

# MONDAY, 14 DECEMBER 2009

## IN THE CHAIR: MR BUZEK

*President*

*(The sitting was opened at 17.00)*

### 1. Resumption of the session

**President.** – I declare resumed the session of the European Parliament adjourned on Thursday, 26 November 2009.

### 2. Announcements by the President

**President.** – In opening the last session of the European Parliament in 2009, I would firstly like to offer you all – all fellow Members – my sincere wishes for the approaching Christmas season, for the Chanukah festival, which has already begun, and for the coming new year. On behalf of all Members of the European Parliament, I would like to express similar sincere wishes to the administration, to all those who work directly with Parliament and assist us in our work.

I would also like to mention the attack on the Prime Minister of Italy, Silvio Berlusconi. The attack deserves our unequivocal condemnation. Political discussion must not be conducted in such a fashion. Yesterday's incident should never have taken place. We hope Mr Berlusconi will be able to leave hospital soon and we wish him a quick return to health.

With your permission, I would also like to mention an anniversary which is important to me personally. Yesterday, it was 28 years since the imposition of martial law in Poland by the then Communist authorities. As a result, almost 100 people lost their lives, including the nine miners who were shot during the strike at the Wujek Mine. Many thousands of democratic opposition activists were interned, and others were even imprisoned. This was intended to break up and destroy the Solidarity trade union. I refer to these events because I would like to draw attention to how greatly Europe has changed in the past two or three decades, but also to how we ought to strive for peace and human rights in our continent and throughout the world.

I would also like to take the opportunity to remind you that on Wednesday at 12.00, a ceremony will be held to present the Sakharov Prize for Freedom of Thought. This year, the prize has been awarded to Lyudmila Alexeyeva, Sergei Kovalev and Oleg Orlov, who represent the Russian human rights defence organisation Memorial. Our continent experienced very great suffering during the 20th century, so we understand very well the importance of striving for human rights around the world, and especially in the continent of Europe. This event, therefore, holds particular value for us.

**Francesco Enrico Speroni, on behalf of the EFD Group.** – (IT) Mr President, ladies and gentlemen, apologies if I am not speaking in accordance with proper procedure, but I wanted to express my solidarity and that of my group with Prime Minister Berlusconi.

**President.** – I was speaking on behalf of the entire European Parliament.

**Gianni Pittella, on behalf of the S&D Group.** – (IT) Mr President, ladies and gentlemen, I, together with Mr Sassoli and all the members of the Democratic Party within the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament, would like to echo your words of solidarity towards the Italian Prime Minister, Silvio Berlusconi, and stress that this was an abominable, unacceptable and unjustifiable act.

We are ardent opponents of Mr Berlusconi, but we are political adversaries. We do not view Mr Berlusconi, or any other opponent, as our enemy. There is no other way to fight and win except through political and civil battle. We will not allow anyone to force the liveliness of political debate down a dangerous road of hate and violence, which is the first step towards authoritarian and antidemocratic practices. It is right that, once again, this Parliament shows its superior equanimity, respect and democratic maturity.

**Mario Mauro, on behalf of the PPE Group.** – (IT) Mr President, ladies and gentlemen, I would like, also on behalf of my group, to informally offer my truly heartfelt thanks, first of all to you, who labelled what

happened in the most appropriate terms, which is to say 'undignified', but even more so, if possible, to my Italian fellow Members, and in particular, Mr Pittella, for their words.

I do not intend to engage in political speculation of any kind. What happened really could take us almost to the edge of the abyss, the precipice, and so the unanimous call that came from Parliament is the only one that can guide us at this difficult time. I therefore thank Parliament and thank Europe for their contribution to life and to democratic development in Italy.

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

**4. Request for the waiver of parliamentary immunity: see Minutes**

**5. Composition of committees and delegations: see Minutes**

**6. Interpretation of the Rules of Procedure: see Minutes**

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

**8. Documents received: see Minutes**

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

**10. Transfers of appropriations: see Minutes**

**11. Petitions: see Minutes**

**12. Order of business**

**President.** – The final version of the draft agenda as drawn up by the Conference of Presidents at its meeting on 10 December pursuant to Rule 137 of the Rules of Procedure has been distributed. The following amendments have been proposed:

*Monday – no changes*

*Tuesday*

I have received a request from the Europe of Freedom and Democracy Group for the inclusion of an oral question to the Commission on the subsidiarity principle. It was a written request submitted to the Bureau of the European Parliament. I would like to ask a representative of the EFD Group to say something about this.

**Francesco Enrico Speroni, on behalf of the EFD Group.** – (IT) Mr President, ladies and gentlemen, we have asked that this oral question be added to the agenda since we believe that Parliament should receive an appropriate answer on such an important point, and that is why we are asking for this amendment to the agenda.

