proposals.

I am very impressed by the wealth of what we have just heard and very impressed also by the diversity of views that have been expressed.

I will try, if I may, to summarise my main points after hearing these remarks, which were all interesting and relevant, and to which the European Central Bank will, of course, attach the utmost importance.

First of all, I would say that I have heard a lot on the challenges the ECB faced and praise for the ECB for having been able to react in real time in very difficult circumstances. Let me tell you that I think my colleagues and I tried to do our best in very exceptional circumstances: the worst since World War II, and it would have probably been the worst since World War I if we had not acted promptly.

The challenges were faced by all; many of you have said that the challenges existed for other central banks in Europe and in the rest of the world. So we all had to face up to enormous responsibility and I fully agree with those who have said that we cannot say that the difficult times are over. We are not over the difficult times. We are not going back to business as usual. We have to remain extremely alert.

I also got the message on growth and jobs, which is a very strong message from Parliament. I fully agree with that. By delivering stability, by being credible in delivering stability in the medium and long run, we trust that we are contributing to sustainable growth and sustainable job creation. But you know that our message is structural reforms; structural reforms to elevate the growth potential of Europe and the job creation capacity of Europe are absolutely essential.

A firm message coming from you, which we fully share in the ECB is – and I do not want to respond in the place of the Commissioner – governance of Europe of the 27, governance of the 16 members of the euro area is of the essence. We call for the utmost level of responsibility from countries, whether members of the 27 or of the 16, to exert their responsibility, to exert surveillance on the peers. We absolutely need full and complete implementation of the Stability and Growth Pact. Surveillance of fiscal policies is at the heart of EMU, and I must also include surveillance of structural reforms and implementation of structural reforms, and surveillance of the evolution of the cost competitiveness of the various economies, particularly, members of the euro area. This is a key issue.

I do not want to elaborate more on Greece and the various issues at stake. I have already had occasion to respond to many questions in the Committee on Economic and Monetary Affairs and in front of Parliament. Let me only say that Greece has a role model, and the role model is Ireland. Ireland had an extremely difficult problem – this was said by one of the MEPs here – and Ireland took its problem very seriously ex ante, with

extreme determination, professionalism and capacity, and this has been recognised by all. I want to stress that. That being said, I repeat: the judgment of the ECB on the new measures which have been taken by the Greek Government is that they are convincing and, I would add, courageous.

A word on the long-term situation inside the euro area: during the next 10 or 20 years, we will deliver price stability in line with the definition we have delivered since the inception of the euro. You can trust us. We can prove that. This is not theory. These are facts; these are figures.

(FR) And I must stress this: all the members of the euro area know that average inflation in the euro area will be less than 2%, or close to 2%, in the medium and long terms. They must draw consequences from this nationally. They benefit from belonging to the euro area. They must not put themselves in a national context, in terms of national inflation, since that would be far from what we guarantee, because that has been asked of us, because we are faithful to our remit and because it is a contribution to the prosperity and stability of Europe.

Mr President, allow me to conclude – if I can, in a few words – on the matter of transparency. As I have often said to MEPs, we are the most transparent in the world when it comes to the immediate publication of our studies, the introductory statement. We are the most transparent in the world when it comes to the press conference that immediately follows the Governing Council.

The only area where this decision does not stand – and we have a good reason – is that we are not giving the names of those who are voting for this and of those who are voting for that, because we consider that our message is that we are not a collection of individuals. We are a college. The Governing Council is the pertinent entity. It is the Governing Council which counts.

I have already said that it is not business as usual and we must absolutely reform the financial markets in a very profound way, in order to be sure that we do not start another crisis of the kind that we have had to cope with.

A last point on Poland and Hungary: one MEP mentioned Poland and Hungary and told us that they were not treated as they should be by the ECB. I think the MEP is not well-informed; I would encourage her to go to the national central banks of the two countries and it will be demonstrated to her that the ECB has a very intimate cooperation with those two central banks to the benefit of all of us.

Olli Rehn, *Member of the Commission*. – Mr President, first, I would like to say thank you to the Members for a very serious and substantive debate. I have listened to your views very carefully. I can conclude from them that there is strong and broad support for an effective reinforcement of economic governance in the euro area and in the European Union as a whole.

In my view, today's debate has been a very worthy and valuable setting of the scene for the European Council today and tomorrow. I also welcome the opportunity to continue discussions on economic governance soon in the Committee on Economic and Monetary Affairs, preferably as soon as possible after Easter. I would like to consult you and move forward soon with concrete proposals.

There are two lines of action in reinforcing economic governance which are of the essence. First of all, its cornerstone will be a truly credible and better preventive fiscal and budgetary surveillance that is stronger and more rigorous, also covers the mid-term budgetary policies, and uses recommendations and, if needed, warnings to the Member States.

Its second building block will consist of more effective preventive and more systematic and rigorous surveillance of macro-economic imbalances and divergences in competitiveness between the Member States of the euro area and of the European Union. Binding policy recommendations will also be used in this regard. This is needed to prevent an accumulation of imbalances. It is self-evident that without a doubt, the most pressing and urgent need exists in the countries with large deficits and weak competitiveness – not only in Greece, but, of course, starting in Greece.

It is equally self-evident that we cannot – and will not – mean by this that anybody would weaken the export performance of countries with current account surpluses. In other words, the aim is not to make Bayern München play worse against Olympic Lyon but to improve both export competitiveness where needed and domestic demand where needed and possible, thus making both Bayern München and Olympic Lyon play better as a European team by making both offensive and defensive strategy ever stronger.

That is what the euro area – and, in the final analysis, the European Union – is all about.

Edward Scicluna, rapporteur. – Mr President, a few points first. I would like to take the opportunity to thank the ECB for its cooperation and availability in responding to my various queries. Secondly, I would like to thank my fellow shadow rapporteurs for their joint team work in agreeing to amendments to this report and thus widening the agreement on it.

We have seen that the recent recession is proving to be a challenge. However the tensions in the euro area are not new and are well known. We know we are not yet an optimal currency area. However, that is why we have to be innovative. We have to follow sensible economic principles and policies. Of course, they must be couched in line with European social cohesion principles.

Some observers have stated that the ECB cannot help Greece because this is forbidden by the 'no bail-out' clause of Article 103 of the EU Treaty. Nevertheless, it is one thing to implement a bail-out and another, very different thing to provide temporary financial assistance.

We know that there are several options before us. Some can be executed in the short term and others in the medium term. As my colleagues before me pointed out, and as Europeans, we all look up to the euro and we all want it to succeed. We can make it succeed, so let us all – Parliament, Commission, Council and the European Central Bank – put our heads together and find a successful path forward.

Finally, we must restore public confidence in financial institutions through measures which include greater transparency, better risk management and appropriate regulation. We need to ensure that a crisis of this magnitude does not occur again.

Sven Giegold, rapporteur. – Mr President, following this debate, I would like to make three quick points.

Firstly, looking at the different opinions here in the House, we do not have the same opinion on the question of imbalances. There were differences which were quite clear and I think we have to be careful.

In particular, I would like to address that to you, Mr Trichet and Mr Rehn, and ask you not to be blind in one eye, because the central problem, as we agree in principle, is that costs should grow according to the inflation target plus productivity. Some countries had cost increases which were too high, and it is good that you are acting.

On the other hand, there are several countries which use tax policy as well as their wage-setting arrangements to ensure they fall below this threshold. If you do not act on those – and I know that some in the Ecofin do not agree with this approach – then we will be setting fire to the economic basis of the eurozone and that is very dangerous. I urge you not to be blind in one eye and I urge my colleagues likewise.

Look at Greece and the stability programme, which was praised. I would like to stress that there is a major problem, and I refer to what I learnt during my visit to Greece last week.

Most people in Greece feel that during the last 10 or 20 years, a lot of people became very rich under circumstances which were not just. If you praise the Irish efforts, you cannot compare it to the situation in Greece. People in Greece feel they should not suffer because of things they have not caused.

Therefore, I urge you, Mr Rehn, also to put pressure on the Greek Government to get serious on illegitimate wealth which has been accumulated in the past. Otherwise, the programme will be not accepted and it will also fail for economic reasons. We have to make sure that the programme is socially just – and it is not yet socially just.

President. – The debate is closed.

The vote will take place on Thursday, 25 March 2010.

Written statements (Rule 149)

Cristian Silviu Buşoi (ALDE), in writing. – There are lessons to be learnt from the current eurozone crisis. The economic crisis is also responsible for the eurozone difficulties, but I believe there are also structural weaknesses of EMU that we should address in order to avoid future crises. For the ECB to be able to take efficient action supporting employment and growth, we have to provide it with the necessary tools. The ECB does not have the same tools as the Fed, which is why it could not have an active monetary policy supporting growth. The ECB is bound by its main objective of ensuring price stability, which prevents it from efficiently stimulating growth. I also believe that we need greater coordination of economic and fiscal policies, so that we avoid unfortunate situations like the Greek one. Better coordination would enhance euro area stability.

The SGP needs to be respected strictly, but I think it should be revised. The preventive arm should be strengthened. The punitive arm is not an efficient one since paying fees only increases budgetary deficits and prevents compliance with the rules. On the other hand, sanctions should not be decided by the Council, because Member States will always be reluctant to punish each other.

Tunne Kelam (PPE), *in writing*. – We should proceed from one central fact – during the most severe economic crisis that Europe has known, the euro has been an anchor of stability and credibility. Without the functioning eurozone, overcoming the crisis would have been much slower and uneven. This applies also for those Member States which have not yet joined the eurozone. Now it is especially important to realise that the European common currency is a common value for which every member of the eurozone bears individual responsibility. There is a general agreement that the economic crisis was a logical outcome of a widespread crisis of values.

Those who have joined the eurozone are expected to bear higher responsibility for balancing their expenses and incomes. It does not make sense to take the role of supposed victims of financial speculation or economic mafias. Almost all European economies have sinned against the principles of sound and balanced fiscal policy. The lesson has to be learnt – we need much tougher supervision and better coordination of financial policies with the establishment of a European Monetary Fund. But, first of all, each and every member of the eurozone must slow down in living at the expense of tomorrow.

Jaromír Kohlíček (GUE/NGL), *in writing*. – (CS) The activities of the European Central Bank have, since its inception, been a subject of constant criticism from the left, and not only throughout the EU. The first cause of this justified criticism is the objectives of the bank. Since the main objective of the bank is to ensure that inflation does not exceed 2% and the budget deficits of the EU Member States do not exceed 3% of GDP, then everything is clearly fine in times of growth, when unemployment 'falls by itself', the liquidity of the banks is 'secured by itself' and the ECB is able to 'press governments' in individual Member States to reduce their debts. From the moment when an economic crisis erupts, however, it is a very different story. The badly formulated objective of the central financial institution has the effect of making fundamental divergences from the objective necessary. The report, which is concerned with assessing the ECB's annual report and performance in relation to solving the financial crisis, nonetheless stubbornly insists on this badly-formulated pivotal objective. The report also states, among other things, that it is necessary to draw back from the policy of stimulation packages and from securing the liquidity of the banks, which was the main so-called unconventional measure for overcoming the crisis. The report does not concern itself at all with the critical state of the finances of at least five EU states, and it seems that the authors of the report are also indifferent to the meteoric rise in unemployment. All of this only confirms the harmfulness of the current concept of the European Central Bank. The report must therefore be rejected.

Andreas Mölzer (NI), *in writing*. – (DE) The European Union as a whole and the euro area in particular are in a grave situation. Greece is on the verge of bankruptcy and Spain and Portugal are also in difficulties. Because of the seriousness of the situation, new proposals are constantly being made. On the one hand, people are talking about giving the European Monetary Fund extensive rights of intervention. On the other hand, the Commissioner for Economic and Monetary Policy, Mr Rehn, is calling for Brussels to be involved in the budgetary planning of the Member States. The European Union obviously wants to use the current crisis to strip the Member States of their financial autonomy, which is one of the last core areas of national sovereignty remaining to them. However, taking another huge step towards a centralised European superstate will not solve the existing problems. On the contrary, it will further exacerbate them. The alarming state that the monetary union finds itself in and the fact that the euro has become a high-risk currency are a result of countries such as Germany, the Netherlands and Austria, on the one hand, being brought together with states such as Greece, Italy and Spain, on the other, with a deliberate disregard for the existing differences between them concerning their economic development and the ethos on which their financial policy is based. These historical differences, which not only relate to the economy, must be taken into consideration, instead of further tightening the existing centralist constraints on the European nation states.

Franz Obermayr (NI), *in writing*. – (DE) In the context of the European Central Bank annual report, I would like to highlight the disturbing change in financial policy which has resulted in far too many dollars being printed without it being possible to come anywhere near covering their value. The accompanying current or forthcoming devaluation of the dollar by the United States as part of its currency reform programme would have a severe negative impact on the European market. In order to avoid this risk, the European Central Bank and other European institutions should seriously consider moving away from the dollar as a key currency. The euro is much stronger, and famous economists, such as Nobel prize-winner Joseph Stiglitz,

have said that the leading role played by the dollar has been the cause of many financial crises. The European Union should stop exposing itself voluntarily to the problems of US financial policy.

Kristiina Ojula (ALDE), *in writing*. – (ET) Mr President, the debt crisis in Greece has raised questions about our ability to maintain the stability of the euro area. I am convinced that the strength of the single currency will be guaranteed if the rules we have agreed upon are followed in every single Member State. It has been said that, as well as Greece, there are other European Union Member States which can expect serious financial difficulties. In addition to the soaring national debt, some Member States have also reached almost dangerous levels of government spending, something which the European Central Bank was already concerned about a couple of years ago. The euro is an anchor to which the Member State economies are tied. Actions by any Member State which weaken the euro are unacceptable. I consider it essential that every country fulfils the conditions set up for the euro area. At the same time, I support the collective approach to looking for solutions, including compiling an aid package for Greece, tightening the regulations concerning the single currency and carrying out stricter supervision. The idea of the possible creation of a European Monetary Fund, which was raised as a result of the Greek crisis, is an approach which could prevent potential problems, but we should not forget the overseas factors operating in a globalised investment market, which necessarily have an impact on the euro area. It is, therefore, clear that at a national level, we should henceforth concentrate more on creating legislation which would protect the euro from the influence of dangerous factors, both internal to the European Union and outside it.

4. Second European Roma Summit (motions for resolutions tabled): see Minutes

IN THE CHAIR: MR VIDAL-QUADRAS

Vice-President

* * *

Bruno Gollnisch (NI). – (FR) Mr President, through a ruling given on 19 March, the Court of Justice of the European Union has just declared that the majority of our Parliament violated a clear rule of law by refusing to defend my immunity on the basis of Article 10 of the international protocol, as requested by my foreign colleagues, led by Mr Romagnoli.

This request was made when I was the victim of violent political, professional and legal persecution for the crime of 'telling journalists who were interviewing me on revisionism and the history of the Second World War that these questions were a matter for historians to debate'. This is in paragraph 108 of the ruling.

The Court states, and I quote: 'Since the aim of the protocol is to grant rights to the Members of the European Parliament, it follows that by failing to give a verdict on the basis of Article 10, Parliament violated a rule of law in a sufficiently clear manner'.

It is true that the Court is not complying with my request for indemnity because it believes that the French Court of Appeal and its 11 judges found me totally and definitively innocent. Consequently, it believes that I can no longer cite prejudice. The fact remains that it is ordering our Parliament to pay two thirds of the legal costs. This decision therefore constitutes a scathing rejection of the partisan tactics that deprived me of parliamentary immunity.

Under pressure, the rapporteur resorted to a crude procedural trick. This decision sets a precedent of which members of the national right in the European Parliament, whose freedom of expression is constantly under attack, will be able to take advantage in future.

5. Approval of the minutes of the previous sitting: see Minutes

6. Voting time

President. – We shall now proceed to the vote.

(For the results and other details on the vote: see Minutes)

6.1. A list of third countries, or parts of third countries, and animal and public health and veterinary certification conditions for importation into the Community of certain live animals and their fresh meat (A7-0018/2010, Jo Leinen)

**6.2. Mobilisation of the European Globalisation Adjustment Fund:
Lithuania/Manufacture of furniture (A7-0047/2010, Barbara Matera)**

**6.3. Mobilisation of the European Globalisation Adjustment Fund:
Lithuania/Manufacture of wearing apparel (A7-0048/2010, Barbara Matera)**

**6.4. Report on the 2009 Annual Statement on the Euro Area and Public Finances
(A7-0031/2010, Sven Giegold)**

**6.5. Appointment of the Vice-President of the European Central Bank
(A7-0059/2010, Sharon Bowles)**

**6.6. Nomination of a member of the Court of Auditors - Mr Milan Martin Cvikl (SL)
(A7-0046/2010, Inés Ayala Sender)**

**6.7. Nomination of a member of the Court of Auditors - Ms Rasa Budbergytė (LT)
(A7-0039/2010, Inés Ayala Sender)**

**6.8. Nomination of a member of the Court of Auditors - Ms Kersti Kaljulaid (EE)
(A7-0045/2010, Inés Ayala Sender)**

**6.9. Nomination of a member of the Court of Auditors - Mr Igors Ludborzs (LV)
(A7-0040/2010, Inés Ayala Sender)**

**6.10. Nomination of a member of the Court of Auditors - Mr Szabolcs Fazakas (HU)
(A7-0038/2010, Inés Ayala Sender)**

**6.11. Nomination of a member of the Court of Auditors - Mr Ladislav Balko (SK)
(A7-0037/2010, Inés Ayala Sender)**

**6.12. Nomination of a member of the Court of Auditors - Mr Louis Galea (MT)
(A7-0042/2010, Inés Ayala Sender)**

**6.13. Nomination of a member of the Court of Auditors - Mr Augustyn Kubik (PL)
(A7-0041/2010, Inés Ayala Sender)**

**6.14. Nomination of a member of the Court of Auditors - Mr Jan Kinst (CZ)
(A7-0044/2010, Inés Ayala Sender)**

**6.15. Nomination of a member of the Court of Auditors - Mr Eoin O'Shea (IE)
(A7-0043/2010, Inés Ayala Sender)**

**6.16. Recommendation to the Council on the 65th Session of the United Nations
General Assembly (A7-0049/2010, Alexander Graf Lambsdorff)**

6.17. Second European Roma Summit

- Before the vote:

Jean Lambert, *on behalf of the Verts/ALE Group*. – Mr President, I would like to move an oral amendment which would become paragraph 7a (new). It is signalled on the voting list and my understanding is that it has the support of the political groups co-signing this resolution. It becomes the consequence of paragraph 7.

So the new paragraph 7a would read: 'Hence, calls once again on the Commission to develop a comprehensive European Strategy for Roma Inclusion as the instrument for combating social exclusion and discrimination of Roma in Europe'.

(Parliament accepted the oral amendment)

- Before the vote on Amendment 1:

Cornelia Ernst, *on behalf of the GUE/NGL Group*. – (DE) Mr President, thank you very much. We have two amendments, one of which is an amendment to the amendment. I would like to introduce both of them. We would like the words 'the Council and' to be deleted. The final result of the amendment which is currently under discussion would then be:

'calls on the Member States to refrain from forced repatriations of minorities if they face homelessness and discrimination in the areas of education, social protection and employment once they have been forcibly returned'.

(The oral amendment was not accepted)

- Before the vote on paragraph 18:

Hannes Swoboda, *on behalf of the S&D Group*. – (DE) Mr President, we have also rejected a previous amendment because it was worded rather too strongly. However, there is a problem with some countries where Roma people are being repatriated and where the conditions are unsuitable for them to be able to live in freedom and safety and with human dignity.

Our wording is more restrained, among other things, because we have seen that in some countries, visa liberalisation is being misused for the purposes of asylum applications without the prerequisites being in place. Our text would read:

to countries in the Western Balkans 'where they might face homelessness and discrimination in the areas of education, social protection and employment'.

(DE) I hope that the Members who initially rejected the other amendment can vote in favour and accept this more restrained wording.

(Parliament accepted the oral amendment)

6.18. Schengen Borders Code with regard to surveillance of external maritime borders

- Before the adoption of the draft resolution:

Michael Cashman (S&D). – Mr President, I just wish the House to know that I was the original rapporteur on the decision on FRONTEX and I recommended that we adopt this because of the exceptional measures that are necessary to deal with intervention and rescue at sea, especially in the Southern Mediterranean.

The committee did not back me and therefore I removed my name from this report, and I will be recommending to the House that they reject the resolution that is now before them. We need an absolute majority of 369 for it to be adopted, but I would recommend that the House reject the resolution that we are about to vote on.

Cecilia Malmström, *Member of the Commission*. – Mr President, the Members have for their consideration a draft decision supplementing the Schengen Borders Code as regards the surveillance of the external borders in the context of FRONTEX operations at sea.

This is a necessary decision and it will help Member States and FRONTEX to manage our external sea borders more efficiently. As you know, the number of boats will increase very soon as they always do at this time of year in the Mediterranean.

The proposal contains a set of very important principles and clarifications of rules that border guards must apply when controlling sea borders, for example, the principle of non-refoulement and the obligation to treat vulnerable peoples and unaccompanied minors with special care.

It also clarifies what assistance should be provided to persons in danger at sea and where to disembark persons that are rescued.

Many of you in this House have asked for these principles and rules for years and now finally, they are within our reach. The changes that we are proposing will also reduce the risk of lives being lost in the Mediterranean by making sea border operations more efficient.

The draft decision is the result of very hard and long discussions with Member States and with experts from, for instance, the United Nations High Commissioner for Refugees and the International Organisation for Migration.

It will provide our institutions with a better framework for exercising a proper monitoring of these operations where significant European funds are involved.

On the legal aspects of the proposal, the Commission has chosen Article 12 of the Schengen Border Code as the legal basis because the rules concern border surveillance patrols during FRONTEX operations, not border checks as I think Parliament's legal opinion argues.

At the request of Members of this House, the Commission has made an investigation of alternative technical solutions that would allow for, firstly, not reopening the discussions on the substance and, secondly, having clear rules adopted in time for FRONTEX operations this summer. Unfortunately, we have not found such an alternative so I therefore recommend the honourable Members not to reject these long-awaited new rules.

President. – We cannot open a debate on that now, Mr Busuttil. You have the floor, but we cannot open a debate.

Simon Busuttil (PPE). – Mr President, we have had two speakers addressing this House to reject the resolution but no speaker to speak in favour of the approval of this resolution. So I think it is only fair that someone who can speak and urge Members to speak in favour of the resolution should be able to do so.

If you allow me just one minute, may I say that the reason why the LIBE Committee rejected these rules and therefore put forward this resolution is very simple. We have been told by our legal services – not once but twice – that the Commission exceeded its powers in bringing forward these rules. This is why we rejected them. We definitely want these rules – I myself come from a country that wants these rules – but we do not want the European Commission to exceed its powers. That is why we should support this resolution.

Michael Cashman (S&D). – Just for the sake of clarity, if you vote against this, you are supporting the measure that enables interception at sea. If you vote for this, you are not. It is pure clarity.

President. – We shall now proceed to the vote.

6.19. Priorities for the 2011 budget – Section III – Commission (A7-0033/2010, Sidonia Elżbieta Jędrzejewska)

7. Welcome

President. – Ladies and gentlemen, it is my great pleasure to inform you that, as part of our series of interparliamentary meetings, we are being visited by a delegation from the Parliament of Tunisia headed by Mr Salah Tabarki, Chair of the Committee on Political Affairs, Human Rights and Foreign Affairs of the Tunisian House of Representatives.

We warmly welcome Mr Tabarki and the members of his delegation. I would like to underline the importance that we attach to this meeting, which is the first to take place for five years.

Parliament is following the development of the political and economic situation in Tunisia with great interest, as we in the European Union are that country's most important trade partner. The relations that you will establish with the European Parliament Delegation for Relations with the Maghreb Countries will provide you with an adequate institutional framework for dialogue on matters of mutual interest regarding the development of democracy and the rule of law.

We therefore wish you an enjoyable and fruitful visit.

8. Voting time (continued)

8.1. Budget guidelines: 2011 - other sections (A7-0036/2010, Helga Trüpel)

8.2. Agricultural product quality policy: what strategy to follow? (A7-0029/2010, Giancarlo Scottà)

8.3. The effects of the global financial and economic crisis on developing countries and on development cooperation (A7-0034/2010, Enrique Guerrero Salom)

- Before the vote:

Enrique Guerrero Salom, rapporteur. – (ES) Mr President, I would like to thank all of those who have taken part in the preparation of this report.

I would just like to point out that when we get to paragraph 31, there is an oral amendment. As agreed, I will now read the second part of the English version.

'Considers it appropriate, therefore, to explore the grounds for an agreement with creditor countries to establish a temporary moratorium or debt cancellation for the poorest countries to enable them to implement countercyclical fiscal policies to mitigate the severe effects of the crisis; proposes that efforts be made to facilitate arrangements for transparent debt arbitration'.

President. – In any case, Mr Guerrero, if we have not been misinformed, this oral amendment affects paragraph 34 and not paragraph 31.

(Mr Guerrero indicated that it did indeed affect the second part of paragraph 34)

Now it is all clear.

(The vote took place)

(Parliament accepted the oral amendment)

- Before the vote on paragraph 22:

Charles Goerens (ALDE). – (FR) Mr President, we have brought to your attention an oral amendment concerning paragraph 22. I would point out that paragraph 22 relates to global governance and, in particular, to the composition of the G20, which, unusually, does not include in its ranks any representatives from the least developed countries.

The oral amendment aims to fill this gap, and the text that I propose to the European Parliament meets this need.

(Parliament accepted the oral amendment)

- Before the vote on paragraph 34:

Daniel Cohn-Bendit (Verts/ALE). – (FR) Mr President, you called for applause for the Tunisian delegation a moment ago. Could you ask the Tunisian delegation to intervene to obtain the release of Taoufik Ben Brik, which the whole of Parliament is calling for?

- *After the final vote:*

Hannes Swoboda (S&D). – (DE) Mr President, I would like to raise a point of order. I am very happy about the way that the vote has gone. However, this was essentially an own-initiative report and a different procedure has been agreed in this case. Now we have been allowed to have individual votes on an own-initiative report. We need to resolve this or all own-initiative reports will have individual votes in future. Could you perhaps ask the Committee on Constitutional Affairs to clarify this issue? Otherwise, the interpretation made by the House's services will defeat the whole object of the reform.

President. – Mr Swoboda, it can be done. It is possible to request split votes, in accordance with the procedure that the groups themselves sought. At any rate, everything can be revised. It could be revised in the future, but for the moment, that is how it is.

8.4. ECB annual report for 2008 (A7-0010/2010, Edward Scicluna)

9. Council positions at first reading: see Minutes

10. Forwarding of texts adopted during the sitting: see Minutes

11. Explanations of vote

Second European Roma Summit (RC-B7-0222/2010)

Jaroslav Paška (EFD). – (SK) The adopted draft resolution of the European Parliament on the second European Summit on Roma opens a new path for resolving the problems of the Roma population in the European Union.

It has become apparent that the individual efforts of various countries to settle the integration of the Roma into society have not produced a satisfactory result. The causes of this situation are varied. I therefore welcome the efforts of the European Union to get involved in solving the problem of the Roma and to improve the integration of this community into society in an organised way.

Nicole Sinclair (NI). – Mr President, while I deplore discrimination against any group in society on whatever grounds, I cannot support this resolution. However, this resolution seeks to place the responsibility for fighting discrimination into the EU context whereas I would argue that attitudes and approaches in Member States are so varied that the interests of minority groups would be better addressed by Member States and particularly by those Member States who do not share the ideal of tolerance and equality that we British take for granted.

I am aware, for example, that one Italian MEP, a member of the EFD Group, has been prosecuted for taking part in a vigilante raid in which he set fire to the belongings of an immigrant. This is unacceptable. Please do not associate the British people with such behaviour by suggesting that minority groups in our country need the same levels of protection as the same poor soul that I have just referred to.

Frank Vanhecke (NI). – (NL) Mr President, it is a matter of fact that anyone who denies a problem, who denies the truth, will obviously be unable to solve that problem. That is a fact. We ought to be aware that, with our resolution on the Roma in Europe, which is a document full of politically correct nonsense, we will not be able to come up with or offer a single solution because what we are doing is denying the problem. We should, first of all, observe that we are indeed facing major problems with large numbers of Roma who position themselves completely outside of our society and who are also very often responsible for very serious crimes, small and large. Many values and standards, or the lack thereof, espoused by Roma communities are directly at odds with the values and standards that we wish to see respected in our European countries. What I am saying might sound a little one-sided, but the resolution that we have just adopted is a great deal more one-sided in the opposite direction. In any case, I think that each Member State should itself have the right to decide how to tackle this very serious problem.

Philip Claeys (NI). – (NL) Mr President, this report is an extremely politically correct one, the type of report, indeed, for which this House appears to have obtained a patent. The economic and social disadvantages of the Roma have yet again been ascribed to so-called intolerance and discrimination. If we just lay down new quotas and muzzling laws and if we just turn on the money tap again, everything will be fine.

The experience from the Netherlands has clearly shown, of course, that the majority of the Roma community refuses to adapt and integrate, whatever we do. It is not our fault, but the fault of the Roma community itself, that the Roma are disproportionately represented in crime statistics. Their values and norms are directly at odds with our own. I also oppose any attempt by Europe to meddle with this issue and I wish to repeat that each Member State is entitled to remove from its territory people who systematically refuse to adapt and who resort to criminal behaviour.

Report: Sidonia Elżbieta Jędrzejewska (A7-0033/2010)

Radvilė Morkūnaitė-Mikulėnienė (PPE). – (LT) I voted for the resolution on the priorities for the 2011 budget for many reasons, but mostly for the attention given to the matter of youth unemployment. The current economic and social situation in many European Union countries requires a special approach to the increasing gap between youth and the labour market, although it is acknowledged that investment in young people and education is investment in the future. Experience shows that during an economic slowdown, young people would rather remain in the education system or begin studies than look for work. We can observe similar tendencies in our countries now. Therefore, I would like to say that the planned measures, a more active labour market and the coherence of the education system are very important. Development of entrepreneurial skills and special programmes are very necessary whether we are talking about ERASMUS's first work, or other measures. I very much hope that the European Union has sufficient political will to not simply adopt very important documents, but to implement them as well.

Frank Vanhecke (NI). – (NL) Mr President, I voted against this report primarily because I totally disagree with the priorities which this Parliament has proposed to the Commission, including the harmonisation of immigration policy. I know what this means; harmonising immigration policies of all the Member States is being pushed forward as a clear priority. I disagree with that.

However, I voted against this report, first and foremost, because it has already made it very clear that this Parliament is not in favour of the much-needed slimming down of European bureaucracy. The contrary is true. We should thoroughly reconsider abolishing all kinds of institutions and agencies which have, in effect, become, or always have been, superfluous. However, this Parliament is calling for even more so-called decentralised agencies. I repeat that, as I see it, we have too many of these already. There are some that should be abolished before we go creating a new one. I am thinking of the Committee of the Regions, the Agency for Fundamental Rights and the European Institute for Gender Equality. How much does all of that cost our taxpayers and what use are they all, for heaven's sake?

Report: Helga Trüpel (A7-0036/2010)

Vito Bonsignore (PPE). – (IT) Mr President, ladies and gentlemen, in extraordinary times such as these we are living through, we must adopt extraordinary measures.

Next year's budget must not be drawn up as if these were ordinary times. Unfortunately, the economic crisis is not yet over, and we cannot ignore it. My group and I voted for the budget priorities today, but in the near future, we must have the political responsibility to take more important decisions.

We must give consideration to a reform of the Union budget so as to put Europe in a fit state to steer economic policy in a more incisive manner. A fully implemented internal market, more resources for research and infrastructure, more investment in security and families must be the next objectives, or else we risk ever more conservative actions by the Member States.

To conclude, we must be more European and less nationalist, and bring into play a genuine European policy.

Daniel Hannan (ECR). – (ES) Mr President, allow me to say that it is a pleasure to see you in the chair once again.

Mark Twain observed that, when all you have is a hammer, everything starts to look like a nail.

The European Union is very good at spending money – at spending other people's money. It was, I think, Milton Friedman who observed that there are two kinds of money in the world: there is your money and there is my money. We are much more careful with the latter than with the former. That explains what is happening in Europe today.

All of the Member States are looking for budget reductions. In Greece, there is a public sector cut of around 10% being proposed, in Ireland more than 7%, Germany is looking at raising the retirement age, Spain –

your country – is looking for savings of 2% of GDP, but our budget here in the European Union continues to rise inexorably. Why? Because there is no link in the European Union between taxation, representation and expenditure, so there is no external constraint from the taxpayers.

It was too much spending that got the world into this mess – too much spending by individuals, too much spending by corporations and too much spending by governments. If, instead of spending these trillions on yet further aggrandisement of our debt, if we had given that back to the people in tax cuts, think what a stimulus effect that would have had.

Report: Giancarlo Scottà (A7-0029/2010)

Miroslav Mikolášik (PPE). – (SK) European agricultural products meet the highest quality standards in the world, which should, of course, make them more competitive on international markets.

EU citizens and discerning consumers must therefore be fully informed as to their advantages. It is, above all, necessary to praise the fact that European products not only fulfil strict hygiene, safety and veterinary standards, but also respect the principles of sustainable development, climate change prevention, biodiversity and animal welfare. I therefore fully support the introduction of a European quality logo for products originating exclusively from the EU. The logo officially recognises the efforts of European farmers and provides protection for intellectual property at the international level. I firmly believe that this will help many rural areas which have no other development opportunities.

The EU must provide financial support for modernising agricultural enterprises and developing micro-enterprises, especially in rural areas, in order to achieve high quality agri-food products by means of the Union.

Radvilė Morkūnaitė-Mikulėnienė (PPE). – (LT) I voted for this document, since I think that ecological and clean farming is our future and we must promote it. We also have to promote people's interest in ecological farms and ecological products, both at EU level and in the Member States. On the other hand, as we want to ensure and promote ecological farming, we must not rush to legalise genetically modified organisms. Some countries have set a very good example, severely restricting the growing of genetically modified organisms around ecological farms. There should be a clear divide. Consumers must also be provided with all the information and results of scientific research linked to genetically modified organisms and the impact of genetically modified feed on the environment and people's health without hiding anything from them. Only then will we create a genuine common market of ecological products, which is very important for all our lives.

Alfredo Antoniozzi (PPE). – (IT) Mr President, ladies and gentlemen, firstly, I should like to thank Mr Scottà for the work he has put into this report.

I consider that the protection and strengthening of a quality policy for our agricultural produce is a priority for the European Union, because it involves and is bound up with a series of other fundamental subjects at European level, such as ever greater consumer protection, support for SMEs, the preservation of the cultural and traditional heritage of many European regions and the competitiveness of European food producers on a global scale.

These are the reasons why I voted for this report.

Jan Březina (PPE). – (CS) I appreciate the fact that the report on agricultural product quality policy ties in with the steps taken previously towards strengthening the policy on quality. I consider it particularly beneficial to develop the system of geographical indications and designations of origin while retaining the demanding criteria for obtaining protection. I agree with the retention of the instrument for guaranteeing traditional specialities, with the proviso that the rules for registration should be simplified. In view of the fact that it involves a lower standard of protection, without the need to prove the specific geographical characteristics of the product, I see no reason why the handling of applications should take the same length of time as for geographical indications and designations of origin.

In my view, there is a weak point in current practice in the power of the Commission to reject applications it considers to be incomplete on a discretionary basis. This often happens haphazardly and arbitrarily, without knowledge of the special characteristics of the product and the geographical area. It is also necessary to establish measures against the circumvention of deadlines in the registration process in the form of the Commission coming up with more and more comments and supplementary questions.

Diane Dodds (NI). – Mr President, may I also thank Mr Scottà for the work in this important report.

I want to refer specifically to Amendment 4, which asks for the maximum amount of information to be made available to the consumer. It also supports the introduction of comprehensive and compulsory legislation for 'place of farming' labelling.

Whilst these are laudable aims, I believe the amendment is too restrictive and would perhaps be better as a voluntary piece of information.

In Northern Ireland, we rely heavily on the ability to export produce to the rest of the UK and other European countries. This amendment has the potential to affect Northern Ireland's ability to sell products in certain markets where currently there is no difficulty, and I feel that it is important that new labelling does not create barriers which prevent trade between different Member States.

Whilst Amendment 4 poses some difficulty, I recognise the important work of the report and I recognise the importance of producing traceable, high quality and safe products.

Vito Bonsignore (PPE). – (IT) Mr President, ladies and gentlemen, with this vote, we have provided ourselves with a means by which to protect consumers and to add due value to agricultural produce: a goal that we have sought to achieve for a long time.

From today, the origin must be clearly indicated on the label of meat products, dairy products, fruit and vegetables, poultry and other processed single-ingredient products. As far as animals are concerned, the place of origin must be given as a single defined location only where the animals are born, reared and slaughtered in the same country.

This is an intervention by which due recognition can be given to agricultural producers and to those who process agricultural produce. We have shown that the European Parliament has just one goal where its action on agricultural foodstuffs is concerned, and that is to guarantee the quality and accessibility of the information available to consumers.

We have done a good job. My compliments to those Members who have worked on this dossier.

Syed Kamall (ECR). – Mr President, in principle, I have no problem with the idea of quality logos. We see quality logos in a number of areas of our life. Just so long as this is not being used as an excuse to override the choices of the consumer.

If food does not meet certain size restrictions or aesthetic restrictions, we should not be throwing it away, throwing it onto the heap, as we see happen with 30% of European agricultural produce that is often wasted because it does not meet strict European standards.

We should also not be using our quality standards as an excuse to ban imports from farmers in developing countries, throwing those farmers into poverty, and then taking our taxpayers' money to throw at corrupt governments when the farmers fall into poverty.

Surely, rather than quality marks and gestures like this, we should be trusting the market, we should trust the consumers and we should trust the people.

Report: Enrique Guerrero Salom (A7-0034/2010)

Miroslav Mikolášik (PPE). – (SK) I voted against this report because, as is often the case with other reports, in this own-initiative report, Europe again advances its own concept of so-called reproductive and sexual rights, which it forces on people in developing countries.

It must be made clear once and for all that, according to the World Health Organisation definition, this concept includes abortion as a method of family planning. Human life is sacred from conception until natural death, and therefore I could not support this report. On the other hand, there are some good ideas there, which might, of course, help people in developing countries, and it could therefore be said that, as hundreds of millions of people in developing countries have to face the consequences of rising prices of basic products and foodstuffs, they will confront the problem of survival in these ways. I am alarmed by the estimates of international financial institutions that the billions of people already on the planet will increase by hundreds of millions more and that in sub Saharan Africa, child mortality will increase by between 30 000 and 50 000.

Joe Higgins (GUE/NGL). – (GA) Mr President, I voted in favour of the report on the effect the financial and economic crisis is having on the poor countries of the world. Although the report does not give a sufficiently radical response to the problems of poor countries, at the same time, we can agree with many of the things that it includes.

It is poor people and poor countries that are suffering the most as a result of the economic crisis. We should give all the help we can with regard to public investment, particularly in these countries. However, it must also be said that the trade agreements the European Union has with poor countries are not really favourable to them. Large European companies benefit most from these agreements; small producers, small farmers and working people do not benefit from them and, as such, we must change the way we work with these countries.

Diane Dodds (NI). – Mr President, I voted against paragraph 7 of this report and I was disturbed to see, yet again, this Parliament using a report of this nature to covertly introduce the right to abortion and also the linkage of sexual and reproductive health to that of public health in developing nations.

It is not for this place to determine whether access to abortion is a right or not. It is a matter for national governments to legislate. I, and the vast majority of my constituents in Northern Ireland, remain firm in the belief of the right to life of the unborn child.

Frank Vanhecke (NI). – (NL) Mr President, as Parliament, we ought to think twice before making proposals. We ought to be making proposals for policies that will solve problems, not exacerbate them. Now, as far as development aid is concerned, there are many serious studies that have actually demonstrated that granting development aid in too automatic a fashion invariably results in delays to economic reforms and thus in delays to opportunities for economic growth in developing countries. Despite this, we as Parliament keep taking as our starting point the credo or the so-called axiom that granting ever more development aid in the first instance will help get African countries back on their feet. Despite huge injections of development aid over so many decades, there is, regrettably, no clear evidence that most African countries are not in a far worse position today than immediately after decolonisation. That was my first point.

I will be very brief with my second point. It is, of course, true, as the report states, that developing countries are further undermined by brain drain, but why do we keep on insisting on the 'blue card', which exacerbates this problem even more?

Anna Záborská (PPE). – (SK) I cannot understand why reproductive health has again been incorporated into a report on the consequences of the global financial and economic crisis for developing countries and development cooperation.

Reproductive health organisations support abortion as one of the ways of controlling the birth rate. This industry is also financed at the European level from the taxes of citizens who oppose abortion and who are involved in protecting life. For decades now, international institutions have been giving their views on birth rate control as a way of combating poverty, but developing countries still live in extreme poverty. In my opinion, the EU wastes financial resources on birth control, which does not solve poverty. I honour life and I also respect the principle of subsidiarity in relationships with developing countries. That is why I have voted against paragraph 7 and against the entire report.

Daniel Hannan (ECR). – Mr President, it was predictable, perhaps inexorable, that the European Union would leap on the financial crisis in Greece in order to advance its well-laid plans for the harmonisation of fiscal policy.

We have seen repeated calls for a European debt agency, for a European Monetary Fund, for pan-European taxation, so as not to have to go to the national electorates for a bail-out.

Mr Van Rompuy and the other Commissioners are, as honest federalists, exactly agreeing with the case that was made by British sceptics, which was that you cannot have monetary union without fiscal and economic union.