*(Parliament agreed to the request)*

**President.** – Ladies and gentlemen, please note that this item will be included as the last item on the agenda for Tuesday evening. The tabling deadline for motions for resolutions is Tuesday, 15 December at 10.00, and the tabling deadline for joint motions for resolutions and amendments is Wednesday, 16 December at 10.00. The vote will take place on Thursday. So it is the last item tomorrow, motions for resolutions on Wednesday and the vote on Thursday.

**Hannes Swoboda, on behalf of the S&D Group.** – (DE) Mr President, if we understood correctly, you referred to a resolution in connection with the motion that has initially been tabled. However, we have not expressly agreed whether there is to be a resolution or not.

**President.** – That is, in fact, quite right. The request was submitted with the resolution.

*Wednesday – no changes*

*Thursday*

Are there any comments about Thursday?

**Fiorello Provera, on behalf of the EFD Group.** – (IT) Mr President, ladies and gentlemen, several urgent matters are scheduled for next Thursday. As the third of these urgent matters, we are due to discuss the situation in Azerbaijan. The media, including the Western media, have reported on a scuffle that involved two young bloggers and another two people in a public place. An arrest was made and a sentence handed down and I believe it is only right to get to the bottom of the matter and ascertain whether everything has been done in accordance with the law.

At the same time, however, extremely serious events have taken place in the Philippines in recent days: 57 people in a convoy in support of a presidential candidate were massacred by an armed group, which exploited the revolutionary situation to take up arms against the government, to the point that martial law has been declared in the Philippines.

I therefore ask you, ladies and gentlemen, that the situation in the Philippines replace the ‘Azerbaijan’ issue as the third item on Thursday. There is a clear disparity between the seriousness of what happened in Azerbaijan compared ...

*(The President cut off the speaker)*

*(Parliament rejected the request)*

The debate on Azerbaijan remains on the agenda, and so the agenda for Thursday is unchanged.

*(The order of business was thus established)*

### **13. Corrections to votes and voting intentions: see Minutes**

### **14. One-minute speeches on matters of political importance**

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

**Jörg Leichtfried (S&D).** – (DE) Mr President, I do not know whether what I am going to say still relates to the agenda, but I think that this is the most appropriate time to mention it. One of the consequences of the Treaty of Lisbon is, of course, that the number of MEPs will change, and for Austria this means that two new Members will be joining this House. These Members are ready, they have been elected and it is important that they come here soon.

I would like to ask you what steps have already been taken to enable these Members to take their places here quickly, either as observers or as full Members, or what you intend to do to make this happen quickly.

**President.** – The first step in this matter should be taken by the European Council. I spoke in the European Council last Thursday and said clearly that it is extremely important for Parliament that the Council take the initial legal steps to enable us to accept the additional Members and to know from which countries they will come. This must be done in accordance with the principles of law, and that step should now be taken by the Council. I am continually appealing for the Council to take the appropriate steps. The next steps, after an initial decision from the Council, should then be taken by Parliament.

**Carlos José Iturgaiz Angulo (PPE).** – (ES) Mr President, I would like to condemn in this House the continual provocations, abuses of power and threats by the President of Venezuela, Hugo Chávez. With his dictatorial method of government he is threatening, among other things, freedom of expression in Venezuela and democratic order in Latin America.

President Chávez has closed down thirty radio stations and some television channels. He is threatening and punishing journalists in Venezuela because they do not support his autocratic regime.

Because of all this, Mr President, it should also be pointed out that while there are power cuts, water shortages and food shortages in Venezuela, and poverty is continuing to grow due to poor management by the Chávez Government, the Venezuelan tyrant is trying to cover it all up by blowing up border bridges and threatening Colombia. He is praising international terrorists and aligning himself with the despotic dictators of the world, and his words and speeches are continual provocations and war cries aimed at destabilising the American continent.

This is why Parliament, which is always committed to freedom and democracy in any part of the world, must strongly condemn the autocratic and dictatorial policies of Hugo Chávez in Venezuela.

**Alain Cadec (PPE).** – (FR) Mr President, I would like further details on the consequences of the 40% reduction in world fishing quotas of tuna.

On 15 November in Recife, the International Commission for the Conservation of Atlantic Tunas (ICCAT) decided that all contracting parties must reduce their fishing capacity by at least 40%. This measure means that the world fishing quota of blue fin tuna will reduce from 22 000 tonnes currently to 13 500 tonnes in 2010.

Indeed, the ICCAT Member States decided to target overcapacity of their fishing fleet in order to halve it by 2011. The fishing season for tuna seiners will also be reduced to one month, with no possibility of extension. These measures, which are necessary for preserving the species and which will be transposed into European Union legislation, will endanger the activity of European fishermen.

I would like to know what action is envisaged to support the fishermen's livelihood and to halt plans to reduce the fleet. What measures have been taken to reduce the very significant socio-economic consequences of transposing these ICCAT decisions into EU legislation?

**Vasilica Viorica Dăncilă (S&D).** – (RO) As is well known, the implementation of the strategies and operational programmes for the 2007-2013 period is still in its initial stages, and Romania has the opportunity for the first time to benefit from EU funds as part of the cohesion policy. The regional development policy is one of the European Union's most important and complex policies. Its objective must be to reduce the existing economic and social disparities, but in different regions of Europe.