I think it was John Maynard Keynes who wrote 'He who controls the currency controls the country'. I promise that is the only time I am going to quote Keynes approvingly.

In fact, let me give you a higher and better authority even than John Maynard Keynes. I refer you to the Gospel of St Matthew, Chapter 22. I am sure you will remember this. Our Lord is asked whether it is proper to pay taxes to Rome. He says: 'Why tempt ye me, ye hypocrites? Show me the tribute money'. And they brought

unto him a penny. And [Jesus] saith unto them, 'Whose is this image and superscription?' They say unto him: 'Caesar's'. And saith [Jesus] unto them: 'Render therefore unto Caesar the things which are Caesar's; and unto God the things that are God's'.

Now I am not arguing that Our Lord was on one side or the other of the debate about the euro. The point is that, when looking for the supreme symbol of temporal authority, the absolute sign of sovereignty, it is the coin! And so we have seen that the euro leads to common economic government. Thank heaven we had the foresight to keep the pound.

President. – Thank you for blessing this morning's session, Mr Hannan.

Syed Kamall (ECR). – Mr President, when you look at this report, you see many of the old, tired phrases about how the developing world is suffering as a result of the economic crisis. Clearly there are people who will be suffering as a result of the economic crisis in these countries, but quite often they are not necessarily the people we want to help. Quite often, they are the governments who are worried about their aid budgets being cut because, with less aid money coming to them, it is more difficult to keep corrupt and inefficient governments in power. When I was in Africa last year talking to many centre-right politicians, they complained to me that aid budgets actually keep corrupt governments in power and it makes it more difficult to improve economic and political governance in those countries.

But let us look at some of the things that we propose. We talk about more investment in developing countries – and everyone would agree to that – yet we have a proposal going through this House, the Alternative Investment Fund Managers Directive, which will reduce investment in developing countries. We talk about helping developing country farmers, yet we continue, even in today's budget, to vote for more resources for the common agricultural policy that does so much to damage farmers' livelihoods in developing countries.

Let us really tackle the real source of the problems in these countries – bad governance, and protectionism in the EU.

Martin Kastler (PPE). – (DE) Mr President, ladies and gentlemen, I have voted against this report for two reasons. Firstly, I am disturbed that Europe is increasingly taking a scatter-gun approach to development policy and that more and more resolutions and requests are encouraging this approach. Secondly, I have voted against the report, because I believe it is a bad thing for us to try to impose family planning policy on developing and emerging countries in the form of a sort of cultural imperialism. Abortion is not a solution and I regret the fact that some Members of the European Parliament refer euphemistically to 'reproductive medicine' when they mean abortion. This does not change the fact that abortion means killing an unborn child. Therefore, I have voted against this report and I hope that in future, we will not use the same euphemistic terms in every resolution and own-initiative report to describe aspects of cultural imperialism.

Nirj Deva (ECR). – Mr President, I voted against this report because it is a silly report. It is an irrelevant report. So: all the assets are in all the stock exchanges in New York, London, Tokyo, Frankfurt, etc. You will now collect about USD 6 trillion worth of capital. If you sell all the properties which are extra-legal, the slum-valued properties which are not part of the legal system in the developing countries, you will achieve USD 7 trillion. There is a great deal of capital waiting in the developing countries which is outside the legal structures of those countries, from the slums to those millions of businesses you see on the side of the roads which are not part of the formal economy.

Secondly, if you ask how much money is coming out of the developing countries every year through the financial systems of the world, it is USD 800 billion. Why are we not working to keep that capital in those countries making those countries richer?

No, what did we go and do just now? We voted for a Tobin tax to hammer already weakened financial institutions in the west and give the money to a whole bunch of people who will probably steal it.

Seán Kelly (PPE). – Mr President, like previous speakers, I, too, had an objection to the inclusion of paragraph 7. We were given a free vote by our group, but our delegation decided to vote against because – as speakers have said – talking about reproductive health rights is another way of saying abortion. If that is what is intended by it, it should be spelt out and not brought in under an economic crisis plan. So, like other speakers, we objected to that and voted against that section.

Report: Edward Scicluna (A7-0010/2010)

Morten Messerschmidt (EFD). – (DA) Mr President, we in the Danish People's Party voted against this report. However, I actually feel the need to express my thanks for a number of the observations that were presented in the report. I am thinking in particular of paragraph 27, which very honestly states that the euro should quite naturally lead to closer coordination of economic policies within the euro area. I am, of course, entirely opposed to this statement, but I would like to express my thanks for the clarity and honesty that the rapporteur displays in relation to the euro. Thus, the euro is a construction formed with the intention of creating much greater economic unification in Europe. In other words, finance policy, labour market policy, structural policy – all economic areas, everything that has any significance to the economy – is to be unified. This is what we are currently seeing in Greece, where economists in Frankfurt are telling the Greeks what sort of economic policy they should pursue, and this is what we will see in a few months' time with regard to Spain and Italy and a whole list of other countries. In this way, the report demonstrates, with all the clarity we could wish for, why Denmark – and my party, the Danish People's Party, in particular – wishes to remain outside the euro area. We want to decide for ourselves what economic policy we wish to pursue. It is the Danish electorate and not economists in Frankfurt who should decide this.

Written explanations of vote

Report: Jo Leinen (A7-0018/2010)

Andrew Henry William Brons (NI), in writing. – We approved of the proposal that the existing rules relating to the importation of live animals, meat and meat products should remain in force until replaced by measures adopted under the new regulatory framework. Whilst we should prefer such laws to be the laws of each member country rather than of an EU superstate, there must be laws covering such matters. However, the report also provided for a list of third countries or parts of countries from which Member States shall authorise importation of bovine animals, swine and fresh meat. This will involve the United Kingdom being given a legal obligation to allow imports from these countries. This will involve competition for our farmers and a further erosion of sovereignty. As a result of this pairing of good and bad proposals, we decided to abstain.

Diogo Feio (PPE), in writing. – (PT) Article 3(1) of Council Directive 72/462/EEC of 12 December 1972 on health and veterinary inspection problems upon importation of bovine, ovine and caprine animals and swine and fresh meat or meat products from third countries states that the Council, on a proposal from the Commission, would approve a list of third countries from which the Member States shall authorise the importation of bovine animals, swine and fresh meat. Although this directive has been repealed, the procedure is still carried out and the aforementioned list has been modified over the years. The Commission is now proposing to create a regulation that codifies all the relevant modifications carried out over the years, and which is due to be modified frequently, meaning that it is continually updated.

I believe that this procedure introduces clarity and transparency, not only for Member States, where there are modifications, but also for third countries that export the products in question to the EU.

José Manuel Fernandes (PPE), in writing. – (PT) I welcome the adoption of this report on health and veterinary inspection problems upon importation of bovine, ovine and caprine animals and swine and fresh meat or meat products from third countries. This report is based on Council Directive 72/462/EEC of 12 December 1972, which led the Council to approve a list of third countries from which the Member States shall authorise the importation of bovine animals, swine and fresh meat. Although this directive has been repealed, the procedure is still carried out and the aforementioned list has been modified over the years. The Commission is now proposing to create a regulation that codifies all the relevant modifications carried out over the years, and which is due to be modified frequently, meaning that it is continually updated.

I believe that this procedure, as well as strengthening the EU public's food safety, introduces greater clarity for Member States and third countries that export meat products to the EU.

Nuno Melo (PPE), in writing. – (PT) The food safety of the European public is a fundamental issue that must be of concern to all of us. Establishing health policy criteria for the importation of certain live animals and their fresh meat from third countries must be very rigorous and such products must be systematically monitored so that we can see if these criteria are being met.

It is therefore essential that a list be drawn up of the third countries that meet the animal health, public health and veterinary certification criteria allowing them to export live animals (bovine, ovine and caprine animals, and swine) and their fresh meat to EU countries.

Andreas Mölzer (NI), *in writing*. – (DE) In the merciless price war that is currently raging, companies are using outrageous methods to improve their profit margins. Imported meat is being sold as domestic produce, rotten meat is often on sale and then there is the case of the fake ham. Now, imitation products must be clearly labelled. However, the mandatory labelling of feedstuffs containing genetically modified organisms was not supported by the majority of Members, despite the fact that the citizens of Europe have a very critical attitude towards genetic modification. It is important to put in place provisions relating to animal health and hygiene. However, there has been a failure to address the issue of genetic modification in the import regulations, which is why I have abstained.

Raül Romeva i Rueda (Verts/ALE), *in writing*. – I voted 'yes' at the final vote on this resolution. It needs to be said that there has been an informal meeting with the Council and the Commission, where it became clear that Parliament could agree to the procedure. The draft report submitted to vote by Jo Leinen takes over the COM proposal and amendments have been tabled in the ENVI Committee. The Council already agreed it would approve Parliament's position; thus, a first-reading agreement is to be assumed. We Greens agree with the procedure.

Róża Gräfin Von Thun Und Hohenstein (PPE), *in writing*. – (PL) Changes to the law which are intended to improve animal welfare are essential, and I am very pleased by the fact that the European Commission does not now intend to make these changes without the participation of the European Parliament. Therefore, I endorsed the Leinen report on the proposal for a decision of the European Parliament and of the Council repealing Council Decision 79/542/EEC drawing up a list of third countries or parts of third countries, and laying down animal and public health and veterinary certification conditions, for importation into the Community of certain live animals and their fresh meat.

Despite the fact that I am not a member of the Committee on the Environment, Public Health and Food Safety, I shall continue to be involved in the amendment of legislation, especially where the intention is to bring about a radical improvement in the transport of horses. There are many motivations to this but, principally, Christian ethics compel me to care about bettering the existence not only of people, but also of animals and our natural environment. The European Union can do a great deal here.

Report: Barbara Matera (A7-0047/2010)

Zigmantas Balčytis (S&D), *in writing*. – (LT) I supported both reports on the allocation of funds from the European Globalisation Adjustment Fund to unemployed workers in Lithuania. In Lithuania, the economic and financial crisis has affected many different sectors and many people have been left without work and a source of livelihood. The EGF's rules on the allocation of funds were simplified, taking into account the complex situation in the labour market and the growing number of unemployed. Therefore, Lithuania must exploit all possible opportunities to obtain the funds requested, in order to help unemployed people as much as possible. It is also very important that we ensure the effective use of these funds and that they provide a real benefit for the people of Lithuania.

Regina Bastos (PPE), *in writing*. – (PT) The European Globalisation Adjustment Fund (EGF) was created in 2006 to provide additional support to workers who suffer from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market. From 1 May 2009, the scope of the EGF was broadened to include support for workers made redundant as a direct result of the economic and financial crisis.

At this time when we are facing this severe economic and financial crisis, one of the principal consequences is an increase in unemployment. The EU must use all the means at its disposal to respond to the consequences of the crisis, particularly in terms of the support to be provided to those who have been facing the day-to-day reality of unemployment.

For these reasons, I voted in favour of this proposal on the mobilisation of the EGF to assist Lithuania, with the objective of supporting the workers made redundant in the 49 firms operating in the furniture manufacturing industry.

Vilija Blinkevičiūtė (S&D), *in writing*. – (LT) I voted for this report, as the European Globalisation Adjustment Fund's (EGF) financial support will be allocated to the unemployed workers of companies in the furniture industry since, following the reduction in furniture industry exports, many workers were made redundant. EU support will be earmarked to help workers requalify, search for new jobs or set up their own businesses. I am delighted that the European Commission approved Lithuania's application to receive EU funding since, during the recession, there is very little opportunity for the redundant furniture company workers to return

to the labour market, and the mass redundancies from 49 companies is having a very negative impact on the country's economic situation. I would like to call on the EU institutions to ensure the smooth and swift adoption of decisions when considering matters concerning the provision of financial support, because the delaying of such decisions may only exacerbate the already difficult situation facing workers. I would like to stress that financial aid from the EU will help workers who have suffered from major structural changes in the economy and trade to reintegrate into the labour market.

Diogo Feio (PPE), in writing. – (PT) Similarly to Lithuania's construction sector, which we have analysed before, that country's furniture industry has also felt the effects of globalisation, as it is now exposed to the products of vicious competitors, whose production is on another level. As the requirements for application and mobilisation of the European Globalisation Adjustment Fund have been met, I think that such a mobilisation would be of help.

João Ferreira (GUE/NGL), in writing. – (PT) Just two weeks after Parliament approved the mobilisation of the European Globalisation Adjustment Fund in response to the redundancies in Lithuania and Germany, we are once again approving its mobilisation, this time in response to the redundancies that have taken place in 49 companies in Lithuania's furniture manufacturing industry. As we said then, it has already been some time since the number of workers made redundant significantly exceeded the initial estimates of the Commission regarding the number of workers who would come to benefit from the fund.

We would remind you that this is an industry that has been struggling through serious difficulties in Portugal too, particularly in municipalities where it has an especially large presence, such as Paredes and Paços de Ferreira. This has been leading to redundancies there too, exacerbating the region's social situation.

With every new request for action, it becomes clearer that what are needed more than palliative measures – which are certainly necessary – are urgent measures to protect the productive sectors and jobs: specifically, those that are most vulnerable to the crisis and those that are involved in exploiting each country's development potential, promoting public projects, and supporting micro, small and medium-sized enterprises and the cooperative sector ...

(Explanation of vote abbreviated in accordance with Rule 170 of the Rules of Procedure)

Report: Barbara Matera (A7-0048/2010)

Regina Bastos (PPE), in writing. – (PT) The European Globalisation Adjustment Fund (EGF) was created in 2006 to provide additional support to workers who suffer from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market. From 1 May 2009, the scope of the EGF was broadened to include support for workers made redundant as a direct result of the economic and financial crisis.

At this time when we are facing this severe economic and financial crisis, one of the principal consequences is an increase in unemployment. The EU must use all the means at its disposal to respond to the consequences of the crisis, particularly in terms of the support to be provided to those who have been facing the day-to-day reality of unemployment.

For these reasons, I voted in favour of this proposal on the mobilisation of the EGF to assist Lithuania, with the objective of supporting the workers made redundant in the 45 firms active in the clothing manufacturing industry.

Vilija Blinkevičiūtė (S&D), in writing. – (LT) I am delighted that today, there was a vote on the provision of financial support to the Lithuanian clothing manufacturing industry, as this sector has been hit particularly hard by the recession. I would like to draw attention to the fact that mostly women work in the clothing manufacturing sector and, due to redundancies caused by the crisis, in the year leading up to July 2009, the number of unemployed women in Lithuania doubled. I voted for this report, since the financial support received from the European Globalisation Adjustment Fund (EGF) will be used for employment stimulation measures to employ redundant workers as soon as possible, study and requalification payments, as well as benefit payments for minors under eight years old and the care of disabled family members. Thus, this financial support is very necessary in the clothing manufacturing industry since, with the dramatic fall in demand for clothes in Lithuania and export areas, there has been a marked reduction in the amount of clothing manufacturing. I would also like to stress that the dismissal of these workers is not just having a negative impact on the country and the local economy, but is also adversely affecting the lives of individual workers.

Diogo Feio (PPE), *in writing*. – (PT) The Lithuanian clothing manufacturing industry is joining the country's construction and furniture manufacturing industries in losing out from globalisation, with a significant number of workers having been made redundant. The large majority voting in favour in the competent parliamentary committee confirms the measure's apparent soundness. Given this, I see no reason to vote against the mobilisation of the fund in this case.

João Ferreira (GUE/NGL), *in writing*. – (PT) Just two weeks after Parliament approved the mobilisation of the European Globalisation Adjustment Fund in response to the redundancies in Lithuania and Germany, we are once again approving its mobilisation, this time in response to the redundancies that have taken place in 45 companies active in Lithuania's clothing manufacturing industry. It is worth remembering that this industry is also enduring a serious crisis in Portugal, where it is suffering the effects of the liberalisation of world trade particularly intensely, without any of the actions necessary to safeguard it having been taken.

Every new request for mobilisation of this fund makes the measures that we have been advocating all the more urgent: unemployment must be tackled effectively, and jobs must be created and promoted with rights based on the development of economic activity, simulation of public employment, job security and reduced working hours without any reduction in salaries. Measures are also required to combat companies moving offshore, beginning with making public subsidies – particularly Community subsidies – conditional on meeting obligations such as the protection of jobs and local development, measures that impose a clear break with the neoliberal policies which are causing an economic and social disaster in the countries of the European Union before our very eyes.

Nuno Melo (PPE), *in writing*. – (PT) The EU is an area of solidarity, and the European Globalisation Adjustment Fund (EGF) is born out of that purpose. This support is essential for helping the unemployed and victims of relocations that occur in the context of globalisation.

An increasing number of companies are relocating, taking advantage of reduced labour costs in various countries, particularly China and India, to the detriment of countries that respect workers' rights. The EGF is aimed at helping workers who are victims of the relocation of companies and, in order to achieve this, it is essential that these workers have access to new jobs in the future. The EGF has already been used in the past by other EU countries, particularly Portugal and Spain, so we should now grant this aid to Lithuania.

Reports: Barbra Matera (A7-0047/2010 and A7-0048/2010)

Laima Liucija Andrikiienė (PPE), *in writing*. – I voted in favour of two reports by Barbara Matera on financial support for redundant workers in Lithuania from the European Globalisation Adjustment Fund. I would also like to thank those colleagues who voted in favour as a qualified majority and three fifths of the votes cast were necessary for the adoption of the reports.

Both reports on the situation in the furniture manufacturing sector and in the wearing apparel manufacturing sector represent one of the most acute unemployment cases in Lithuania. The sums are not big for the EU but they will alleviate the hardships Lithuanian workers are facing.

This is the case for those who worked in the 49 enterprises in the furniture manufacturing sector, where redundant workers will be paid EUR 662 088 from the European Globalisation Adjustment Fund, as well as for those who worked in the 45 enterprises in the wearing apparel manufacturing sector, where the sum is EUR 523 481.

Even though this might be only the tip of the iceberg of the unemployment problem in Lithuania, the financial support will help those most in need.

Andrew Henry William Brons (NI), *in writing*. – We are not in favour of the European Union being responsible for help to redundant workers (or for anything else). We would oppose money being allocated to the European Globalisation Adjustment Fund as we would oppose money being allocated to all EU funds. We believe that Member States should help their own redundant workers. However, the European Globalisation Adjustment Fund has money that has already been allocated to it and that money has come from Member States. If it were proposed that money from the EGAF should be allocated to redundant workers in Britain, we would vote for it to be allocated and we would be criticised if we did not. We must therefore vote for the fund to be used appropriately for other Member States. Nevertheless, we intend to ensure that future money will be allocated to British redundant workers and, if we find that they are not eligible, we shall vote against all future mobilisations of the fund.

Jean-Luc Mélenchon (GUE/NGL), *in writing*. – (FR) It is the thought of the Lithuanian workers sacrificed on the altar of globalisation that prompts me to abstain. As they have been plunged into this situation by the consequences of the neoliberal policies advocated by the European Union, one could feel justified in voting against the beggarly sums that the European elite want to give them. However, what little is given may relieve their pain. The logic of the European Globalisation Adjustment Fund is still intolerable nonetheless. In the kingdom of Eurocrats, a clear conscience comes cheap.

Report: Sven Giegold (A7-0031/2010)

Alfredo Antoniozzi (PPE), *in writing*. – (IT) Mr President, ladies and gentlemen, Mr Giegold's report makes some interesting points concerning the current economic crisis, the worst since the process of European integration began.

I should like to emphasise that in a question I recently addressed to the Commission, I raised a question concerning the scope of the Stability and Growth Pact, which may be exceeded in certain exceptional cases, such as the implementation of public building and social housing projects. Such works are, in fact, intended for social purposes and are a response to housing emergencies experienced in particular in large cities, and it might therefore be advisable to tackle this type of problem by resorting to exceptional measures.

I therefore consider it desirable for the Commission to adopt a very clear position so that it may issue directives in respect of the Member States with reference to budget and spending limits imposed by the parameters of the Stability and Growth Pact on local authorities, which, particularly in the case of large authorities, need substantial infrastructure investment.

Sophie Auconie (PPE), *in writing*. – (FR) I voted in favour of the report on the annual statement of the European Commission on the euro area and public finances. What I recall, above all, from this report, which is rich in analysis and proposals, is its call for enhanced European economic governance and, in particular, for better coordination of budget policies. Growth and solidarity: those are the two key words that must guide our European economic strategy. Growth, because, without it, we will be unable to take up the social challenge. Solidarity, because it is the *raison d'être* of European integration and will be its future.

Liam Aylward and Pat the Cope Gallagher (ALDE), *in writing*. – (GA) The Fianna Fáil members of the European Parliament, Pat the Cope Gallagher and Liam Aylward, strongly oppose what is proposed in this report regarding the introduction of a Common Consolidated Corporate Tax Base (CCCTB in English).

A Common Consolidated Corporate Tax Base in Europe would not improve the competitiveness of the European Union or the operation of the single market and, on top of that, the CCCTB could interfere with small open economies, like that of Ireland. The question of taxation is within the competence of the individual Member States and the Irish Government has the right to use its power of veto in relation to any tax measures, including CCCTB. This right is enshrined in the treaties, including the Treaty of Lisbon.

Zigmantas Balčytis (S&D), *in writing*. – (LT) I supported this report, since I think that it highlights at length the problems of the euro area and public finances. There has been a further decline in employment in European Union Member States and it is forecast that this will continue. The chaotic structural reforms of some Member States, which are implemented without a concrete plan, threaten the stability of the entire EU. Small and medium-sized enterprises are going through a particularly difficult period, since both the Member States and the European Central Bank were unable to control and ensure that funds earmarked for the banks were allocated for the main goal – the provision of preferential loans to small business. It is also very important to support the development of the euro area and to take appropriate measures to create suitable conditions for Member States aiming to become members of the euro area.

Elena Băsescu (PPE), *in writing*. – (RO) I voted for the 2009 Annual Statement on the Euro Area and Public Finances. I support the proposal made in the report, calling on the Eurogroup to facilitate entry into the euro area for those Member States wishing to join and meeting the specified conditions. I think that it is vital to improve the regulation and supervision of the financial markets, as well as limit external and internal deficits in order to facilitate the successful development of the Economic and Monetary Union. Furthermore, we must pay particular attention to the problems associated with fiscal discipline. The future EU 2020 strategy must consider policies for creating jobs and promoting sustainable development so that we can prevent new economic crises from being triggered. At the same time, Member States and the European Commission must work together to reduce fiscal imbalances. The consolidation of public finances is a vital prerequisite for ensuring sustainable economic growth. After the entry into force of the Treaty of Lisbon, the European Commission will play a bigger role in monitoring Member States' economic development. In accordance

with Article 121, the European Commission will be able to issue warnings to countries which fail to comply with the general guidelines on economic policies.

Vilija Blinkevičiūtė (S&D), *in writing*. – (LT) I voted for this report since the European Parliament drew the Commission's attention to the fact that while developed states are gradually climbing out of the pit of the global crisis, the situation in developing countries is only getting worse. Therefore, the European Central Bank (ECB), the European Commission and the euro area Member States must encourage the process of integration in the area of economic and monetary policy in the European Union and support the expansion of the euro area. I am in favour of calling on the ECB to support the efforts of Member States outside the euro area to introduce the euro, especially in cases where Member States prove their ability to maintain reliable and stable fiscal discipline. I would like to point out that, in order to avoid financial crises in the future, we must call on the Eurogroup, the Council and the ECB to better coordinate their actions in the area of currency exchange rate policy. Therefore, in spite of the crisis, little progress has been made in the switch to a common international representation for the euro area. The greatest concern is that in spite of the fact that every effort is being made to stabilise the area of monetary and fiscal policy, employment in the EU continues to fall and unemployment and social isolation are on the increase.

Nessa Childers (S&D), *in writing*. – I voted in favour of the Giegold report because there is a need for continued detailed debate on the various issues that arise in this report. It is necessary to ensure that different corporate tax regimes do not enable companies to evade their responsibilities to support society by a share of their profits through a fair corporate tax regime. However, particular attention needs to be given to the negative impact that a CCCTB could have on small countries such as Ireland, whose prosperity and employment levels depend, to a large extent, on its capacity to attract foreign investment. The Irish Labour Party does not support the introduction of CCCTB.

Nikolaos Chountis (GUE/NGL), *in writing*. – (EL) I abstained from voting on this particular report. We must see that the recession is not going away, given that the economic situation in almost all the Member States is clearly negative and unemployment is increasing. The specific problem is not one of 'sound' finances. Countries such as Greece face problems with public borrowing due to both speculative attacks by the markets and the institutional and political problems of EMU. The crisis in public deficits, which is a general phenomenon throughout the EU, is due, among other things, to the massive scale of tax evasion, which is something that the Commission forgets. Apart from that, the support packages for the banks from national governments also increased public deficits, as the Spanish Presidency admitted in answer to my question on that point. Be that as it may, insistence on the Stability Pact, especially in a recession, is a disaster. It exacerbates social inequalities and results in cuts in public investment, it increases unemployment and it undermines countries' growth prospects. That is why the anti-growth and anti-social Stability Pact needs to be changed and a different framework needs to be configured for the exercising of economic and social policy, predicated on work and social needs and sustainable, viable growth.

Proinsias De Rossa (S&D), *in writing*. – At a time of serious economic and social crisis, we need to increase efforts to coordinate macro-economic and structural reform strategies across national borders so as to tackle the imbalances that hinder the generation of jobs. I share the concerns regarding imbalances within the euro area, such as speculation in the construction sector, whose excesses contribute to asymmetric shocks, and call on the Commission to study possible mechanisms to improve the economic governance of the euro area and curb the expansion of such imbalances. The need for stricter regulation and supervision of the financial crisis is as urgent as ever. Any European discussion on a Common Consolidated Corporate Tax Base has to have regard to the needs of geographically marginal regions of the EU such as Ireland and their capacity to attract FDI. A CCCTB is not about a common tax rate. Taxation of companies is the exclusive responsibility of each Member State. The idea of CCCTB is to establish a common legal basis for the computation of profits of companies with establishments in at least two Member States, to ease the bureaucratic burden on them to establish compliance with the tax codes of the states in which they are operating.

Diogo Feio (PPE), *in writing*. – (PT) The financial, economic and social crisis has caused the Member States of the European Union great difficulties, reflected by the serious situation of their public finances. The majority of countries have excessive levels of debt, so measures contributing to stability and growth are needed urgently in order to achieve a more balanced situation.

The reduction of public debt and the reviewing of Member States' priorities are essential in order for public funds to be applied efficiently and, in particular, to create the basis for policies that foster economic growth and, consequently, social well-being. The reviewing of tax policy is essential in order for suitable economic

stimuli to be introduced, because only with a strong economy will it be possible to overcome the present difficulties and prepare for the future.

Marian Harkin (ALDE), *in writing*. – I do not support paragraph 29 as it calls for the introduction of CCCTB. One of the things we are told about CCCTB is that it will be more efficient and that it will simplify matters. Given that, as it now stands, companies can opt in or opt out, we would end up with 28 tax bases instead of the current 27; that is hardly simplification. As it is currently proposed, CCCTB would mean the redistribution of European profits across the EU, so a country like Ireland, which exports a lot of what it produces, would be penalised because the profits, of course, would be at the point of sale. It does seem a little bit strange since, at the core of the EU, we have the free movement of goods; therefore we would end up, if we use CCCTB, by penalising exporting countries. Its introduction would damage Europe's capacity to attract foreign direct investment, because the rules as such would not apply to the Member State in which it was located but would be by some reference to a complicated formula which can only be calculated in retrospect, which would damage our capacity to attract foreign direct investment.

Jean-Luc Mélenchon (GUE/NGL), *in writing*. – (FR) I shall vote against this report, which blindly promotes the neoliberal logic that is responsible for the economic, social and environmental crisis, the consequences of which we are all suffering. The text proposed to us is not only extremely dogmatic, it also shows contempt for the peoples, in particular, for the Greek people. How can Parliament vote for a text that is so shameful that it calls into question Greece's entry into the euro area in the light of the budget deficit created by the policies that it supports? Clearly, this Europe is yet another enemy of the people.

Nuno Melo (PPE), *in writing*. – (PT) The economic crisis that has befallen the EU, and which is still being felt quite strongly, has revealed some gaps in Community monetary policy and in the public finances of certain Member States. We must learn lessons from the mistakes made so that they can be avoided in the future.

The EU needs to improve in several areas, particularly regarding monetary policy, improved coordination and cooperation on economic policy, and the monitoring of Member States' public finances. It must also devote efforts to tackling energy dependency, and creating an increased number of new jobs in industries that are modern and sustainable from an environmental standpoint.

Georgios Papanikolaou (PPE), *in writing*. – (EL) I voted in favour of the motion for a resolution; it expresses in a satisfactory and insistent tone to the Council the problem of the anticipated decrease in employment in the European Union, which concerns Greece in particular, while highlighting the extraordinary recovery measures that need to be taken at European level. Paragraphs 12 to 18, which refer to improved coordination of cooperation in the field of economic policy, highlight the imbalances within the euro area due to the lack of cohesion between the economic and, more importantly, the trade policies of the Member States in times of recession. I also consider that the European Parliament's official recommendation to the Commission that eurobonds be issued and that a common approach be taken to the challenges within the euro area (paragraph 26) is particularly important in light of the policy which the European Union decides to pursue in the immediate future.

Raül Romeva i Rueda (Verts/ALE), *in writing*. – I followed our rapporteur's position on this topic, Giegold, and voted in favour of his report. The Annual Statement of the Commission on the euro area aims to stimulate a broad debate on euro area economic policies. More specifically, it presents the Commission's views on the challenges the euro area economy has to face, on the one hand, and its analysis of the appropriate response of economic policies, on the other hand.

Czesław Adam Siekierski (PPE), *in writing*. – (PL) In my speech, I spoke about the situation in the euro area and public finances in 2009. The verdict expressed by my vote has a broader context.

As predicted by economists, 2009 was the most difficult for crisis-hit Member States. The Union's GDP fell by 4%, industrial production by 20%, unemployment rose to 23 million and so on. The costs of fighting the crisis have led to a drastic worsening of the situation of public finances. However, some countries, even before the recession, showed a high level of public debt which was in contravention of the Stability and Growth Pact.

For the euro area, the financial crisis has proved to be the greatest challenge in its history. The crisis has ruthlessly laid bare the weaknesses of the common currency system. The most serious of these is, without doubt, the existence of huge differences between euro area countries in terms of the stability of their public finances and level of debt. It suddenly became apparent that the Stability and Growth Pact, which was, in principle, to be a guarantee of meeting convergence criteria, was being disregarded by national authorities

and also by EU authorities. The lack of discipline, and the lack of an appropriate system of penalties, led, as a result, to a crisis of the common currency. Many politicians who are not in favour of European economic integration have already announced the collapse of the euro area, and are circulating a vision of catastrophe for the whole process of integration.

I think, however, that these views are not justified and are speculative in nature, for the euro area is faced with an opportunity for thorough reform, which will improve mechanisms of supervision and ensure greater coordination. We only need to carry out that process rationally.

Report: Sharon Bowles (A7-0059/2010)

Sebastian Valentin Bodu (PPE), *in writing*. – (RO) The appointment of an eminent professional like Vítor Constâncio as Vice-President of the European Central Bank will enhance the value of the economic and financial policies advocated by this institution. Vítor Constâncio is taking up the post of Vice-President of the ECB at a difficult time for the euro area. However, his views on the way in which the European Union must respond to the Greek crisis highlight that he has vision and knows how to protect the European currency. Mr Constâncio has an impressive CV. The fact that he is Governor of the Bank of Portugal (Banco de Portugal) confirms his credentials as a professional. This only serves to remind me of the recent incident involving the political appointment of a vice-president at the National Bank of Romania, anything but the model professional presented by Mr Constâncio. Fortunately, the National Bank of Romania also has a huge number of professionals and its course of action during the current economic crisis has been faultless. However, national banks should be the last place where appointments are made on the basis of political rather than competency criteria. Mr Constâncio had a tough hearing before the European Parliament's Committee on Economic and Monetary Affairs. However, Mr Constâncio did not waver once, continually expressing consistent opinions and demonstrating that his vision of the euro area's future is sound.

João Ferreira (GUE/NGL), *in writing*. – (PT) Throughout his years as Governor of the Bank of Portugal, Vítor Constâncio has been a faithful follower of the guidelines imposed on Member States of the European Union by the European Central Bank. These guidelines have been profoundly damaging to national interests and sovereignty, and constitute an attack on the rights of the workers and people of Portugal.

It is well known that he has constantly called for wage moderation in a country in which low wages abound and which has jarring social inequalities. These are also the result of the unfair distribution of incomes, which punishes the workers in the interests of capital. It is also well known that he has failed in the functions of supervision of the banking system that had been assigned to him.

We will continue to firmly and vehemently oppose arguments for the irrational criteria of the Stability Pact, and for exchange policy guidelines and other macro-economic guidelines, as well as the devaluing of production and labour – in which Vítor Constâncio has played a central role – as we have always done.

Ilda Figueiredo (GUE/NGL), *in writing*. – (PT) This vote on the Council recommendation on the appointment of Vítor Constâncio as Vice-President of the European Central Bank comes as no surprise to us. His actions as Governor of the Bank of Portugal have always fitted in well with the liberal guidelines of the ECB.

The policies followed by the ECB and imposed in the Member States of the European Union by it, which are profoundly damaging to national interests and sovereignty and constitute an attack on the rights of the workers and people of Portugal, are basically the same as those that Dr Constâncio advocated and still advocates as Governor of the Bank of Portugal. We will continue to fight these policies, regardless of who is involved in their management.

That is why we voted against this report, since the answers that it gives reaffirm the same old ECB line. It advocates the irrational criteria of the Stability Pact and exchange policy and other macro-economic guidelines, as well as continuously devaluing the role of production and labour.

Astrid Lulling (PPE), *in writing*. – (FR) It is in full knowledge of the facts that I refused to give my approval to Mr Vítor Constâncio's nomination as future Vice-President of the European Central Bank. He, as an individual, is not in question, nor are his skills which, I might add, he shows off with some talent. We would so very much like to believe him.

Only, the thousands of Portuguese ruined because of his thoughtlessness and his lack of foresight are living proof of his disastrous track record as head of the Portuguese central bank. Three such important incidents are a lot for one man.

How can someone who has failed in his own country now aspire to be in charge of supervision in Europe? I made the provocative comment that this is a bit like giving sticks of dynamite to a pyromaniac.

These words were echoed loudly in Portugal. Like me, the Portuguese cannot understand how someone who has failed in this way can be promoted to the top level.

Generally speaking, I am sorry that the European Parliament is not going the way of the US Senate and making nominations that are decisive for the future of the European Union.

Nuno Melo (PPE), *in writing*. – (PT) I spent several months in 2008 participating in a committee of enquiry for the Portuguese Parliament. It discovered and reported serious failures of supervision, which resulted in the nationalisation of a bank in 2008. Another consequence still being felt today has been that hundreds of customers of another bank are unable to move the money that they have invested (in many cases, their life savings). I am referring to *Banco Português de Negócios* and *Banco Privado Português*.

At the time, I repeatedly and publicly criticised the way Dr Constâncio carried out his supervisory duties whilst in charge of the Bank of Portugal. The fact that he is Portuguese and my loyalty to the Group of the European People's Party (Christian Democrats) prevent me from voting against. However, my conscience and even my intellectual honesty could not permit me to vote for an appointment as a result of which he will end up as supervisor at the European Central Bank.

Report: Inés Ayala Sender (A7-0039/2010)

Vilija Blinkevičiūtė (S&D), *in writing*. – (LT) I supported the nomination of Mrs Rasa Budbergytė as a member of the European Court of Auditors. Her nomination is viewed very favourably both in Lithuania and in Europe, since she has extensive work experience and established a high quality, independent auditing system in Lithuania. In the Committee on Budgetary Control, Mrs Budbergytė's nomination was very highly rated – almost all of the members approved her nomination. She is a competent specialist and her professional experience and personal qualities will allow her to perform all the duties of a member of the European Court of Auditors appropriately. Moreover, Mrs Budbergytė has pledged publicly to organise her work on the basis of independence and auditing standards, taking ethical requirements into account. If appointed to this office, she promises to carry out her work according to two principles. Firstly, irreproachable adherence to international auditing standards and the auditing practices and procedures introduced by the European Court of Auditors. Secondly, productive work when performing her own personal duties, duties at the Group/Chamber level and those as a member of the college of the European Court of Auditors. She is planning to strengthen the interinstitutional cooperation of the European Court of Auditors with the European Parliament, and especially the Committee on Budgetary Control. I am convinced that the auditor has proved her competence and professionalism in the area of auditing. I am sure that her faultless work will be an excellent contribution to the entire European Union.

Report: Inés Ayala Sender (A7-0038/2010)

Zigmantas Balčytis (S&D), *in writing*. – (LT) The nomination of Mr Fazakas as a member of the European Court of Auditors has caused heated and controversial debate in the Committee on Budgetary Control. Although his nomination has been known since November, just a few days prior to his nomination hearing in the committee, information was spread about Mr Fazakas' possible collaboration with the state secret police. I am astonished that the question of Mr Fazakas' competency is only being raised now, as Hungary is preparing for elections, whereas in the five years that Mr Fazakas has been a Member of the European Parliament, Chair of the Committee on Budgetary Control and Quaestor, the question of his competency and ability to carry out his duties was not raised. I am convinced that the European Parliament is no place for nebulous political games; therefore, I supported Mr Fazakas' nomination. I think that there was ample time between November and the hearing for the interested parties to provide suitably substantiated information about circumstances that could have had an influence on Mr Fazakas' appointment to the European Court of Auditors and to ensure an exhaustive parliamentary assessment, but this was not done.

Nuno Melo (PPE), *in writing*. – (PT) Objections by anyone who does not wish to see the appointment in question take place are understandable. Nevertheless, if we adhered strictly to this criterion, many others – and there are quite a few around Europe – would also be barred from the position because of their militant adherence to the communist or communist-inspired far left, and because they are guilty of acts that are even more worthy of condemnation. That being the case, my abstention is justified.

Rareș-Lucian Niculescu (PPE), *in writing*. – I voted against Mr Fazakas because in his official autobiography, he withheld the information that, during the Communist dictatorship, he was a secret agent of the Hungarian state secret police from 1976 until the collapse of the regime in 1989. According to official documents from the Historical Archives of State Security Services of Hungary, Mr Fazakas was recruited in 1976 by the State Security Service, the Communist secret police, 'on a patriotic basis' (i.e. he entered the service voluntarily) for activities of counter-espionage.

Ślawomir Witold Nitras (PPE), *in writing*. – (PL) In relation to today's vote on the nomination of candidate Members of the European Court of Auditors, I would like to express my support for the decision we have made concerning the controversial candidate, Mr Fazakas.

According to official documents, for many years, Mr Fazakas supported the Communist dictatorship in Hungary, as a member of the Hungarian security service. The universally known facts cast a dark shadow over his curriculum vitae and should have been taken into account at an earlier stage. The EU has always stood in defence of democracy, freedom of speech and freedom of conscience, and those values were, for decades, violated by the socialist regime, not only in Hungary, but also in the many other countries of what was known as the Eastern bloc. It is true that times have changed, and today we can all enjoy extensive liberties, but we must also remember those who restricted that freedom.

Traian Ungureanu (PPE), *in writing*. – The vote in favour of Mr Fazakas is disappointing. It sets a serious precedent. I voted together with the EPP against Mr Fazakas' confirmation as a Member of the Court of Auditors. This was no ordinary vote. Mr Fazakas is suspected of being an ex-collaborator of the Communist secret services. The Hungarian press produced a document regarding this. A number of opinions were heard that opposed any 'punishment' against Mr Fazakas. They asked for the past not to be revived. This is wrong. The past is not dead. Tens of millions of eastern Europeans still live a life troubled by the Communist horrors. If the past is dead, then there is no sense in leading a life guided by norms and values. This would be a recipe for the politics of diminished responsibility. Public office would lose dignity. Anyone, however corrupt or immoral, could stand for public office. If there still are politicians unaware of the Communist record in eastern Europe, this does not qualify them for an informed opinion. The perpetrators of the Communist indignity should not be part of a democratic order they tried to suppress. Mr Fazakas hid his past and lied when asked about it. This lack of honesty should not be rewarded.

Report: Inés Ayala Sender (A7-0041/2010)

Jarosław Leszek Wałęsa (PPE), *in writing*. – (PL) During this plenary sitting, we voted on the report on the nomination of Augustyn Bronisław Kubik as a Member of the Court of Auditors.

He is currently Undersecretary of State at the Ministry of Regional Development. In the past, he has held the positions of Adviser to the President of the Supreme Chamber of Control and Chief internal audit inspector at the Ministry of Finance. Mr Kubik performed very well during the European Parliament hearing, and his candidature has not raised any doubts. He has the appropriate professional experience for a Member of the Court of Auditors, and will be the right person in the right place. In view of this, I decided to endorse his candidacy.

Reports: Inés Ayala Sender (A7-0037, 0039, 0040, 0041, 0042, 0043, 0044, 0045 and 0046/2010)

Nuno Melo (PPE), *in writing*. – (PT) The Court of Auditors is an institution that inspects the European Union's receipts and expenses to verify their legality, as well as verifying good financial management. It operates with complete independence. Within this spirit, the appointment of the individuals of which it is composed must be governed by capability and independence criteria.

So, on the Council's initiative, several individuals from various EU countries were put forward for the Court of Auditors. They all submitted their *curricula vitae*, responded to a written questionnaire, and had hearings before the Committee on Budgetary Control. The majority of them argued their cases well enough to justify their appointment to the Court of Auditors, where they will carry out their duties capably and independently.