I would like to mention the efforts made by all Member States to integrate the general priorities of the cohesion policy as part of the operational programmes. However, I believe that the European Union must adopt a strategic role so that the operational programmes can be implemented as quickly as possible in all Member States, thereby promoting the measures intended to consolidate its institutional capacity according to the specific needs of each Member State.

**Ramon Tremosa i Balcells (ALDE).** – Mr President, I would like to denounce the deep economic crisis that the Catalan and the European nut sector have been suffering for several years. The continuous fall of nut prices threatens the future of our European producers.

I would like to warn you about the non-interventionist policy of the Turkish Government. There are 500 000 tonnes of nuts stored by the Turkish public body for nut purchasing. This body wants to sell off these 500 000 tonnes of nuts in January 2010. In the light of what the Turkish authorities said at a bilateral meeting with the European Union on 2 October 2009, such a situation would seriously damage European producers, with a new dramatic drop in nut prices.

I asked the European Commission about this question two months ago, but none of the existing special safeguard provisions will be applied to protect our producers. These are the worries I wanted to share with you.

**Petru Constantin Luhan (PPE).** – (RO) Mr President, ladies and gentlemen, as you are aware, Romania would like to become part of the Schengen area from 2011. With this in mind, it has submitted to a number of assessments, five to be exact, four of which have already been completed.

I would like to remind you in particular of the evaluation of the maritime border, which was rated so highly by the Schengen experts that Romania has even been presented as a model of good practice. However, we have one more test to undergo, and I am sure that we will come through it successfully.

Taking the example provided by Romania, I am proposing to you that we look at the expansion of the Schengen area in a more optimistic light. In other words, we should no longer regard this process as a threat

to the security of our borders, but rather as an opportunity for strengthening cooperation between Member States in the area of justice, freedom and security.

I am pleased to note that these ideas also feature in the Stockholm Programme adopted last week by the European Council. This programme regards the extension of the Schengen area as a priority for the European Union's internal policy.

**Luis Yáñez-Barnuevo García (S&D).** – (ES) Mr President, in Honduras, as everyone knows, there was a *coup d'état* on 28 June. Almost six months have passed, and Parliament has still not found time to condemn this coup. What is more, MEPs from the Group of the European People's Party (Christian Democrats) and the European Conservatives and Reformists have visited the country to endorse the consequences of this *coup d'état* by their presence. Through their support, they were confusing the European Parliament with the political groups and endorsing elections run by a *de facto* Government that were held under conditions that did not guarantee their legitimacy.

A perverse precedent is being created through the coup in Honduras, as from now on, moderate, temporary, relatively bloodless coups are going to be not only accepted by the continental right, but actually applauded and encouraged by the European and North American right. What has happened in Honduras is extremely regrettable!

**Sarah Ludford (ALDE).** – Mr President, I want to deplore the deeply worrying decision of the Turkish Constitutional Court on Friday to close the Democracy Society Party, which represents largely Kurdish interests, and to ban from politics its leading MPs. This is a very retrograde step and will be used as a pretext to return to violence by extremists. It closes off the democratic political option which the Prime Minister, Mr Erdoğan, has said he wants to pursue.

One of the problems is that the AK Party Government has failed to reform the very law which was used to close the Democracy Society Party – in fact, the law under which the AK Party itself almost got closed. So this is not in the interests of the Government of Turkey or its people.

The ALDE Group will be calling for a plenary debate on this subject as early as possible in the new year because it is a really bad step backwards for Turkey.

**Marina Yannakoudakis (ECR).** – Mr President, we all know the importance of recycling, and it is a given fact we would expect our paper to be recycled, once used.

I recently visited a printing company in my constituency of London, where I found out more about ink-jet printing. The complicated process used to recycle ink-jet paper makes it an expensive operation, and the use of additional bleach means it is not environmentally friendly. The ink cannot be separated easily from the paper, which means that much of today's printed matter cannot be recycled.

Companies such as the one I visited in London that use other forms of printing which are environmentally friendly need to be encouraged and incentives offered to make the process economically more even-handed. I would like to see a market-driven solution supported by Member States, a solution where the industry self-regulates with a code of practice, taking the lead in environmental agendas.

Nevertheless, the EU has an important role to play in promoting awareness of these issues and supporting alternatives to ink-jet printing when and where appropriate.

**Nikolaos Chountis (GUE/NGL).** – (EL) Mr President, I asked for the floor in order to draw the attention and awareness of the European Parliament to an aspect of immigration policy which relates to unaccompanied minors and child rights, an issue which needs to be addressed by the Union as a whole and not only by the countries of entry, such as Greece.

As you well know, under Community legislation, every request for asylum or residence must be examined in the Member State first entered by the applicant, regardless of his or her actual destination.