Report: Alexander Graf Lambsdorff (A7-0049/2010)

Zigmantas Balčytis (S&D), *in writing*. – I fully endorse these recommendations. I think that the EU's strengthened external role should be used to enhance dialogue with key partners and to build a stronger EU. The EU and its Member States are significant contributors to the UN's budget. In order to ensure that the Union's values and interests are represented in a coherent and effective way in the UN system, it is necessary

that the EU speaks with a single voice. The EU should play an active role in supporting the reform process of the UN system and especially, the reform of the Security Council. I believe that an EU seat in an enlarged Security Council should remain a goal of the European Union.

Anna Maria Corazza Bildt, Christofer Fjellner, Gunnar Hökmark and Anna Ibrisagic (PPE), in writing. – (SV) The report with a proposal for a European Parliament recommendation to the Council on the 65th Session of the United Nations General Assembly (A7-0049/2010) has been adopted today, 25 March 2010, without a vote by the European Parliament. We would hereby like to state that we do not support the wording in the report that states that the Council should be urged to propose innovative funding mechanisms, such as an international tax on financial transactions.

Proinsias De Rossa (S&D), in writing. – I was in favour of the recommendation to the Council on the 65th session of the United Nations General Assembly, which calls for strengthened EU visibility at the United Nations. The European Union needs to support and encourage global governance reform, particularly as regards the Security Council, whose make up does not reflect the realities of the 21st century. The ambition to gain an EU seat within an enlarged Security Council has to be pursued. If the European Union is to further multilateral approaches to global challenges, its Member States must act coherently and consistently at the UN level, particularly in light of the forthcoming review conferences for the Millennium Development Goals and the Non-Proliferation Treaty, as well as the review of the Human Rights Council's status and working methods. We need to push for deeper involvement of national and transnational parliamentary assemblies in the works of the UN system, so as to strengthen its legitimacy and democratic nature. The Member States should make every effort to have this matter included in the Assembly's agenda.

Ilda Figueiredo (GUE/NGL), in writing. – (PT) At a time of serious social crisis, with increased poverty and unemployment resulting from the crisis of capitalism, this 65th Session of the United Nations General Assembly becomes even more important.

There are many issues of interest at global level. Of particular importance is monitoring progress towards achievement of the Millennium Development Goals as minimum targets to be hit by 2015. Any attempt to reduce, weaken or postpone the promises made must be fought.

It is therefore important to attempt to reach agreement between developed and developing countries on speeding up progress. This must include clear and specific commitments, as the international community is a long way off honouring its commitments regarding the Millennium Development Goals. If appropriate measures are not taken, we could have nearly 1.5 billion workers in poverty because of unemployment or insecure and badly paid jobs.

Krzysztof Lisek (PPE), in writing. – (PL) I would like to say I am pleased by the fact that in the text of the proposal for a European Parliament recommendation to the Council on the EU's priorities for the 65th Session of the United Nations General Assembly, the rapporteur has included matters relating to the very important theme of cooperation between the UN and the EU in the area of crisis management. Very recently, the earthquakes in Haiti and Chile showed how very vulnerable people are to the suffering and harm caused by natural disasters. However, in the case of both countries, cooperation between the EU and the UN worked very well during rescue and assistance of the victims. It is my opinion that we should now concentrate on optimising this cooperation, in order to make the best use of available resources, so that we can not only rescue as many victims as possible as quickly as possible, but also enable them to survive later. In addition, another crucial question is assistance in maintaining order and in rebuilding a disaster-hit country. Despite the fact that all Member States of the EU also belong to the UN, and that the European Union has the status of permanent observer at the UN, it is difficult to develop a harmonious position shared by all EU countries. I am sure that on matters concerning effective cooperation during aid operations in crisis situations brought on by natural disasters, developing a common, constructive approach is a priority.

Jean-Luc Mélenchon (GUE/NGL), in writing. – (FR) I find it impossible to vote for this text, although I do admit that it has certain qualities. It is true that it promotes the non-proliferation of nuclear weapons and the control of all weapons. It is true that it promotes the abolition of capital punishment. However, it still promotes the use of and research into civil nuclear power, which everyone knows today must be urgently abandoned; it still supports the existence of the G20, which has no legitimacy; and it still stresses the importance of the 'principle of the responsibility to protect', the definition of which is so vague that it invites all kinds of interference with the peoples' national sovereignty. For all these reasons and others that I cannot list here, this text does not seem to me to be worthy of the European Union as I conceive of it.

Nuno Melo (PPE), *in writing*. – (PT) The forthcoming session of the United Nations General Assembly is another opportunity for the EU to present itself as the true catalyst for world peace and solidarity. We cannot forget that the EU is the main source of funds for the United Nations, contributing 40% of its total budget, 40% of peacekeeping costs and 12% of the troops in conflict zones. This is also the first General Assembly at which the EU will be represented by the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy.

That being the case, we must assume our role as principal actors, redefining the role of the EU in the United Nations, and becoming involved in global governance and the reform of the United Nations, in peace and security, and in development and climate change.

Andreas Mölzer (NI), *in writing*. – (DE) The report drawn up by the German Member, Mr Lambsdorff, is a very comprehensive and competent presentation of the different areas of responsibility and future objectives of the United Nations from the perspective of the European Union. There is no doubt that the UN and its role in the international system must be strengthened all over the world by means of appropriate reforms. Reform of the development cooperation system, which is covered in the report, must also be supported. This needs to be tackled urgently as the current development aid policy can be seen to have failed. Therefore, I do not understand why the report calls for the Member States to increase their contributions significantly in the run-up to the reforms. Development aid must be reviewed, reorganised and restructured together with the developing countries. The statements on climate policy, which involve a stubborn refusal to enter into discussion with the critics of the Intergovernmental Panel on Climate Change and which treat the IPCC's findings as dogma, are also problematic. For this reason, I abstained during the final vote.

Søren Bo Søndergaard (GUE/NGL), *in writing*. – (DA) I recognise and fully support the United Nations' objectives of nuclear disarmament, gender mainstreaming, combating poverty, the Millennium Development Goals and the United Nations' important role in relation to promoting human rights and combating climate change. If I abstain from voting, it is because the report seeks to prevent individual Member States from presenting their opinions in the UN, for example, where they are more critical than the EU of various dictatorships. Furthermore, the report consistently links civil and military instruments, which is something that I cannot support.

Motion for a resolution RC-B7-0222/2010

Zigmantas Balčytis (S&D), *in writing*. – The majority of European Roma became citizens after the 2004 and 2007 enlargements and they and their families enjoy the right to move and reside freely within the territory of the EU. However, in some Member States with a significant share of Roma population, the Roma are still faced with numerous problems such as segregation in education, housing, very low employment rates and unequal access to health care and public services. The EU and Member States share a responsibility to promote and ensure the inclusion of Roma and to uphold their fundamental rights as European citizens and to increase their efforts to achieve visible results.

Vilija Blinkevičiūtė (S&D), *in writing*. – (LT) I voted for this resolution since Europe's Roma continue to suffer great discrimination and, in many cases, experience immense poverty and social isolation. I would like to draw attention to the fact that the situation of most Roma living in many EU Member States differs from the situation of other European ethnic minorities and therefore, we must take the necessary measures at EU level and establish a joint strategy to combat discrimination against Roma. I agree with the European Parliament's call for the new members of the Commission to give Roma matters a priority in their areas of competence and to devote the required attention to implementing the strategy on Roma inclusion. I would like to stress that living in a democratic and free society, we must honour the fundamental rights and freedoms of all people. Therefore, the Commission and the Member States must agree and find a common dialogue on the Roma situation and take measures to combat their discrimination. Only once we have found a common European approach on European Roma issues will the strategy be actively implemented. I also support Parliament's position that we should include representatives of the Roma community in the preparation process for EU policy on Roma issues.

Sebastian Valentin Bodu (PPE), *in writing*. – (RO) The European Union is currently aware of the problems faced by the Roma minority, as is also highlighted by the number of reports discussed and implemented, including substantial funding for Roma social inclusion programmes which, however, have not had the anticipated impact. We are talking, nevertheless, about a minority of 10-12 million people across Europe who lead their lives according to their own rules dating back hundreds of years and feel that it is natural for them to behave like this, in isolation within a majority. In Romania, according to some estimates, the Roma

minority amounts to more than 2 million. This is larger than the Hungarian minority and, some would logically say, stronger. However, the Roma minority in Romania has failed to appoint its own leader to represent this group in public or in the Romanian Parliament. This fact may also be the reason that all the national social inclusion programmes have completely failed. At the moment, given that the Roma population is spreading across the territory of several European states and is known for its tendency towards migration and involvement in crime (a fact which has led to the use of the term 'gypsy' to refer to many other citizens as well), the solution to the social inclusion issue has become a Community one. It is likely that where Member States have failed (something which they are often criticised for), the European Union will succeed.

Maria Da Graça Carvalho (PPE), in writing. – (PT) The Second European Roma Summit represents a commitment to dialogue about cultural diversity and what that represents in terms of human wealth.

Education is the key to the integration process. By offering education and training, we are fighting exclusion, unemployment and discrimination. We are also guaranteeing a society that is more fair, more creative and more dynamic.

It is important to integrate ethnic minorities, not just into the labour market, but also into all areas of society. Protecting fundamental rights and creating a common area of freedom, security and justice are objectives of European integration.

I applaud all those who promote integration at local level, including politicians, teachers and associations. This is because it is often these people who are responsible for access to housing, health care, education, culture and an improved quality of life.

I call on the European Union and the Member States to promote concerted efforts, and to commit to political strategies that include clear legislative commitments and credible budgetary contributions.

It is important to adopt a common position on structural and pre-accession funding policy.

Carlos Coelho (PPE), in writing. – (PT) It is estimated that there are between 10 and 12 million Roma living in the EU, making up one of the largest ethnic minorities in Europe. The majority of these people live in conditions of extreme poverty and on the margins of society, with limited access to employment and health care. The members of this ethnic minority continue to suffer discrimination and social exclusion, despite efforts to integrate them.

The EU has been supporting the Member States in their efforts to implement effective policies. In particular, support has been provided for specific projects, and attempts made to ensure that the laws against discrimination are correctly and effectively applied. In Brussels this month, there was a conference at which the various EU projects that are being undertaken were introduced. There must be discussion of the results in April at the Second European Roma Summit in Córdoba. I hope that the results of this summit can contribute to the achievement of a strong European political commitment regarding a future strategy for promoting the inclusion of the Roma people in Europe's economic, social and cultural life, and ensure equal opportunities for everyone in the EU, including the Roma.

Ioan Enciu (S&D), in writing. – (RO) All the countries which have a large Roma population have policies for integrating them, but they are only implemented by sector, while other policies do not consider specific factors, making them ultimately ineffective. An analysis must be carried out of all the practices which have successfully achieved Roma integration, using them as a basis to finally draw up and adopt a European strategy for dealing with this group which is, as is well known, the largest minority on EU territory. The main emphasis must continue to be placed on education, schooling for children, vocational training, phased entry into work, women's empowerment, streamlining the social insurance system, etc. In this area too, much closer cooperation is required between the European Commission and Member State governments on funding projects through the Structural Funds and Cohesion Funds, as well as specific programmes which focus more on individual empowerment than on the traditional hierarchy. In my view, a broad information campaign aimed at the general public and Roma population, which counters the feeling of Roma exclusion from European social life and puts heavy emphasis on the principles of equal treatment and non-discrimination, is a vital component in this synergy of Community actions.

Diogo Feio (PPE), in writing. – (PT) Roma communities have existed throughout Europe for many centuries and, until very recently, they were subjected to persecution by many of the Member States. Their traditional nomadic lifestyle, the activities in which they worked, and the high rate of endogamy and exclusion to which

they were committed have all contributed to the labelling of these communities as undesirable, dangerous and antisocial.

Even today, these prejudices persist, as do the consequences that have historically been inherent to them: even today, the Roma are one of the communities with the lowest levels of schooling and the highest rates of criminality. It will fall to sociologists and historians to assess the causes and consequences of the issues surrounding the Roma.

It is demanded of politicians that they be capable of doing something for the communities that they serve. That is why it is particularly important to put forward ways to combat the exclusion of the Roma and to promote their genuine integration in the societies in which they live, and to take concrete measures to that end which are based on serious and detailed studies of the issue.

Carlo Fidanza (PPE), in writing. – (IT) Mr President, ladies and gentlemen, this resolution makes reference to certain principles that must not be underestimated, such as the importance of combating discrimination against the Roma people and the need to integrate this minority by means of a global strategy.

These are all good proposals, but they do not take into account the state of degradation in which many Roma communities in certain Member States, such as Italy, find themselves, often by choice. Illegal activities (thefts, bag snatching, begging, prostitution), often increasingly aggravated by the exploitation of children for such purposes, and an almost non-existent desire to integrate and to live a civilised life, are the predominant characteristics of certain Roma communities in Italy.

The response to this critical situation ought to be the full application of Directive 2004/38/EC on the free movement of EU citizens, which provides for the removal of EU citizens who, after a stay of three months in a Member State, cannot demonstrate a regular source of income and who refuse to embark on the process of integration offered by national and/or local authorities.

Generic 'integration' is not enough. We need programmes to accustom Roma communities to respect the rule of law and social norms, and certain punitive measures for those who exclude themselves from this process. Otherwise, the legitimate call for respect for a minority is in danger of turning into a form of reverse discrimination, to the detriment of all those honest citizens who suffer the crimes and abuses of many Roma.

Integration cannot exist without respect for the rules and the Roma minorities are not exempt from compliance with this principle. It is for these reasons that I abstained on the resolution, and dissented from my political group.

Ilda Figueiredo (GUE/NGL), in writing. – (PT) The resolution on the Second European Roma Summit, which takes place in Córdoba on 8 and 9 April, expresses concern about the discrimination suffered by the Roma in education, housing, employment and equal access to health care systems and other public services, as well as the astounding low level of their political participation.

However, Parliament has asked the Commission to draw up new proposals on the social inclusion of the Roma. This House is also calling on the Member States to make greater and more visible measures to respond to the Roma's legitimate rights, taking into account the fact that measures to combat discrimination are not sufficient to facilitate their social inclusion. Concerted efforts at Community level are necessary, including financial contributions.

The resolution recommends that the Council adopt a common position on structural and pre-accession funding, reflecting the European political commitment to promote Roma inclusion.

We hope that the Second European Roma Summit focuses on strategic policy commitments that demonstrate a political will to close the gap between Roma communities and majority populations in various countries.

Bruno Gollnisch (NI), in writing. – (FR) This resolution is yet another of those texts where absolute priority must be given to such and such a category of people, a category that must, of course, benefit from particular attention and be taken into account in all national and European policies. Today, we are talking about the 10 or 12 million Roma in the EU. When compared with others, examined here on other occasions, it brings us face to face with a hierarchy of people which henceforth places the Roma minority at the top, then migrants from outside Europe, then Europeans of non-European origin and, finally, right at the bottom, those of European 'origin'. If we then add the 'gender dimension' and the reigning cult of youth, we can conclude that in your so-called European Union, it is not great to be a man who is middle-aged, European, and of European origin and not part of any ethnic, cultural, religious or sexual minority that you care to identify as such.

When will there finally be a policy that serves Europeans first? When will priority be given to these poor workers, to these middle classes crushed by taxes, to these unemployed, and to these families who are simply European and form the vast majority of the inhabitants of the European Union and are the citizens for whom we are responsible and who you only think about on the eve of elections?

Sylvie Guillaume (S&D), *in writing*. – (FR) I supported this resolution, ahead of the Córdoba Summit on 8 April 2010, because the inclusion of Roma in all spheres of society must be one of the priorities to be defended at European level. In my opinion, we must not only emphasise the situation of Roma in Eastern Europe, where they suffer significant discrimination, but we must also be aware of the fact that these problems remain equally pronounced, but more insidiously so, in other European countries such as France. We must also question the effectiveness of the measures implemented and find out how they could be improved to truly achieve their goals of allowing socio-economic integration and achieving full European citizenship for Roma.

Cătălin Sorin Ivan (S&D), *in writing*. – (RO) I voted for the Resolution on Roma integration, based on the view that this European minority needs specific policies which must be implemented quickly. Although we are halfway through the decade devoted to Roma inclusion, the problems associated with education, employment, regional development, etc. persist and are even getting worse in some Member States. I agree that the principles need to be redefined, but I believe that we should devise instead a transversal, horizontal strategy which will tackle this minority's problems in an integrated, but not exclusive, manner. We are using this resolution to ask the new commissioners to give priority to the aspects of their portfolios relating to the Roma and to stop pursuing the current policy, which is long-winded, but devoid of any real action. We have great expectations of the summit in Córdoba, but the needs of the Roma, who are expecting results in terms of respect for their rights and anti-discrimination policies, are greater.

Livia Járóka (PPE), *in writing*. – (HU) Ladies and gentlemen, I would like to welcome the adoption of the motion for a resolution submitted jointly by the six largest political groups in Parliament, in which, reiterating the previous cycle's resolution from early 2008, the European Commission is called upon again to work out an all-encompassing European strategy on the Roma, designed to remedy the social and economic exclusion suffered by the Roma in Europe. The motion correctly points out that anti-discriminatory measures are insufficient in themselves to promote the social integration of the Roma. Harmonised Community efforts resting on a secure legal foundation are needed in order to bring together all social and institutional actors and, at the same time, exert pressure on the participants to keep their own promises.

Furthermore, it is extremely important that the resolution unequivocally takes a stand beyond 'soft law' instruments in support of binding legislative commitments and realistic budgetary contributions. Finally, let me express my hope that the European Commission, in accordance with Parliament's explicit instruction and the approval of the European Council, will set in motion as soon as possible the complex development programme described in the resolution. This can at last put an end to the perpetuation of extreme poverty afflicting the Roma from generation to generation, it can make concerted efforts simultaneously in all related policy areas, and it will be able to intervene promptly in regions struggling with serious structural deficits and which are in the process of turning into ghettos.

Timothy Kirkhope (ECR), *in writing*. – I and my ECR Group colleagues agree with much of this report and we remain wholeheartedly supportive of providing equal rights and opportunities for all people regardless of race, religion, gender or sexual orientation.

However, whilst we fully support the integration of the Roma people within the European Union, we do have serious misgivings with regard to the involvement of the European Union on issues which we believe to be the preserve of individual nation states, such as access to health care, education, employment and housing.

Nuno Melo (PPE), *in writing*. – (PT) The EU is an area of solidarity and inclusion, so it must do what is required to prevent discrimination against the Roma and to give them the same rights as regards education, employment, health care and housing in all Member States, as well as states that intend to join the Union in the future.

Decisive steps must be taken to bring an end to discrimination. However, if this is to be achieved, the Roma cannot exclude themselves and must help with their own integration into a European area that is intended to be inclusive.

Andreas Mölzer (NI), *in writing*. – (DE) Many of the beggars in Western countries come from Slovakia, Romania and Bulgaria and the majority of them belong to the Roma minority. Attempts have been made over a long period to improve the poor social situation of the Roma who live on the fringes of society in shanty towns or tent cities. Simply pumping money into the Roma settlements will not do any good, as past experience has shown. The key to success lies in education, because this is the only way of opening up long-term opportunities for living a different type of life. In principle, the measures for combating poverty in Eastern Europe make sense. However, those measures that have been put in place in the past have failed and no new, sensible approaches have been suggested. For this reason, I have voted against the report.

Franz Obermayr (NI), *in writing*. – (DE) This motion for a resolution is going in a one-sided direction by proposing subsidies and financial support for Roma people in the European Union. Of course, we must do everything we can to ensure that marginalised groups, such as the Roma, are better integrated into society and, in particular, into the labour market. However, the Roma people must show that they have the will and can make the effort themselves in order for this integration process to succeed. They must start by introducing their children and young people into the European school system. Too little emphasis is placed on these aspects in the motion for a resolution on the Roma Summit and, therefore, I have voted against it.

Wojciech Michał Olejniczak (S&D), *in writing*. – (PL) Discrimination against the Roma people was, for years, one of Europe's biggest taboos. In recent years, this has been changing. Measures taken to combat discrimination against the Roma continue to be insufficient. This problem is often neglected.

A very good example confirming this thesis is the lack of a reaction from the European Commission to the proposal of the European Parliament of 28 January 2008 on developing a European strategy on the Roma in cooperation with Member States. The need of the hour is to renew that proposal. For during the economic crisis, aggression directed against the Roma has increased. This has affected many of the 10-12 million representatives of the Roma community in the European Union.

I think the issue of the Roma people should be made a priority by the newly appointed Commissioners, so I decided to endorse the motion for a resolution on the Second Roma Summit drawn up by fellow Members from the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament and the Group of the European People's Party (Christian Democrats).