This places a burden on the structures in the entry country and works against the rights of applicants being dealt with *en masse* under the briefest of procedures. They are often sent on with no guarantee that their rights and life will be respected or remain in the country with no protection or social care and, as a result, in the case of children, they fall victim to abuse and exploitation by various gangs.

I believe that, as the European Parliament, we should work to change and adapt Community and national legislation, so that unaccompanied minors reach the country which is their final destination, are not deported, and are ensured a dignified and safe stay in the European Union.

**Niki Tzavela (EFD).** – (EL) Mr President, last week, I had meetings with various politicians from Arab states, namely the Emirates, Egypt and Jordan. I should like to convey their concern about Iran's nuclear programme.

I met Israelis who are extremely concerned and their main concern is the support which Turkey is currently giving Iran. They asked what the European Union's official position was on support by Prime Minister Erdoğan to the Tehran administration and about the statements by Mr Erdoğan that Iran's nuclear programme is for peaceful purposes.

I have to admit that I did not know what our official position is on Turkey's statements and behaviour in terms of Iran's nuclear programme. The progress report says one thing and Mr Erdoğan says another.

**Georgios Papastamkos (PPE).** – (EL) Mr President, the fact that the Commissioner present, Mrs Boel, called a text on the review of the Community budget in connection with the common agricultural policy inadequate at a public meeting of the European Parliament's Committee on Agriculture and Rural Development is a good sign.

In my opinion, under no circumstances should the debate on the financial review anticipate the review of the common agricultural policy for the post-2013 period. We are not simply calling for the ratio of agricultural spending to the overall Community budget to be defined. We are calling, first and foremost, for the agricultural policy that we want to be defined, to finalise the contribution of the agricultural sector to the production of public goods, and then to decide on the resources to be made available for the targets set.

This is the message which I wish to convey and which I wish to impart to Commissioner Boel.

**Iliana Ivanova (PPE).** – (BG) Mr President, ladies and gentlemen, the free movement of persons is one of the fundamental freedoms of the European Union, and one of the pillars of the Single Market. However, a number of Member States are still continuing to impose restrictions on Bulgarians and Romanians with regard to access to their labour market.

The arguments for maintaining the restrictions are contrary to market logic, especially during a crisis. Even the Commissioner for Employment declared some time ago: 'The right to work in another country is a fundamental freedom for people in the EU'. He is absolutely right too. Maintaining these restrictions against workers from the new Member States creates anomalies in the market and contradicts the principle of non-discrimination which is enshrined in the treaties on which the European Union is founded, thereby tarnishing the European Union's image.

I urge the European Commission to coordinate with Member States the lifting, as soon as possible, of labour market restrictions for Member States which have recently joined. Fellow Members, I am also asking for your support so that we can achieve a truly free market and equal rights for all European citizens.

**Françoise Castex (S&D).** – (FR) Mr President, I would like to come back to a recent event, namely the Swiss vote on minarets. Admittedly, the vote was held in a country outside the European Union, but it clearly concerns an issue that is not unfamiliar to us.

I would like to come back to this event because it also provides an excuse to talk about secularism, and we can never talk enough about secularism in this House. There is an urgent need for the principle of secularism to dominate the organisation of our society. I would like to talk in simple terms here.

Firstly, the opposite principle to secularism is not religiousness and still less spirituality. The opposite principle to secularism is religious communitarianism which lays down regulations and laws that are above civil law and encloses individuals into infra-societal groups.

Our European Union, as a result of its history, is multicultural and multiethnic. It is and will increasingly be so, and only secularism can enable emancipated individuals and their communities to live and thrive.

**Teresa Riera Madurell (S&D).** – (ES) Mr President, clinical trials are a benchmark method of clinical research and are considered to be the most reliable source of information on which to base treatment decisions.

I would, however, like to alert the House to the fact that a recent study by the European Society of Cardiology has once again demonstrated that there are serious limitations to this methodology as a result of low levels of participation by women in such trials.

The differences between men and women, in terms of risk factors, disease presentation and response to treatment have been scientifically proven.

The result is that the spectacular achievements in recent years in terms of prevention and treatment of cardiovascular diseases have not been reflected in a significant decline in women's mortality rates.

It is therefore essential that as European institutions, we promote research that is specifically aimed at women, either through their more extensive inclusion in clinical studies, or through designing studies that are conducted exclusively on women.

**Frieda Brepoels (Verts/ALE).** – (NL) Mr President, I, too, wish to talk about last Friday's decision of the Turkish Constitutional Court to ban the Democratic Society Party (DTP), which has resulted in no less than 22 members of the Turkish Parliament being either expelled from the parliament or deprived of their political rights for five years. Unfortunately, these parliamentarians include Leyla Zana, to whom we awarded the Sakharov Prize in 1995. It is already the fourth time that a Kurdish party has been banned; time and again, Kurds endeavour to stand up for the rights of their people under a different name and time and again they are suppressed for allegedly propounding ideas counter to the unity of the Turkish State. Yet the essence of democracy includes freedom of association and freedom of opinion, and so this divests of all credibility the so-called 'democratic opening' initiative launched by Prime Minister Erdoğan earlier this year with regard to the Kurdish question. I should very much like to support Mrs Ludford's call for a debate on this in January.

**Hélène Flautre (Verts/ALE).** – (FR) Mr President, the following is an extract from a letter written by William Bourdon, Taoufik Ben Brik's lawyer, to Mr Sarkozy, President of the French Republic: 'I have had the opportunity to denounce, as all his Tunisian lawyers have done, the legal farce which has resulted in Taoufik Ben Brik being sentenced, without in-depth examination, to a staggering six months in prison. I can unequivocally and formally attest to the fact that the dossier of the proceedings which led to this conviction was totally fabricated and was based on the personal vendetta of President Ben Ali.

Throughout this year, 2009, he has been unable to travel since the fragility of his immune system is such that he is always at risk of being exposed to serious diseases. I believe that his family have succeeded in bringing him essential medicine, but I am not certain of this. His Tunisian lawyers have only intermittent access to their client, and some are systematically denied any possibility of visiting him. The only time that his wife has been able to see him was for a few minutes a few days ago, and she has been unable to see him again since.'

Mr President, please write to the Tunisian authorities to request the release of Taoufik Ben Brik.

**Marie-Christine Vergiat (GUE/NGL).** – (FR) Mr President, I am going to follow on from Mrs Flautre's speech and invite you to write to the Tunisian authorities.

This year, we are going to award the Sakharov Prize, the symbol of the European Parliament's commitment to human rights. We have a partnership agreement with Tunisia which contains many provisions relating to democracy and human rights.

Nevertheless, the presidential elections in Tunisia have just been held in lamentable conditions that are unworthy of the provisions contained in the agreement with the European Union. We cannot remain silent. Human rights defenders in Tunisia are being scorned, arrested and humiliated. This can go on no longer.

That is why, Mr President, I urge you to write to President Ben Ali and to call, in particular, for the release of Taoufik Ben Brik, a committed journalist whose only crime has been to criticise the so-called democracy in Tunisia.

**Fiorello Provera (EFD).** – (IT) Mr President, ladies and gentlemen, I had requested that the picture of a young Iranian woman, Neda Agha-Soltan, be displayed in Brussels alongside that of Aung San Suu Kyi.

Mrs Soltan was killed as she was seeking freedom and transparency in Iran and has become a symbol for freedom and, above all, for women fighting for freedom. My request has been signed by 75 Members and five political groups. I believe that it is particularly important that it is granted, especially at the current time,

as Ayatollah Khamenei in Iran says that he intends to repress any kind of protest and any kind of opposition. I hope that my request is granted.

**Alajos Mészáros (PPE).** – Mr President, along with the approaching winter season, the threat of a new gas crisis is emerging from the east. A few weeks ago, Prime Minister Putin made it clear to us that Russia may again violate its gas-supply contracts with EU Member States. To avoid this, he called on the EU to lend as much as EUR 1 billion to Ukraine in order for it to be able to fulfil its gas-transit commitments. So we may expect another round of strange political play directed by our Russian partner. This is unacceptable.

Although particular Member States are concerned by this on different levels, the EU will have to take unified measures and adopt an assertive standpoint on this crucial issue on principle, out of solidarity. Moreover, this is a signal to speed up our new projects for the diversification of long-term energy supply so that Russian influence can be minimised.

**Eduard Kukan (PPE).** – (SK) Mr President, ladies and gentlemen, the entry into force of the Lisbon Treaty has also had a favourable effect on the conditions for further expansion of the EU. Nobody can now argue any longer that the Union lacks the institutional capacity for expansion and decision making, as this is now in place.

There are no reasons, therefore, for delaying or hindering the process of further expansion. This applies particularly to the Western Balkans region. There have recently been intensive and generally positive developments in the region. The reports published recently on progress in the individual countries confirm this, as does the EU expansion strategy for 2010 published by the Commission.

Together with the introduction of a visa-free regime for entry into the Schengen area, a real chance is arising for the countries of the region to make progress on their European path. It is up to them to make use of it. The EU too, however, must not dither but must proceed responsibly and rationally, fully respecting the circumstances and the European Parliament must play an active role.

**Tanja Fajon (S&D).** – (SL) This week, overnight from Friday to Saturday, after more than two decades, the citizens of the Former Yugoslav Republic of Macedonia, Serbia and Montenegro will finally again be able to enter the European Union without a visa. That will be a great day and an opportunity for celebration.

However, I would like to use this opportunity to call once again on the European Commission and the Council to do everything possible to lift the visa requirement for the citizens of Bosnia and Herzegovina and Albania as soon as possible. We must not allow any new divisions in the Western Balkans or lose any time, particularly to the detriment of the younger generation. It is hard to believe that the majority of young people in these countries still know nothing about the European Union.