Georgios Papanikolaou (PPE), *in writing*. – (EL) The joint motion for a resolution adopted by Parliament, which I voted in favour of, is extremely important. As emphasised in paragraph 7, even though the Roma make up a pan-European community and a collective effort is therefore needed at European level, the European Commission has not thus far responded to the call made by the European Parliament on 28 January 2008 for it to formulate a European strategy for the Roma, in cooperation with the Member States, in order to enhance coordination and improve the situation of this particular community. Given that, on the basis of the principle of subsidiarity, it is the Member States that are competent for the smooth integration of this specific group of the population into their society – and in Greece there is a large, established Roma community – the European Parliament should – and this is the purpose of this specific motion – call for a more dynamic initiative by the Commission and the Council for better coordination of actions with the aim of fully integrating the Roma into European societies.

Rovana Plumb (S&D), *in writing*. – (RO) I voted for the resolution in the conviction that, during the period that immediately follows, the specific measures aimed at improving the situation of the Roma population will be put into practice rather than remain fine statements. The European Structural Funds offer a huge opportunity for achieving the Roma population's social inclusion. However, the procedural and content aspects involved have, unfortunately, made it difficult to utilise this opportunity. When applied in Romania, it has been noted that a different approach needs to be adopted on the employment issue when the Roma segment of the population is involved, as part of the measures implemented by POSDRU (Sectoral Operational Programme for the Development of Human Resources). Conventional measures involving professional retraining, consultancy and providing information to Roma beneficiaries must also take into account the specific nature of their culture. Although beneficiaries from rural areas are most affected, there has never been any kind of programme for the Roma communities as part of the European programmes aimed at rural development. The Roma are not included among the target groups favoured by such funding programmes. Launching programmes for developing agricultural enterprises, encouraging the setting up of livestock farms, along with a package of incentives such as subsidies for employers in this sector, are solutions to be included in the equation when it comes to integrating the Roma population into the labour market.

Teresa Riera Madurell (S&D), *in writing*. – (ES) I voted in favour of this resolution, since the inclusion of Roma communities is one of the priorities of the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament. This resolution shows Parliament's position ahead of the Second European Roma Summit, which is being held on 8 and 9 April in Córdoba under the Spanish Presidency. The situation of the Roma population is different from that of other minorities in the EU and their inclusion requires effective policies to curtail the systematic discrimination to which they are subjected. All levels of government from the EU to local authorities must be involved and play a role in achieving equal treatment for them, since that is one of the fundamental values of the EU. The resolution calls on European institutions to make a coordinated and strategic contribution to including Europe's Roma population. The Córdoba Summit must serve to take a step forward, moving from good intentions to concrete policies that allow the problems faced by these people regarding access to housing, education, public services and employment to be overcome.

Raül Romeva i Rueda (Verts/ALE), *in writing*. – I am really glad this resolution was adopted (I obviously voted in favour) as it includes crucial statements in terms of promoting non-discrimination against the Roma population. More specifically, it once again calls on the European Commission to develop a comprehensive European Strategy for Roma Inclusion as the instrument for combating social exclusion and discrimination of Roma in Europe.

Silvia-Adriana Țicău (S&D), *in writing*. – (RO) I voted for the European Parliament Resolution on the Second European Roma Summit as I believe that the battle against discrimination directed at the Roma, which is a pan-European community, requires a Community approach. We must express our concern regarding the discrimination suffered by Roma in terms of education, housing and employment, as well as equal access to the health care system and other public services. We condemn the recent escalation in hostility towards the Roma (Romaphobia) in a number of EU Member States, regularly displayed in the form of hate speeches and attacks against the Roma population. We call again on the Commission to adopt a horizontal approach to the Roma issue and to draft additional proposals aimed at implementing a coherent policy at European level on Roma social inclusion. With this in mind, we ask the Commission to prepare a European Roma strategy in cooperation with Member States to provide better coordination of and promote the efforts aimed at improving the situation of the Roma population. Furthermore, I hope that Member States will use the various instruments currently available more efficiently to combat Roma exclusion, such as allocating a maximum of 2% of ERDF resources to be used for housing for marginalised communities or the existing options as part of the ESF.

Motion for a resolution B7-0227/2010

Andrew Henry William Brons (NI), *in writing*. – We are obviously in favour of Frontex exercising surveillance beyond the territorial waters of border EU states. There is contradictory legal advice about whether or not it already has such power. However, this resolution imposed rules and guidelines that would impede this function. In particular, they insisted not only that Frontex should rescue illegal migrants thought to be in danger at sea (a self-evidently moral action to take) but also to impose a duty to grant the rescued illegal immigrants asylum. We believe that such rescued illegal immigrants should be taken to the country from which they are believed to have embarked or their home country and left there.

Nikolaos Chountis (GUE/NGL), *in writing*. – (EL) I voted in favour of the motion for a resolution for reasons which go beyond the draft decision and the content of the Council proposal on supplementing the Borders Code as regards the surveillance of the sea external borders. Despite the fact that, especially in the second part which is not binding on the Member States, the decision refers to positive elements for defending human rights, the procedure being used to seek its ratification clearly circumvents the work and competences of the European Parliament. In this draft decision, the Council exceeds its executive powers. If the European Parliament accepts such a procedure, it will create a very negative precedent for its role and effective operation, whereas it should safeguard its control, law-making and other powers as the only elected institution at European level. Recently, moreover, we saw that the decisive vote by the European Parliament overturned the agreement on the transfer of personal data on European citizens to the secret services and government of the USA. Facilities such as this should not be set in motion.

Carlos Coelho (PPE), *in writing*. – (PT) There is an irrefutable need to move forward with the reinforcement of border checks coordinated by the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union. There is also a need for common operational procedures, as well as clear rules for participation in joint maritime operations – mainly search and rescue – and the disembarkation of rescued individuals.

To this end, the Commission decided to submit a draft decision based on the comitology procedure. The Council was not able to overcome its divisions on the subject, preferring to hide from Parliament behind technical arguments and so doing away with our competences. The opinion of Parliament's Legal Service is very clear. The Commission exceeded its powers of implementation. This is not merely a technical procedure. According to Mrs Malmström's own words, this is an initiative with great political significance and practical implications.

Our vote against is not only an affirmation of parliamentary prerogatives, but also an act of solidarity with small countries that are being unfairly penalised by this decision.

Cornelia Ernst and Sabine Lösing (GUE/NGL), *in writing*. – Bearing in mind that Frontex was, inter alia, set up to 'protect' the EU's borders from so-called 'illegal' migrants, we oppose the agency and its objectives. However, we welcome the guidelines for an adequate consideration of international and European asylum and human rights law within the Commission's proposal (COM (2009)0658 final). We especially welcome point 1 of Annex I (respect of the principle of non-refoulement, the consideration of the special needs of vulnerable persons and those who are in need of urgent medical assistance, training for border guards in human rights and refugee law) as well as points 3 and 4 (including consideration of the migrant's situation, taking into account their possible requests for assistance or the seaworthiness of the ship, no disembarkation in countries where persons risk being persecuted and tortured) mentioned in Annex II. In addition to this, we emphasise the need for a binding character of this second annex and point out that we will amend the mandate of Frontex according to these principles.

Sylvie Guillaume (S&D), *in writing*. – (FR) I voted against this resolution, which would have prevented the adoption of a number of measures that constitute a step in the right direction, even though I admit the situation is far from being perfect. This text will make it possible to bring appeals before the Court of Justice of the European Union concerning states that fail to meet their commitments in relation to the principle of non-refoulement on the high seas, whereas currently, they escape this completely. It is important that the Member States operating under the auspices of Frontex provide assistance to migrants who find themselves in distress at sea, regardless of their nationality, their status or the circumstances in which they were found.

Georgios Papanikolaou (PPE), *in writing*. – (EL) The motion for a resolution concerns the draft Council decision and supplements the Borders Code as regards the surveillance of the sea borders within the framework of operations coordinated by Frontex for measures to rescue people at sea. As far as Greece is concerned, and due to increased immigration pressures, these specific measures facilitate the presence of Frontex in Greek seas.

To be specific, these are measures which consist both of rules and of non-binding guidelines and they focus on the reception, search and rescue of people at sea. In essence, these are measures which need to be taken if a ship is identified and it is suspected that there are people on board trying to evade border controls. Furthermore, search and rescue should be carried out on the basis of specific principles and the people arrested or rescued must be disembarked on the basis of a specific operational plan. That is why I believe that this specific initiative should be supported and implementation of the measures referred to in the Council proposal should be accelerated.

Raül Romeva i Rueda (Verts/ALE), *in writing*. – Contrary to our position (I voted in favour), the qualified majority was not reached, and so the resolution to reject the Commission proposal and follow the advice of Parliament's legal services has fallen. This means that the Schengen Borders Code will now be amended as proposed by the Commission under the comitology procedure, adding the annex, with non-binding measures on obligations during sea search and rescue operations, to the directive. We can only hope that the Commission will indeed use this as an opportunity to monitor more rigorously the operations coordinated by Frontex so we can avoid human tragedy and despair at sea. There is a real risk, however, with this result that we will not be able to push for binding measures in the Frontex mandate being revised right now, but of course, we cannot give up and must try our best to obtain a better result in the future work on this.

Report: Sidonia Elżbieta Jędrzejewska (A7-0033/2010)

Richard Ashworth (ECR), *in writing*. – I and my ECR Group colleagues agree with much of this report, including improving budgetary efficiency, simplifying the application procedures for EU funds, as well as prioritising the completion of the 2020 strategy.

However, we do have serious misgivings with regard to references to an EU social pillar, an ambitious social agenda, a harmonised immigration policy and restrictions upon an agricultural single market, and stress that areas of education and military and defence are the preserve of Member States.

Liam Aylward (ALDE), in writing. – (GA) I voted in favour of this report on the priorities for Budget 2011. As stated in the report, specific support must be provided for entrepreneurship and for micro-enterprises, and these issues should be placed at the heart of European Union policy for youth and innovation.

The report demands that help be provided to all the programmes and instruments which encourage entrepreneurship – particularly in rural areas – as well as providing help during the start-up phase of new businesses and encouraging information exchange among young entrepreneurs.

Support should be given to programmes that help young people who are starting a new business. I welcome the emphasis this report places on youth policy and on the role young people have to play as we attempt to escape from the current economic and financial crisis.

I strongly support the demand in the report for increased investment in young people and in education, as was recommended in the 'EU strategy for Youth'. The role and the importance of young people in the European Union and in the future of the Union must be recognised, encouraged and supported.

Maria Da Graça Carvalho (PPE), in writing. – (PT) Young people, science and innovation are at the heart of the priorities of the next European Union budget. Investing in young people is investing in the future. This investment must be carried out in a way that is coordinated between the various policies.

Education, professional training and the transition from the educational system to the labour market are the central concerns of this budget. Young people with degrees and qualifications are increasingly affected by unemployment. That is why I consider the Erasmus First Job mobility programme to be a strategic commitment to the future, because it establishes a clear link between the education system and the labour market. Of the other priorities in this budget, I would pick out the areas of research, innovation and the digital agenda: these areas are essential to Europe's sustainable development.

I would also point out the importance of some already existing programmes that are contributing to this objective, such as the European Institute of Innovation and Technology. This budget even concentrates efforts on supporting the development of green and innovative technologies, thus making an essential contribution to economic recovery and giving impetus to small and medium-sized enterprises. Commitment to young people, innovation and science is the key to making Europe a world leader once again.

Ole Christensen, Dan Jørgensen, Christel Schaldemose and Britta Thomsen (S&D), in writing. – (DA) Today, the Danish Social Democrats voted in favour of the priorities for the 2011 budget. We support the general priorities and, in particular, the efforts to combat youth unemployment and to promote research, innovation and green technology. Likewise, the Danish Social Democrats fully support the appropriation of the necessary funds for the EU's growth and employment strategy, EU 2020. The Danish Social Democrats would like to emphasise, however, that the purpose of the EU's common agricultural policy must continue to be to guarantee market stabilisation and we therefore cannot support permanent subsidies from the EU for the likes of milk and dairy products.

Göran Färm, Anna Hedh, Olle Ludvigsson, Marita Ulvskog and Åsa Westlund (S&D), in writing. – (SV) We Swedish Social Democrats chose today to vote in favour of the priorities for the 2011 budget. We largely agree with the priorities stated in the report. For example, we believe that it is important to invest in young people, research and innovation and in green technology. We also believe that it is important for the EU's new strategy for growth and employment, 'EU 2020', to be given sufficient financial resources to allow it to succeed.

However, we would like to emphasise that we do not believe that the main task of the EU's common agricultural policy is to guarantee market stability and thus we do not want the EU to provide permanent market support for milk and dairy products.

Diogo Feio (PPE), in writing. – (PT) In a context of generalised crisis and against a backdrop of the ambitious requirements of the 2020 strategy in terms of innovation, the fight against poverty and social exclusion, and economic growth and employment, it is essential to put the challenges of the 2020 strategy at the heart of the budgetary priorities.

For that reason, I am pleased to discover a clear commitment to education, research and innovation policies in the priorities set for the 2011 budget by the Commission. It is also essential to keep economic recovery and emergence from the crisis in mind, so I am also pleased to see support for small and medium-sized enterprises as one of the major concerns of the 2011 budget. I would reiterate the need, within the framework of reforming the common agricultural policy, to step up funding for the CAP; this is a priority that must also be taken up by the Commission.

I would point out that the 2011 budget will be the first to be adopted under the Treaty of Lisbon, with the resulting strengthening of parliamentary intervention.

João Ferreira (GUE/NGL), in writing. – (PT) The proposed priorities for the 2011 budget, despite the social rhetoric, which is unavoidable in times of crisis, are reasonably clear: the intention is to basically keep to the same priorities that have been giving previous budgets their direction. Once again, indications are of a budget aimed at deepening the single market, at the lack of job security known as flexicurity, at liberalisation, and at the commercialisation of the environment and growing areas of social life. Although they have been grouped together under the so-called new '2020 strategy', these are old guidelines.

The stated priority given to young people does not obscure the fact that the intention is to start planning from this point on for future generations of workers for whom unemployment will be structural, seen as a strategic variable to impose the devaluation of their labour power. This will oblige even the qualified to flit between insecure jobs, alternating them with the inevitable unemployment. These are priorities that also put the 2011 budget at the service of the EU's external interventionism; of the Common Foreign and Security Policy and the Common Security and Defence Policy; of militarism and war; of policies that criminalise immigration; of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union.

That being the case, our only response to this report can be to vote against it. However, this is neither the only way nor inevitable. We tried to demonstrate just that with the various proposals that we tabled during the debate.

Lidia Joanna Geringer de Oedenberg (S&D), in writing. – (PL) Constructing the EU budget during a financial crisis, with a very narrow budget margin and new areas of work relating to the entry into force of the Treaty of Lisbon, is not easy. It therefore gave me all the more satisfaction, during the vote, to endorse Mrs Jędrzejewska's report on the 2011 budget and the motion for a European Parliament resolution, both of which provide for ambitious budget priorities for next year.

Alongside the traditional priorities, such as cohesion policy and support for innovative and ecological technologies, the 2011 budget should concentrate on ensuring full operation of the new initiatives in the EU: the European External Action Service, the EU 2020 economic strategy and measures which are part of the Eastern Partnership. All three face the threat of becoming a fiasco if the funds designated for them prove to be too 'symbolic'.

Also worthy of note is the comprehensive approach to the question of young people. Faced by demographic problems, the EU must not allow itself to have a low percentage of educated young people, because this would lead to a still greater rise in unemployment in that age bracket, which is something the EU simply cannot afford. Therefore, the European budget must have funds reserved to support language learning, intercultural dialogue, increasing the mobility of young people and integration of graduates in the job market.

Bruno Gollnisch (NI), in writing. – (FR) If I have understood the words of this report correctly, everything or almost everything becomes a priority, which means that there is no priority. Quite simply, what is being asked for is a larger budget; in other words, more taxes for Europeans. It is true that the rapporteur's concern to ensure that spending funded by the EU budget is not only useful but effective and that it brings genuine European added value to national policies is worthy of praise. However, to be quite honest, this should have been a constant concern over the years. On the one hand, I recall that in the last 14 or 15 years, this has not been the case, since the European Court of Auditors did not feel able to approve the execution of the annual budgets. On the other hand, I am still looking for concrete proposals in this report that will enable this objective to be achieved. In particular, I am looking for the proposals by which to put an end to programmes that are nothing but pure populism, the useless allocation of small amounts of funding, ideological propaganda and attempts to intervene more in areas in which the EU fortunately has only few powers and, above all, is ineffective.

Sylvie Guillaume (S&D), *in writing*. – (FR) Although I voted in favour of this report, I would like to underline some critical reservations I have about the priorities for the 2011 budget. It is true that I willingly support the EU's commitment to provide assistance for young people, for innovation and for the voluntary sector, as a number of structural elements for our society. Even so, the financial framework is not at all adequate, in particular, in a period of economic crisis and unemployment: it does not enable us to fund any political ambition by which to instigate real change. EUR 9 million, or 0.07% of the budget earmarked for employment: that really does not represent substantial ambitions to support employment.

Iosif Matula (PPE), *in writing*. – (RO) I voted for the report on the European Commission budget as I think it is important for the EU to have a balanced, realistic budget which will effectively meet the expectations of citizens wishing to exit the current economic crisis, have well-paid jobs and a more secure future. I believe that financial support for SMEs must be made a priority in Europe because SMEs play a crucial role in ensuring large numbers of jobs, as well as in the development of regions and rural areas. I also think that young people are extremely important at the moment and in the EU's future. This must also be reflected in the budgetary priorities. Young people are at the heart of European social and inclusion strategies. The innovative ability of young people is a key resource for development and economic growth which the EU should rely on. I firmly believe that investing in young people and education means investing in the present and future, as is outlined in the EU Youth Strategy. I welcome the fact that the youth policy must also take into account preparation for the labour market in schools and universities.

Jean-Luc Mélenchon (GUE/NGL), *in writing*. – (FR) I shall vote against this report on priorities for the 2011 budget. The latter implements the dogmatic and harmful Eurocratic policies that I oppose throughout Europe and the world. I cannot reasonably vote for a budget that endorses so many potential disasters.

Nuno Melo (PPE), *in writing*. – (PT) In the wake of the failure of the Lisbon Strategy, the EU has a new opportunity to be the great catalyst of the world economy with the 2020 strategy. In order for this new plan to be a success, it is necessary that the various budgets that will be approved prioritise several areas that are fundamental to the success of the 2020 strategy.

We are talking about innovation, support for young people to increase social mobility, and consolidated support for small and medium-sized enterprises, which are the true economic motor of countries. It is also essential that there be investment on a very large scale in the areas of climate change, the environment and social policy. In order for the 2020 strategy to be a success, therefore, it is crucial that new ways of financing and raising funds for it be found, as we cannot do what we have done in the past and reassign funds intended for the structural, cohesion or common agricultural policies.

Georgios Papastamkos (PPE), *in writing*. – (EL) I voted in favour of the report on the priorities for the 2011 budget, one reason being the proposals in terms of funding the CAP. In particular, it notes that financing of priorities in connection with the future EU 2020 strategy through a possible reallocation of funds must not be detrimental to fundamental EU policies, such as the cohesion, structural or common agricultural policies. It reiterates the concern expressed during the approval of the Community budget for the current year in terms of the narrow margin for agricultural spending and supports the provision for a sufficient margin in the 2011 budget. A satisfactory margin for agricultural spending is especially important for dealing with unforeseen requirements in agricultural sectors, especially in light of price instability.

Silvia-Adriana Țicău (S&D), *in writing*. – (RO) I voted for the European Parliament Resolution on priorities for the 2011 budget – Section III – Commission, thereby confirming that it must be the priority of political leaders in the European Union and Member States to preserve existing jobs and create other new ones which will allow European citizens to make a decent living. The Communication from the Commission entitled 'Europe 2020: a European strategy for smart, sustainable and inclusive growth' provides the basis for an extensive debate on the EU's economic and social strategy for the coming years. I also voted for Amendment 5, bearing in mind that unemployment is a key topic in current discussions and that, in order to be able to tackle fully the issue of the already high and ever-growing unemployment rate, the EU must implement an ambitious social agenda. The European Union must invest, above all, in research and in the transport and energy infrastructure in order to be able to remain competitive globally. Furthermore, both Member States and the EU must invest in education and the development of young people. This is why programmes like Erasmus, especially the Erasmus scheme for young entrepreneurs, must feature as a priority which is also reflected in the 2011 budget.

Artur Zasada (PPE), *in writing*. – (PL) I was pleased by the result of the vote on Mrs Jędrzejewska's report on the European Union's budget priorities for 2011. I did, of course, vote in favour. Today's vote was

exceptional for two reasons. Firstly, it is the first budget adopted under the rules of the Treaty of Lisbon. Secondly, it was the European Parliament which presented its proposals for priorities first, and not the Commission.

The rapporteur very pertinently referred, in her document, to the question of young people and education. During a crisis, it is particularly important to support young people by, for example, helping them find their first job or set up their own business. The lack of sufficient reference to this matter in previous years is, today, particularly visible. Employment experts point out that it is not only graduates who are having difficulties in the job market, but also people in their thirties who have been in the job market for several years.

Report: Helga Trüpel (A7-0036/2010)

Zigmantas Balčytis (S&D), in writing. – (LT) I support this report since the circumstances in which the 2011 budget will be adopted will be exceptional due to the Treaty of Lisbon coming into force and the continuing economic and financial crisis. The budget will have to be accurately balanced to ensure the successful realisation of the goals set out in the Treaty of Lisbon, like the creation of a common internal energy market for example. In planning the budget, significant attention must also be focused on the consequences of the financial crisis, still being felt by many countries, and efforts to effectively remove these. The main priority must continue to be job retention and creation, which is closely linked to the need for financial support for small and medium-sized enterprises that create a large portion of jobs. When approving the 2011 European Parliament budget, particular attention must be paid to evaluating the European Parliament's priority – the forming of high level lawmaking – and all necessary measures must be provided for that goal. An appropriate solution must also be found to the question of the effective organisation of the EP's work, including the establishing of one workplace for MEPs.

Maria Da Graça Carvalho (PPE), in writing. – (PT) The entry into force of the Treaty of Lisbon means greater powers for Parliament. In a globalised world, issues are increasingly complex, and decisions need to be technically sound and backed up by science. It is crucial that policy makers are aware of recent scientific developments, as these will allow them to make the best decisions. This budget introduces long-term guidelines for building policy, which could lead to reduced costs in the future.

I call for increased training and technical support for Members, as these provide the necessary resources for Parliament to perform its duties well, with the scientific and technical backing that is so necessary in the 21st century.

Diogo Feio (PPE), in writing. – (PT) Given the increased responsibilities of many institutions under the new framework, as is the case with Parliament, it is essential that each institution's operational budget ensures that it has the material and human resources necessary for it to carry out its tasks within the institutional framework with accuracy and excellence.

I advocate a realistic and feasible budget, but one that provides the various institutions with the material means necessary to carry out their duties. These considerations must not, however, jeopardise budgetary sustainability and rigorous book-keeping, which are crucial in any institution. Additionally, rigour and transparency must be ensured in managing the funds made available to the various institutions.

Alan Kelly (S&D), in writing. – Planning for the 2011 budget is very important and I agree with the report's call for a carefully considered and transparent discussion. It is also correct in asserting that the issue of the budget threshold is a delicate one, and must take into account global costs. I am happy with the report's cautionary aspect. Approaching this with anything less than caution would be an insult to the people of my home country and of all of Europe who are facing their own budgetary concerns. I'd also like to take this opportunity to say that I hope our caution also shows our solidarity and fraternity with our Greek and Portuguese colleagues who are having a notably difficult time at the moment.

Nuno Melo (PPE), in writing. – (PT) The Treaty of Lisbon has given Parliament new responsibilities. This situation means additional administrative work, with the result that Members need qualified staff to act as advisors. This new situation leads to two problems: increased costs arising from the need for more assistants, and additional space required in order for them to carry out their duties in good working conditions. This situation leads to increased costs. That is difficult to explain during this time of crisis, but if Parliament's work is to be excellent, it needs to have the necessary financial and human resources.

Raül Romeva i Rueda (Verts/ALE), in writing. – I voted in favour of this important report. The guidelines are the first step in the budget procedure, giving general guidance to the Secretary-General and the Bureau

of the European Parliament for the subsequent step, the preliminary draft estimates, which are currently already before the Bureau.

Nuno Teixeira (PPE), *in writing.* – (PT) The circumstances under which the 2011 budget is being adopted are exceptional and constitute a challenge at the same time. The successful implementation of the Treaty of Lisbon is a greater priority, while the effects of the economic crisis, which are making themselves felt in the European Union, make achieving this objective even more demanding.

In this context, the Group of the European People's Party (Christian Democrats), to which I belong, continues to advocate a sustainable and rigorous budget, in which each item of expenditure is justified and in which the rigour and efficiency can be sustainably assured. I therefore advocate a move towards a zero-based budget, which allows efficiency and savings. In order to better achieve this objective, it is urgent that a long-term building policy be set.

I agree that it is necessary to promote greater cooperation and strong dialogue at interinstitutional level in order for resources to be better used in various areas, such as translation and building policy, amongst others. I would stress the importance of making Parliament's legislative excellence a priority and providing this House with the means necessary to successfully carry out its legislative role. That is why I voted for the 2011 budget guidelines included in this report ...

(Explanation of vote abbreviated in accordance with Rule 170 of the Rules of Procedure)

Report: Giancarlo Scottà (A7-0029/2010)

Sophie Auconie (PPE), *in writing.* – (FR) I voted in favour of the report on the EU agricultural product quality policy because to me, it seems extremely relevant in two areas. Firstly, it stresses the importance for the European Union to protect the quality of products and makes this a major priority of the European agricultural strategy. Secondly, it defends the principle of geographical identification and traditional specialities, presenting them as two elements contributing to European agricultural competitiveness and the preservation of cultural heritage. Ultimately, this report gives its support to the agricultural products of which we are so proud while, at the same time, advocating necessary administrative simplifications as regards their protection.

Edite Estrela (S&D), *in writing.* – (PT) I voted in favour of the report entitled 'Agricultural product quality policy: what strategy to follow?' because quality is a decisive factor in the competitiveness of European products in international markets.

In this context, I consider the implementation of compulsory 'place of farming' labelling positive, as it makes it possible to provide consumers with information relating to quality standards. I also consider how the report deals with environmental protection and animal welfare to be positive.

Diogo Feio (PPE), *in writing.* – (PT) It will be necessary for the common agricultural policy to commit to the increased quality of its agricultural produce, which is an undeniable value added for European competitiveness in the global market. Quality policy cannot be dissociated from the common agricultural policy as a whole, nor can it stand aside from such new challenges as the fight against climate change, the need to preserve biodiversity, energy supply issues, the development of bioenergies, animal welfare, and water management in agriculture. Consumers' growing expectations also need to be suitably incorporated in the future quality policy for agricultural products, not forgetting that quality matters to informed consumers when making choices.

I would remind you, however, that agricultural product quality policy cannot be so demanding that it endangers small and medium-sized farmers, or the existence of traditional products that are typical of certain regions and whose manufacture cannot be subject to rules that are blindly uniform. The purpose of quality policy must be to give the Member States' agriculture impetus in the global market and to defend European products. It is there to serve producers and consumers.

João Ferreira (GUE/NGL), *in writing.* – (PT) Some elements of the report under discussion are positive: for example, its support for the establishment of tools to allow the promotion and publicising of local producers, as well as traditional and artisanal products linked to specific areas and bearing a geographical name; or its recognition of how slow, cumbersome and excessively costly the procedure faced by small producers is when applying for quality certifications.

However, it sidesteps issues that are vital to safeguard agricultural product quality and the sustainability of agricultural production in the EU: for example, the consequences of the deregulation of world trade and the

unchecked liberalisation of the markets, both within the framework of bilateral agreements and within that of the World Trade Organisation; the various dangers inherent to the introduction of genetically modified organisms into the environment in the way that it has been done; lastly, the need for a profound reform of the common agricultural policy that supports local protection, the right to produce and the right to food sovereignty.

Jarosław Kalinowski (PPE), *in writing*. – (PL) I would like to congratulate the fellow Member on his report, and to say that I agree with the view that agricultural product quality policy should not be treated separately from common agricultural policy or the central ideas of the Community's policy for the next few years, such as sustainable development, biodiversity or combating climate change.

The European Union's citizens expect high quality, healthy products manufactured using innovative technology which takes account of the environmental impact of the production process. I also share the rapporteur's opinion on the matter of conducting an information and educational campaign on the subject of all European agricultural product labels which are being and have been approved. A campaign of this kind is essential because consumers' lack of knowledge of the full meaning of the symbols puts a question mark over the entire quality policy.

Alan Kelly (S&D), *in writing*. – I would like to commend my colleagues in the Agricultural Committee for this initiative report. The quality of our agricultural products is something that needs to be capitalised on. We devote a lot of time in the European Union to making sure that the highest standards in farming are met; our livestock is well treated and healthy; our produce is safe; our farming practices ethical in relation to their impact on the environment. Every step of the industry's chain of production is regulated, 'from farm to fork' so to speak. In order to make the most of the industry's unique selling point – the high quality of its output – we need further promotion as pointed out in the Scottà report. It is all very well to have products that are labelled according to their area of farming or according status as a traditional speciality, but unless the consumer is aware of its meaning, it is, in fact, like reading an alien language. So I agree that the report's recommendation for the Commission to promote awareness of this information will be an effective form of marketing. It will help customers and small businesses alike. It could be particularly beneficial to our agri-food sector.

Elisabeth Köstinger (PPE), *in writing*. – (DE) I strongly support the own-initiative report on agricultural product quality policy (A7-0029/2010) for which a vote was held on 25 March 2010. There is a clear link between product quality and the origin of the raw materials. The proposal for a 'place of farming' label will indicate where the raw materials come from. This seems to me to represent an important opportunity for the agriculture industry, which produces high quality agricultural products. Clear labelling of the origins of products not only guarantees consumers the best product quality but also enables them to make a decision on the basis of objective and transparent criteria. Quality is a key issue for the entire food chain and an essential asset in supporting the competitiveness of European agri-food producers. The production of high quality foods is often the only employment opportunity in many rural areas with limited production alternatives. Therefore, I am very much in favour of the Protected Geographical Indication and Protected Designation of Origin, together with the reintroduction of a regulated and protected designation for products from mountain regions and GMO-free areas. The Traditional Speciality Guaranteed and Organic Farming schemes must also be retained.

Petru Constantin Luhan (PPE), *in writing*. – (RO) I voted for the report because I support better protection for European products globally. Geographical indications give agricultural products greater credibility and a higher profile in consumers' eyes, while also providing a competitive environment for producers. This guarantees, at the same time, protection for the intellectual property rights for products. The geographical indication system is well established in the European Union and in many countries outside the EU, such as the United States, Australia and New Zealand. However, the EU has, unfortunately, commercial partners who do not have legislation in this area. For this reason, European products are not well protected within these states' national systems, with the risk of counterfeiting occurring.

Astrid Lulling (PPE), *in writing*. – (DE) Although I am of the opinion that we should take care what we ask the Commission for in own-initiative reports, I am in favour of the report on agricultural product quality policy.

In particular, I support the call for closer monitoring and more coordination between the Commission and the Member States so as to ensure that imported food products meet the EU's quality and food safety standards, as well as its environmental and social standards.

In the case of fresh or processed products that have a single ingredient, the country of origin should be indicated in order to allow consumers to make conscious, well-informed decisions about what they are buying.

I am relieved that my amendment which opposed the standardisation of Protected Designations of Origin and Protected Geographical Indications was accepted in the plenary session. Combining this information would have made the existing designations superfluous and would have caused significant harm to producers with Protected Designations of Origin.

The subject of quantitative production management has been deliberately swept under the carpet in the Commission's communication. I am convinced that we still need production control instruments in order to guarantee stable prices for producers and give them the security to plan ahead, so that they can meet the high expectations of the consumers and the legislators. This applies not only to milk production, but also to wine growing in particular.

Jean-Luc Mélenchon (GUE/NGL), in writing. – (FR) This report has an undeniable flaw: it includes agricultural policy in the self-serving logic of the pursuit of maximum profit, which is the opposite of the notion we have of agricultural policy. Therefore, I absolutely cannot vote for it. However, in view of the improvements that it brings, I believe it is wiser for me to abstain. In fact, I do not want to help obstruct such anti-productivist ideas as the desire to introduce 'ecological footprint' labelling and to relocate part of agricultural production. I noted the intention to move away from the logic of productivism. I regret that these are only possibilities outlined in the text and that their actual implementation in a capitalist environment significantly reduces their impact. However, I do not wish to overlook the importance of promoting such concepts.

Nuno Melo (PPE), in writing. – (PT) The quality of European agricultural products constitutes a piece of heritage that is respected worldwide. For this reason, there is a sense of the need to protect these products and prevent their confusion with others that are of inferior quality, are less safe and are sometimes counterfeit.

In order to prevent this, it is crucial that these products are labelled and attempts are made to ensure that consumers obtain trustworthy information relating to these products. In order to avoid distortions in competitiveness, it is still important that there is a full understanding that imported agricultural products satisfy the same requirements as those imposed on products produced in the EU. That is why I voted in favour.

Tiziano Motti (PPE), in writing. – (IT) Mr President, ladies and gentlemen, thanks to European regulations that have laid down firm rules on the quality of agricultural produce, the health of citizens, environmental sustainability, and the specific characteristics of crops, we can say today with pride that European agriculture is a model without equal in the world.

While, on the one hand, farmers who have applied the rules with a great sense of duty must be thanked, we must, on the other hand, ask ourselves why the European Union sometimes tends to become tangled up in bureaucratic knots that are liable to eclipse this excellence and to simply create a great sense of disappointment among citizens.

Hence why, today, our citizens start their day with a good orange juice without oranges, and for lunch drink rosé wine made by mixing red and white wine fermented by adding sugar with their pizza containing mozzarella made with casein. With no sense of fondness, they can always resort to chocolate without cacao.

Not even children are exempt from the consequences of the schizophrenic destruction of our high quality foodstuffs: in Europe, we run the risk of consuming spoiled products of whose provenance we are unaware; one need only mention the melamine-tainted milk from China.

Citizens have the right to protection. In order to allow consumers to make informed choices, we must insist that labels be complete and comprehensive and that products for mass consumption, such as long-life sterilised or UHT cow's milk and dairy products derived exclusively from cow's milk, carry an indication of the origin of the raw milk used in production, as well as other legally required indications.

Rareș-Lucian Niculescu (PPE), in writing. – (RO) I voted for Amendment 3 because this relates to a point in the motion for a resolution which could be interpreted as encouraging a return to standardisation of agricultural products (shape and dimensions of fruit and vegetables).

Franz Obermayr (NI), *in writing*. – (DE) This report emphasises the central role played by high quality agricultural products in consumer protection. It also highlights support for traditional regional products and for small and medium-sized agricultural businesses. For this reason, I have voted in favour of the report.

Georgios Papastamkos (PPE), *in writing*. – (EL) I voted against Amendment 3, because I am in favour of the restoration of trading standards in the fruit sector. I consider the Commission decision to abolish them, despite the opposition of a broad majority of the Member States and the production sector in question, to be unwarranted.

The EU rightly has the highest standards for agro-foodstuffs, for the benefit of European consumers. At the same time, quality policy is of strategic importance, as it is primarily on this that the added value of European agricultural goods on the global markets rests. However, compliance with imported products to equivalent quality specifications remains a problem. A catalogue needs to be made of all the private quality certification systems and a legislative framework of basic principles needs to be adopted at EU level in order to ensure that these systems operate transparently.

I am in favour of labelling all primary agricultural products with the place of production. As far as geographical indications are concerned, we need to keep the three EU systems for agricultural products and food, alcoholic beverages and wine as they stand. Safeguarding enhanced protection for geographical indications within the framework of bilateral trade agreements and the WTO is of primary importance.

Rovana Plumb (S&D), *in writing*. – (RO) I voted for this report as the strengthening of the quality policy at European Union level is an important incentive for European agricultural producers to step up their efforts in support of quality, food safety and respect for the environment. I believe that this policy can result in a significant improvement in the added value of European agri-food production as part of an increasingly globalised market. However, at the same time, better information must be provided to citizens through appropriate information campaigns and campaigns for promoting voluntary labels for other production methods which respect the environment and animals, such as 'integrated production', 'outdoor grazing' and 'hill farming'.

Britta Reimers (ALDE), *in writing*. – (DE) In the vote on the Scottà report on agricultural product quality policy, Amendment 5 was accepted, which called for the mandatory labelling of the origin of foods made from only one ingredient. This requirement involves significantly more work and higher costs for the agriculture industry and food processors, without bringing any real added value for consumers. For this reason, I have voted against this amendment.

Robert Rochefort (ALDE), *in writing*. – (FR) I voted for the report on the future of food quality policy. Let us underline straight away a positive point in the text: the proposal to establish a European logo for organic food. This is both a clear demand by consumers and a requirement that must be respected in order to develop the internal market.

I come to the important question of geographical indications and traditional specialities. Essential for European agriculture because of the privileged links established over time between products and regions, geographical indications and traditional specialities are closely linked to tradition and to the history of taste. For this reason, we must protect them. Consequently, I am delighted that we are opposing the merging of the two concepts of PDO (Protected Designation of Origin) and PGI (Protected Geographical Indication) as proposed by the European Commission. It is true that simplifying the standards may, at first sight, seem desirable in terms of reducing the bureaucratic burden, but it must not result in a reduction of the standards that our European producers have courageously imposed on themselves. Finally, let us not forget the work we still have to carry out to increase the protection, at international level, of geographical indications (in particular, via the WTO).

Raül Romeva i Rueda (Verts/ALE), *in writing*. – I finally voted in favour of the resolution mainly because our Amendments 3 (concerning opposition to standardisation rules for fruit and vegetables) and 5 (concerning mandatory place-of-origin labelling) were adopted.

Brian Simpson (S&D), *in writing*. – Whilst we are happy to see that common sense prevailed on misshapen fruit and vegetables, the British Labour MEPs still had some concerns with the Scottà report and have therefore voted against it. We are against any attempt to bring in an EU quality logo which would only be available to EU produce, since this would discriminate against farmers from third countries and would not be in line with our development objectives. The EPLP is in favour of an EU-wide organic label, but the Commission is

already aware of Parliament's support for this, and other parts of the report are of sufficient importance to vote against the whole report.

Alf Svensson (PPE), *in writing*. – (SV) The EU should have strong consumer protection. Consumers have a right to accurate and clear information on the content and origin of goods and regarding whether or not they have been genetically modified. Clear common rules create the conditions for a functioning market on equal terms within the EU. When the market is functioning correctly, informed consumers can, through their choices, drive development towards even higher food quality. However, I voted against the report on agricultural product quality policy: what strategy to follow? (2009/2105(INI)). The main reason for this is that the report violates the principle of subsidiarity. For example, it is not the job of the EU to create a 'European knowledge bank for old recipes and historical food preparation methods'. In my opinion, protected geographical indications receive too great an emphasis in the report. There is also a risk of setting up barriers to trade for countries outside the European Union when there is such a strong emphasis on the goods being produced within the EU. Origin marking is important, but, in itself, the origin is not necessarily a guarantee that the product is of high quality.

Georgios Toussas (GUE/NGL), *in writing*. – (EL) The objective of adequate, safe and high quality food is a human requirement and demand of the workers which cannot be safeguarded within the framework of the capitalist method of production and trade in agricultural products. The report expresses the EU philosophy of producing foodstuffs in order to increase the profits of the food industry, not to meet the people's food requirements. At a time when one billion people are suffering from hunger and poverty is striking broad sections of grassroots society in the capitalist countries, the EU is using food standards as a pretext for restricting production, concentrating land in large capitalist undertakings and ousting small-scale and poor farmers from their land and agricultural production. The cases of food scandals that have multiplied in recent years, due to the capitalist conditions of food production being increasingly imposed by the EU and the WTO, will never be effectively addressed with administrative control measures, nor can GMOs coexist with conventional and organic foods. Only food sovereignty and security, the safeguarding of safe, healthy, cheap food, support for poor farmers and the establishment of production cooperatives within the framework of people power and a people's economy can meet modern grassroots requirements.

Report: Enrique Guerrero Salom (A7-0034/2010).

Sophie Auconie (PPE), *in writing*. – (FR) In the vote on the report on the effects of the global financial and economic crisis on developing countries and on development cooperation, I voted for the amendment of paragraph 31, which calls for the introduction of an international levy on financial transactions. Indeed, I am profoundly convinced that a levy, even a small one, on these transactions of huge amounts would mean that significant sums of money could be released. Thus, we would be able to devote more funds to combating the ills that affect our planet and would have the funding needed to realise the Millennium Development Goals. This is more than a question of justice; it is a question of common sense.

Zigmantas Balčytis (S&D), *in writing*. – I fully support this report. The global financial and economic financial crisis caused great disturbances in developed economies but it had even more profound effects on emerging and developing countries. The achievement of Millennium Development Goals is now at stake because the progress that has been made in those countries over the last decade has stalled. Financial aid alone cannot ensure economic progress in developing countries. Thus, the Commission should urge the reform of international development cooperation. Moreover, I believe that assistance to developing countries should be constantly adapted to the circumstances in those countries.