Our responsibility is to tear down the new visa walls which came into existence in the Western Balkans after the fall of the Berlin Wall. This also goes for the population of Kosovo. The Western Balkans needs a clear European perspective. Let us not give in to unfounded fears.

**Cristian Silviu Buşoi (ALDE).** – (RO) Mr President, ladies and gentlemen, two really historic events have marked the end of 2009: the Treaty of Lisbon's entry into force and the Copenhagen Summit.

I would like to use my speech to express my satisfaction with regard to the way in which the European Union is proving, at the moment, to be the main actor when it comes to finding viable solutions in the combat against climate change. I am similarly pleased that Member States have managed to reach agreement at all and present a common position, even though reaching agreement among the 27 Member States is no easy task.

The outcome will perhaps not match up to our ambitions and expectations, but the decision made by the European Union Member States to offer EUR 7.2 billion to the developing countries is all the more important as these countries are in urgent need of financial support. It is also possible that this example could encourage the other UN countries to take the same action.

The fact should also be applauded that even the countries in the European Union which have been severely affected by the financial crisis to date have expressed their solidarity, made an effort and are going to make a contribution, even if it is only a token gesture by some of them, as an indication of their commitment to the battle against global warming.



**Charalampos Angourakis (GUE/NGL).** – (EL) Mr President, may I start by expressing my full solidarity with the fight by the trade unionists in the European Parliament and wishing them every success.

A massive wave of anti-labour measures is being unleashed by the Greek Government and flexible forms of work are being made the rule and imposed across the board. The social security system is also being decimated and wages and pensions are being frozen.

The Greek Government, the European Union and the representatives of capital are trying to terrorise workers by brandishing the bugbear of Greece's budget deficit and public debt. They are engaging the workers in social dialogue, which is a set-up, in order to force them into consent, limit their justified anger and divert grassroots reaction.

The first response to the anti-grassroots attack by the government and the European Union will be the national strike on 17 December announced and organised by the All Workers Militant Front (PAME). They are demanding measures to satisfy modern grassroots requirements which can only be met by a united front of the working classes, the poor and middle classes in the towns and countryside, to confront and overthrow the anti-grassroots policy of the European Union.

**Martin Ehrenhauser (NI).** – (DE) Mr President, on 8 December, the ESDP mission, Operation Atalanta, celebrated one year of existence. According to the Swedish Presidency, the operation has demonstrated its ability to counter piracy effectively and there has been a significant fall in attacks. That last statement, however, is highly questionable.

According to a report by the International Maritime Bureau, in the first nine months of 2009, there were more attacks in total than in the whole of 2008. The number of armed attacks also rose by 200% overall. The financial efficiency of this operation is also highly questionable. The cost of damage caused by piracy in this region is estimated to be USD 200 million in total, whereas the EU and its Member States are investing USD 408 million per year.

The new planned ESDP mission in Somalia, once again, will not get to the root of the problem, but merely deal with the symptoms. What would really be worthwhile would be for the EU to set up an effective coastal watch to prevent illegal fishing ...

*(The President cut off the speaker)*

**Dominique Baudis (PPE).** – (FR) Mr President, the SESAR programme, which aims to modernise air traffic management in Europe, is a major project.

How is the Commission going to prepare for the forthcoming SESAR deployment phase and, in particular, for the financing of this programme, which is essential both for the environment and for our scientific and technical standing? Will the Commission follow the recommendations of the 2007 report, according to which a highly qualified individual should ensure political monitoring of this programme? Indeed, a number of obstacles will have to be overcome – of a legal, psychological and technical nature – to unite national airspaces and to succeed in getting controllers from the various countries to work together.

If Europe is not able to create a single airspace, how will it be able to build a strong political union?

**Edit Bauer (PPE).** – (HU) Mr President, given that both you and the Commission expressed your intention to monitor the implementation of Slovakia's national language law, I would like to draw your attention to the following points. The government has published the implementing provision, which not only overrides laws, but also introduces further restrictions. The implementation proposal specifies that the law's legitimate purpose is solely to protect and support the national language in official dealings, as well as to protect the rights of users of the national language. It states that, in the case of natural persons and legal entities, the protection of these rights has as its legitimate aim interference with fundamental rights and freedoms. It is therefore glaringly obvious that this is a reference to the rights and freedoms of persons belonging to minorities. The implementing measure also points out that, regardless of whether the proportion is above or below 20%, the minority language can only be used anywhere if a third person who is present agrees to this. I think that this absurdity is unacceptable in Europe.

**Bogdan Kazimierz Marcinkiewicz (PPE).** – (PL) Mr President, at the last EU-Russia Summit, the parties signed a memorandum on the principles of an early warning mechanism on energy matters. The European Commission hopes that in future, this will allow us to avoid an energy crisis similar to the one we experienced at the beginning of the year, when the dispute between Russia and Ukraine over the supply and transit of

gas resulted in Moscow cutting off the supply of gas for nearly three weeks, effectively paralysing several European countries.