Vilija Blinkevičiūtė (S&D), *in writing*. – (LT) I voted for this report, since we must help developing countries, particularly during this difficult economic period. In many developing countries and, above all, the least developed countries, there has been a reduction in income from exports and there has been a slowdown in the growth and development of southern regions. It is especially important to agree on economic partnerships to strengthen the compatibility of EU policy for the good of development and, inter alia, the promotion of suitable work, welfare and job creation and ensure the appropriate implementation of trade commitments and the application of a suitable transition period for these commitments. Developing countries need aid to reduce poverty and isolation, measures to contribute to development and measures essential to get out of the crisis. In implementing these actions, the European Union must take the lead and act decisively and, to this end, all EU institutions must make greater commitments. We cannot allow the crisis to halt the progress that these countries have achieved in the last decade in terms of stable economic growth and therefore I believe that the provision of greater support for development is essential.

Andrew Henry William Brons (NI), in writing. – We opposed this motion because it purported to place a responsibility on European countries for the plight of the undeveloped Third World, rather than placing the responsibility on those countries themselves. Furthermore, it looked forward with relish to the creation of various forms of political and economic world governance.

Maria Da Graça Carvalho (PPE), in writing. – (PT) I am voting in favour of this report, which introduces key issues about sustainable development and the gradual integration of African, Caribbean and Pacific countries into the global economy.

It is developing countries that are the most affected by global warming, so it is essential to step up all measures to combat climate change, such as the transfer of appropriate technologies. It is equally important that an agreement is reached on the EU's greenhouse gas emission allowance trading scheme, under which at least 25% of the revenue generated from auctioning carbon dioxide emission licences will be used as aid for developing countries.

Issues such as sustainable development and green growth must be strategic priorities for the EU. I call for additional funds to be earmarked for developing countries. These must be sustainable in the medium and long term and come from the private sector, the carbon market, and the public sector of industrialised countries or the most economically advanced developing countries.

Carlos Coelho (PPE), in writing. – (PT) The economic and financial crisis that is devastating us has had disastrous effects in developing countries that had already been the victims of successive crises (food, energy, climate and financial). Those who did not cause this crisis but are the most affected urgently need help. The European Union and the developed countries must respond quickly, firmly and effectively.

I believe that it is crucial that the Member States meet their Official Development Assistance commitments and that they strengthen their commitments to achieve the Millennium Development Goals. The Commission and the Council must also press ahead with the reform of international development cooperation, which is one of the main reasons for the ineffectiveness of development aid. I welcome the improved borrowing facilities for the poorest countries conceded by the financial institutions. It is not enough, however. I support this report's calls for a sustained increase in development aid.

Harlem Désir (S&D), in writing. – (FR) Developing countries, in particular, the poorest ones already hard hit by the 2007 food crisis, are today suffering the full force of the economic and social consequences of the international financial crisis that began in the developed countries. The latter are now inclined to reduce their development aid to face up to their own difficulties. Developing countries are thus paying twice for the mess caused by unregulated global capitalism. I voted for the Guerrero Salom report, which reminds Europe of its responsibilities and demands respect for the commitments made in relation to official development assistance, in particular, the goal of contributing 0.7% of GDP to this by 2015. By adopting it, Parliament is also calling for the implementation of an international levy on financial transactions to fund development, access to Global Public Goods and the adaptation of poor countries to the challenges of climate change. It supports cancelling the debt of the least developed countries. All of these recommendations are essential as we approach the review of the Millennium Development Goals at the United Nations in September. The European Union has a moral duty to implement these new tools of international solidarity without delay.

Lena Ek, Marit Paulsen, Olle Schmidt and Cecilia Wikström (ALDE), in writing. – (SV) For us Liberals, investment in developing countries is dear to our hearts. We welcome new ways to get funds to aid-assisted countries, but we would like to make it clear that we do not believe that a tax on international financial transactions is the solution that will enable us to meet the Millennium Development Goals or correct global imbalances. It is also important to point out that it will only be possible to implement such a tax if it is a global tax. We would instead like to emphasise the importance of the EU Member States meeting the current commitments with regard to levels of aid that have been set. In order to generate development and growth in developing countries, we ought to promote free trade and abolish the EU's various direct and indirect barriers to trade.

Edite Estrela (S&D), in writing. – (PT) I voted in favour of the report on the effects of the global financial and economic crisis on developing countries and on development cooperation.

It is important to stress that developing countries, although they are not the source of the international crisis, are affected disproportionately by it. As the largest donor of aid to developing countries, the European Union plays an essential role in providing necessary leadership in terms of the adoption of measures at international level to enable the achievement of the Millennium Development Goals.

Diogo Feio (PPE), *in writing*. – (PT) When we refer to the financial, economic and social crisis that we are currently experiencing, we are talking about a global crisis in which special attention must be given to developing countries, which have suffered the impact of this crisis both directly and indirectly. The existing mechanisms for helping poorer countries and their populations – which are facing conditions of extreme poverty and misery – must be applied in a way that is more effective and focused. They must not result in dependency, which could have negative effects on growth, salaries and employment.

It must therefore be guaranteed that development tools and policies will allow effective development. This requires more coordinated action at bilateral and multilateral level. Action must be taken relating to humanitarian aid, cooperation and development, and in this area, the Member States, the European Union and the international organisations play an essential role. Nevertheless, I am opposed to the introduction of a tax on international financial transactions (Tobin tax) to help fund these countries because of the impact that it would have on society in general.

João Ferreira (GUE/NGL), *in writing*. – (PT) The report under discussion tackles very important issues and makes some arguments that are correct: for example, the closing of tax havens, the cancelling of the foreign debt of certain countries, the need for increased efforts in terms of Official Development Assistance, and a tax on financial transactions.

We must, however, point out some features of the report that are negative and even contradictory. One example is the argument for liberalising trade in line with the patterns that the European Union has been following, particularly through the Economic Partnership Agreements, which the EU has been seeking to impose on African, Caribbean and Pacific countries. This has been the case despite resistance and reports of their negative consequences from many of these countries, not to mention the failure to tackle the problem of foreign debt in a more far-reaching way.

Bruno Gollnisch (NI), *in writing*. – (FR) This Parliament's texts sometimes border on the absurd, but I have to say that in the case of Mr Guerrero Salom's report, you have surpassed yourself. I will quickly pass over the unacceptable demand for global economic and financial governance, and over the fundamental contradiction that consists in lamenting the external dependency of poor countries, while advising them to open up even more to world trade. I am also going to pass over the hypocritical condemnation of, and I quote, 'the concept of globalisation aiming at total deregulation and the rejection of any public governance tools', a concept that was and basically still is your own, and which you have been imposing here for years. Then, to crown it all, there is paragraph 26, in which you propose following the advice of George Soros! He who owes his entire fortune to speculation. He who, in partnership with other hedge funds, bets on the collapse of the euro and speculates on the Greek debt in order to cause it. He who disregards the social and economic consequences of his actions so as to impose his own chosen global economic order. However, it is true that you also share this wish for a unified Euro-Atlantic Bloc, global governance and a global currency.

Sylvie Guillaume (S&D), *in writing*. – (FR) I supported the report by my colleague, Mr Guerrero Salom, in order to remind the Member States of their responsibilities to developing countries in the face of the global challenges of the economic crisis and climate change, for which they are not responsible. Europe must commit itself more to achieving the Millennium Development Goals; in other words, it must devote at least 0.7% of GDP to combating poverty in developing countries by 2015. In order to achieve this goal, I also supported the creation of a tax on financial transactions, as well as the consideration of possible options for cancelling the debt of the poorest countries. Finally, access to sexual and reproductive health rights remains a priority for the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament, and it is on this basis that I voted in favour of this report.

Jean-Luc Mélenchon (GUE/NGL), *in writing*. – (FR) This text has the merit of recommending the establishment of a moratorium on debt and the cancellation of that debt for the poorest countries, of advocating food sovereignty and of undertaking to respect the ILO. However, this does not compensate for the fact that it is firmly in the camp of the carbon market and green growth and that it preaches free trade and an increase in financial services. This text supports the implacable logic of liberal dogmatism. It is therefore harmful. I voted against.

Nuno Melo (PPE), *in writing*. – (PT) I voted against this report for several reasons. Firstly, the quick votes in plenary on what I considered key votes on amendments to paragraphs 7, 31 and 34. Also, the decision regarding the so-called right to sexual and reproductive health. Finally, the move towards establishing future European taxes to which I am utterly opposed, as I have stated on several occasions, particularly during the campaign to be elected to Parliament.

Andreas Mölzer (NI), in writing. – (DE) The most serious financial and economic crisis since the 1930s has hit Europe hard. However, the developing countries are also suffering heavily from its effects and they are largely powerless to do anything about it. Irresponsible speculation, greed for quick profits which are completely unrelated to the real economy in the Anglo-Saxon countries and a financial system that is coming apart at the seams have brought the world to the brink of a financial abyss. Another cause of the crisis is a globalisation concept that has made complete deregulation its highest priority. The countries of Europe are getting themselves ever deeper into debt in order to restart their economies. However, in many cases, it is not possible for developing countries to do this because of their poor financial situation. Therefore, they must be given the opportunity to protect their own national economies more effectively against imported goods which are sold at dumping prices and which destroy local markets and local people's livelihoods. We must give the developing countries the chance to emerge from the crisis under their own steam. Traditional development aid has largely failed in its purpose. Ultimately, we have to tackle the root of the problem and impose strict regulations on the financial markets, prevent speculative practices and quickly introduce a tax on financial transactions. The problem will certainly never be solved by the type of 'world government' proposed in the report, which will further disempower both people and states.

Wojciech Michał Olejniczak (S&D), in writing. – (PL) The report of the Committee on Development on the effects of the global financial and economic crisis on developing countries and on development cooperation rightly notes that in the last two years, there has not been just one crisis, but a whole series of related crises. Instead of resulting in a reduction in development aid for developing countries, this situation should cause an increase.

The common objective should be to allocate 0.56% of gross national income to development aid by 2010, and 0.7% by 2015. Apart from temporary aid, other measures are also needed which will change the architecture of world economic governance. This explains my support for the immediate fulfilment of obligations undertaken at the G20 summit in Pittsburgh on the matter of a shift in the IMF quota share to emerging and developing countries of at least 5%, and an increase of at least 3% in voting power in the World Bank for developing and transition countries.

These measures should be correlated with action to end tax havens. An important solution for the financial system, the introduction of which is worth considering, too, is what is known as the Tobin tax. Taking into account the fact that the Committee's report contains all the above-mentioned proposals, I decided to vote in favour of its adoption.

Raül Romeva i Rueda (Verts/ALE), in writing. – I am glad the report was adopted, although with a tight majority (283 votes in favour, 278 against and 15 abstentions), especially because some split votes requested by the EPP to weaken the report in certain paragraphs – taxing the banking system for global social justice, international levy on financial transaction, debt moratorium and debt cancellation – did not succeed. All these paragraphs were adopted by comfortable majority.

Alf Svensson (PPE), in writing. – (SV) On 25 March, I voted against the report on the effects of the global financial and economic crisis on developing countries and on development cooperation (2009/2150(INI)), primarily because of the wording in paragraph 31 concerning taxing the banking system and imposing a levy on international transactions. Introducing a 'Tobin tax' would run the risk of undesirable side-effects which would harm the international market, which is, of course, the market in which poor countries need to be involved in order to enable their economic development on fair terms. In my view, it is not clear how the Tobin tax could help to prevent future financial crises without global consensus and support.

Silvia-Adriana Țicău (S&D), in writing. – (RO) I voted for the European Parliament Resolution on the effects of the global financial and economic crisis on developing countries and on development cooperation because these countries are the most affected by the economic and financial crisis. We note with great concern that, according to estimates, developing countries are expected to face a financial shortfall in 2010 of more than USD 300 billion and that mounting budgetary problems in the most vulnerable countries are jeopardising the operation and development of core areas such as education, health, infrastructure and social protection, with a value in excess of USD 11.5 billion. In addition, developing countries are also the hardest hit by the effects of climate change. Consequently, we are urging the Commission and Member States to support all actions aimed at combating climate change and to speed up, in this context, the transfer of suitable technologies to developing countries. In addition, I voted for the Member States and the Commission to devote particular attention to the promotion and protection of decent work and measures for combating gender discrimination and child labour, adhering to the recommendations made on this subject by the International Labour Organisation, whose role should be consolidated.

Report: Edward Scicluna (A7-0010/2010)

Sebastian Valentin Bodu (PPE), *in writing*. – (RO) The euro area has faced an economic crisis of great magnitude during the last two years. The cohesion of the policies applied by the ECB and consistent, yet relevant measures have ensured that the impact of the crisis has been kept to a minimum in the euro area. The exception to this, Greece, came about due to systemic errors compounded over time and kept hidden. The impact of the economic crisis has been felt significantly harder outside the EU's euro area. Romania is an example of this where, in spite of current appropriate economic measures, the impact of the crisis is considerable. The effects would have been much smaller if there was fiscal responsibility, and Romania would not have entered the first year of the crisis, 2009, with a 5.4% budget deficit at a time when, just one year before, it reported record economic growth. While states in the euro area have already been reporting a shift into the black for their own economies during the last six months, the first shoots of economic recovery, albeit fairly modest, are evident in Romania only now. However, this cannot be sustained without a drastic reduction in the budget deficit, which is required to prevent us from ending up in the same situation as Greece. The mechanisms for imposing penalties on Member States in the case of failure to meet the vital macro-economic indicators must be deployed without delay.

Nikolaos Chountis (GUE/NGL), *in writing*. – (EL) I voted against the ECB report for 2008. Since 2008, the ECB has provided liquidity to merchant banks, but without setting specific and strict rules and criteria as to where this additional liquidity is to be used. As a result, there has been a decrease in loans granted to small and medium-sized enterprises and consumers and the anticipated reduction in consumer borrowing rates has not come about. At the same time, the ECB has demonstrated once again that it is unable to put an end to the mockery being perpetrated by the merchant banks, which borrow from the ECB at a rate of 1% and lend to the states at much higher interest rates. It must be acknowledged that the independence of the central banks was not the right choice, both from the point of view of democratic and political control and from the point of view of economic efficacy. What we need now is not only strict regulation of the financial sector, but also a restriction on its size and importance in relation to the real economy.

Diogo Feio (PPE), *in writing*. – (PT) The way that the European Central Bank has introduced measures in response to the current economic, financial and social crisis has played a vital role, particularly through the measures that have allowed the Member States to maintain their liquidity, issue credit to companies and reduce interest rates, amongst other things.

I therefore believe that exit strategies must make allowances for the genuine stability of the financial markets or suffer the return of a strengthened version of the effects that we have already experienced but whose impact has been softened by these measures. Furthermore, I believe that we should give some thought to adapting the Stability and Growth Pact. The purpose of this would be to make it more flexible and adapt it to exceptional situations such as the one we are currently experiencing.

Ilda Figueiredo (GUE/NGL), *in writing*. – (PT) As we know, the decisions of the European Central Bank (ECB) are partly to blame for the crisis that we are experiencing. It is interesting to note that the report itself does not hold back from making some criticisms of the ECB's actions. This is, of course, the case when it notes that the ECB's economic projections, like those of the International Monetary Fund and other international institutions, failed to predict the severity of the downturn in 2008. It also does so when it 'notes that the ECB's interest rate cuts were less radical than those made by other central banks, including the US Federal Reserve and the Bank of England in the UK, and compared with what many economic observers expected at the time'.

However, the report continues to defend the ECB and its guidelines, even making major contradictions. That is why we voted against it. Nonetheless, there are other aspects that merit reflection, specifically when it expresses its 'disappointment that the extra liquidity injected by the ECB did not sufficiently ease the credit crunch faced by industry, particularly small and medium-sized businesses, and was instead used by some banks to improve their margins and cover losses'.

Bruno Gollnisch (NI), *in writing*. – (FR) Congratulating the European Central Bank for its actions in 2008 is a forced exercise with which I refuse to be associated. The Bank did not see a major crisis coming, and it did not exactly shine in terms of its regulation either, which is far from being perfect. I do not think that any lessons have been learned from this crisis: we still trust the handful of Anglo-Saxon rating agencies that are no more capable of rating the States today than they were of rating the banks and toxic financial products yesterday. We continue to want to 'reassure' completely irrational markets that increase hostile speculation against a State, when we should be eliminating speculation by renouncing monetary orthodoxy. We are

preparing for a swift return to the same policies that contributed to the crisis, in the name of the 'viability of public finances', but to the detriment of a potential recovery and of the purchasing power of households. Above all, we are not doing anything concrete to change the system. Legislation that you pretend to judge as urgent in order to fool opinion has been postponed until after the delicate election days for Mr Brown and Mrs Merkel. This is a mistake: their prospective replacements would be just as 'world compatible' as they are.

Alan Kelly (S&D), in writing. – There is not much to say on this report that is not self explanatory. Clearly, more than any other time, there is a need for financial institutions to pause and reassess their approach. In the last two weeks, two former high ranking officials in Ireland's biggest bank have been arrested in dawn raids. This is a dramatic statement of the need for responsible and moral financial management. There is just one point I would like to make, and that is the greater need for transparency in our financial institutions, be it at regional, national or EU level. This report calls for greater transparency which I am sure the majority of MEPs will support

Arlene McCarthy (S&D), in writing. – I and my Labour colleagues strongly support the work of the rapporteur Edward Scicluna. I particularly draw attention to the emphasis his report places on the importance of economic growth as the best means to tackle excessive deficits. This is a clear response to those who argue for an undue focus on short-term cuts to expenditure, which could in fact jeopardise longer-term growth. Deficits must be steadily reduced over the coming years, as the economy recovers from the effects of the financial crisis, but growing our way out of the crisis is the only effective option to secure long-term fiscal sustainability and protect citizens.

Jean-Luc Mélenchon (GUE/NGL), in writing. – (FR) I shall vote against this report, which blindly promotes the neoliberal logic that is responsible for the economic, social and environmental crisis, the consequences of which we are all suffering. The text proposed to us is not only extremely dogmatic, it also shows contempt for the peoples, in particular, for the Greek people. How can Parliament vote for a text that is so shameful that it calls into question Greece's entry into the euro area in the light of the budget deficit created by the policies that it supports? Clearly, this Europe is yet another enemy of the people.

Nuno Melo (PPE), in writing. – (PT) The serious economic crisis that the entire world is suffering simultaneously is making itself felt extremely sharply in the EU. The response of the European Central Bank to the crisis was effective, although it was guilty at times of acting late or with a lack of assertiveness, in particular, the policy of reducing interest rates, which was more radical and effective in the United Kingdom and the US Federal Reserve.

We must learn lessons from the mistakes made so that they can be avoided in the future. It should be pointed out that the Treaty of Lisbon has made the ECB an EU institution. This has meant an increase in Parliament's responsibility, since this House has become the institution through which the ECB is now held to account before the European public

Raül Romeva i Rueda (Verts/ALE), in writing. – (ES) Like the vast majority of this House, I voted in favour of this report. The subject matter was not controversial and there were no amendments during the plenary session that could subvert the report's basic content.

Czesław Adam Siekierski (PPE), in writing. – (PL) The ECB Annual Report 2008 reflects the causes and circumstances of the crisis well. The year 2008, which saw the beginning of the acute phase of the biggest economic crisis for several decades, determined the ways in which the world economy and the European economy would develop for a long time to come.

For the European Central Bank, the last two years were, without doubt, the most difficult period in its history. The ECB had to tackle a crisis which had hit the European economy severely. Rising budget deficits in Member States combined with growing debt are the primary macro-economic consequences of the crisis. In accordance with the treaty, the ECB is primarily responsible for 'price stability', which means low inflation. Has the ECB fulfilled its role? It is hard to be sure. It is true that the current level of inflation is below the ceiling fixed by the ECB, but it should be pointed out that in the first months of the crisis it jumped to its highest ever level in the euro area, only to fall, suddenly, later.

I think, however, that this instability can be explained by the surprise which the crisis caused. From October 2008 onwards, the ECB's monetary policy can be described as active and flexible. The ECB adopted a different strategy for the crisis than other leading central banks around the world. We are still waiting for

the results of these actions. Europe is coming out of the crisis, but the situation is still uncertain. Is the ECB ready for the possibility of another crisis, a possibility which is seen by some economists?

Peter Skinner (S&D), in writing. – I welcome this report by my colleague, Edward Scicluna, who has presented a well-considered view and indeed worked hard to get the resolution down to just one vote. In this respect, there has to be much in the way of compromise and this tends to disguise the differences which also exist. I am particularly concerned that, at a time when questions are being asked about the role of the Federal Reserve Bank of the USA, similar searching questions are missing from our debate concerning the ECB. Of particular concern is the relevance of micro-supervisory oversight and whether the ECB, by dint of its role in the recent crisis, is automatically qualified to be involved so directly in this endeavour or whether it will carry with it significant reputational risk.

12. Corrections to votes and voting intentions: see Minutes

13. Implementing measures (Rule 88): see Minutes

14. Decisions concerning certain documents: see Minutes

15. Written declarations included in the register (Rule 123): see Minutes

16. Action taken on Parliament's positions and resolutions: see Minutes

17. Dates of forthcoming sittings: see Minutes

18. Adjournment of the session

(The sitting was closed at 12.55)