The approaching winter and the associated increase in gas consumption mean that we have to develop principles which should govern the European energy market. The European Union must understand that breaks in gas supply are not only a threat to the economy, but they also threaten the foundations of European integration, which, strengthened by European solidarity, support the free market. I also hope that this winter will not have to be a test of the truth of the declarations made, and of whether solidarity is an insignificant, empty word or a real guarantee of cooperation between Member States of the European Union.

**Ioan Mircea Paşcu (S&D).** – Mr President, as you probably know, Romania has recently concluded a two-year period in which different elections were held every six months. The last electoral consultation was presidential and was won by the current president with the very narrow margin of 70 000 votes, coming mainly from the diaspora.

What bothers me as a citizen is that, during the entire electoral campaign, I was not able to post anything critical of the current president on my blog, the Europolis, while public access to my blog was interrupted altogether. I consider this unacceptable, both because it represents censorship of the right to free speech and because it shows that the Internet, too, is controlled by those in power and/or their supporters.

All in all, it is regrettable that, 20 years after the revolution, in which many people died so that democracy would take firm root, such attitudes are tolerated – possibly even encouraged – by those who temporarily enjoy the fruits of democracy, being elected to power even with such narrow margins.

**Frédéric Daerden (S&D).** – (FR) Mr President, since 2007, rail transport of goods has undergone a wholesale liberalisation of supply. Operators that do not have a public-service mission will, from now on, face increased competition.

In many countries, this means an increase in supply in the most profitable segments of the market, namely combined transport and full-train transport. By contrast, transport by the single wagon load technique is of little interest for private companies given its very limited profitability.

If we really want to develop rail freight as the driving force behind sustainable mobility, it is essential to support single wagon load transport. Otherwise, transport will transfer entirely to the road, which would run counter to our aims in terms of reducing carbon dioxide emissions. Supporting single wagon load transport must therefore be considered a public-service mission since it is an integral part of a sustainable mobility strategy.

In the context of the European Commission guidelines describing the conditions for state intervention, we believe that it is entirely possible to include support for single wagon load transport, whether in the form of compensation for public-service obligations or in the form of aid for ...

*(The President cut off the speaker)*

**Vilja Savisaar (ALDE).** – (ET) Mr President, I would like to talk about a very practical but, for my home country of Estonia, an extremely important subject. A few years ago, the three Baltic countries – Estonia, Latvia and Lithuania – essentially lacked any railway link with Europe. The actual infrastructure was in a bad state and it was used very little. Since then, there have been positive developments, both in renovation of the present railway and in carrying out studies in order to construct railways conforming to European standards. In order to implement Rail Baltica – the name by which we know this project – it is extremely important that both the European Parliament and the European Commission show considerable support for the Rail Baltica project, despite the fact that the population of this region is not exactly the biggest, and the financial situation facing the Baltic States is dire.

This project is important not only to ensure a normal railway link, but it will also have a considerable effect on all three countries with regard to regional and social policy. Estonia, Latvia and Lithuania need a railway link with Europe, both for economic reasons and to keep environmental economy in focus, because rail transport allows for larger cargo loads to be transported with less pollution. At this moment, the main link is the Via Baltica...

*(The President cut off the speaker)*

**Angelika Werthmann (NI).** – (DE) Mr President, I would like to say a few brief words about two subjects. Firstly, the question of equal treatment is linked, with the same level of urgency, to the outstanding problem of the equality of men and women. It ought to be a given that men and women of equal calibre with the same qualifications and in the same position should receive the same pay. In Austria, everything is turned on its head, because the better qualified women are, the worse their advancement is compared to their male colleagues with the same qualifications. Very recent figures show that women's disadvantage increases with age, for example, women over 60 earn around 34% less than their male colleagues.

Secondly, I would like to make the comment that children require protection. I would have liked to have seen the UN Convention on the Rights of the Child enshrined in the Austrian constitution. I hope that this discussion will soon be taken up once again in Austria and that it will have a positive outcome.

**Iosif Matula (PPE).** – (RO) I am delighted to announce in this House that Mr Traian Băsescu has been reconfirmed as President of Romania. Our accession to the European Union in 2007 took place during President Traian Băsescu's first term of office and thanks to his direct contribution. A new mandate will allow the president to continue with the reforms and full implementation of European norms and values in Romania.

In the wake of these presidential elections, a single conclusion can be drawn: presidential elections, which complied with stringent international requirements, have passed off in Romania, as was also confirmed by the OSCE observers, as well as by the decision of the Romanian Constitutional Court and the recounting of void votes, after which the incumbent president increased his lead over his opponent.

We believe that President Băsescu's democratic victory, supported by the Liberal Democratic Party, also marks a victory for the Group of the European People's Party (Christian Democrats). Our colleagues in the PPE Group, headed by Wilfried Martens and Joseph Daul, expressed their support for President Băsescu, which we thank them for once again.

**Silvia-Adriana Țicău (S&D).** – (RO) During the second quarter of 2009, the revenues of the 27 Member States amounted to 43.9% of GDP, while their expenditure was 49.7%. During the same period, at EU27 level, taxes and social contributions amounted to approximately 90% of Member States' general revenues, whereas social welfare costs were only 42.2% of GDP. The 27 Member States' budget deficit grew from 0.8% in the second quarter of 2008 to 5.8% in the second quarter of 2009. During the same period, the employment rate dropped by 2% and industrial production by 10.2%. The sectors most affected were construction, agriculture, industrial production, trade, transport and communications. I believe that it is imperative for the future European Commission to present a programme of work focusing on economic development, reducing unemployment and guaranteeing decent living conditions.

**Alf Svensson (PPE).** – (SV) Mr President, anti-Semitism is spreading across the world, even here in Europe, within the EU. Surely it goes without saying that the European Parliament must get to grips with this hydra – which is becoming increasingly prevalent and widespread – and try to nip it in the bud.

It must also be made clear that, of course, the policy of the state of Israel can be criticised – just as any other state can be criticised, because no state functions perfectly. However, the state of Israel's policy is a separate matter to anti-Semitism.

I assume that the European Parliament will vigorously oppose any tendency towards anti-Semitism. At the moment, these tendencies are frequent and widespread.

**Diogo Feio (PPE).** – (PT) Mr President, the issue I am bringing to the House's attention today concerns VAT arrangements for Portuguese farmers. According to Community legislation, there are three possible schemes: the general scheme, with organised accounting; the option of the scheme for small and medium-sized enterprises; or the flat-rate scheme in which there is no repayment but there is a right to compensation. Unfortunately, ever since Portugal joined the EU, this right to compensation has been 0%.

Infringement proceedings are currently being brought against the Portuguese State. This form of taxation affects approximately 18 000 farmers in relation to 5.3% of their sales. I should like to make it quite clear that a way needs to be found to make Portuguese legislation conform to the Community *acquis*.

**President.** – Colleagues, we have come to the end of the one-minute speeches. I would like to explain that I have a lot of names on the list – at least twice as many as we have time for. Today we had more time than usual, but you must remember that if someone spoke in the one-minute speeches last time, one month ago or two months ago, then they will not have as much chance of speaking again today. We must pay attention

to those who have not spoken at all. I am sorry but those are just the rules. On the list I have the names of twice as many Members as it is possible to take. I am very sorry that not everybody could take the floor.

**James Nicholson (ECR).** – Mr President, I appreciate what you say, but the fact that you have got twice the number of names of Members who want to speak shows you how important this particular part of our job – representing our people – actually is.

Could I perhaps ask you to take this back and look at some other way whereby we would not sit here for one hour and then not be called because – and I am not complaining, I know it is a difficult task you have – at least then we could be told not to turn up this week, or whatever. You would decide beforehand how many you were going to take, and the rest of us could then come back the next time or raise our points in another way. I think, rather than waste the time of Members, it might be good.

**President.** – I think there is always a reason to sit with us and to listen to the discussions. I do not think we should speak in such a way. Today, almost everybody who did not speak during the last part-session was able to take the floor.

We have now finished the one-minute speeches.

## 15. Crisis in agricultural sectors other than the dairy sector (debate)

**President.** – The next item is the Commission statement on the crisis in agricultural sectors other than the dairy sector.

**Mariann Fischer Boel, Member of the Commission.** – Mr President, firstly I would like to thank you for giving me the opportunity to be here today to explain the current economic situation within the agricultural sector.

The financial and economic crisis has also had an impact on the agricultural sector. We have seen slowdown in demand, evolution of exchange rates, difficult access to credits – all of these have had an impact on the prices for agricultural products and also on farm income.

Official estimates of agricultural income will only be available at the end of this week, but we can already expect that the income will show a significant drop in 2009 compared to the previous year, given the relative development in the cost of production and the agricultural market prices.

After the initial fall that we saw in autumn 2008, this renewed drop in agricultural income can be expected to more than write off the exceptional income increases generated by the hikes that we saw in agricultural products starting in summer 2007 and then one year later.

Mr President, if you would allow me, I shall just go through some of the different sectors. First of all, cereals. We saw in 2008 a significant drop in prices, mainly because of a good harvest. However, we have seen that prices over recent months have increased specifically for wheat and corn or maize. In the light of these developments, it would not be appropriate at this moment to take exceptional measures, such as opening an intervention tender for maize, nor to intervene with export refunds.

The situation is slightly different for feed barley, with reduced exports and low domestic prices, but intervention – as you know – has just been opened, and this should help the feed-grain markets.

In the pigmeat sector, the situation is still fragile. The economic crisis hit it at a time when it had not fully recovered from the difficulties experienced back in 2007. Prices this year are lower than last year, but at the same time – and sometimes we have to look at it from the positive side – we can see that feed prices are much more stable than back in 2007 and 2008. Though exports are below the 2008 level, we expect them still to be much higher than in 2007.

All in all, I do not see sufficient justification for introducing an additional market instrument at the moment, but I can assure you that we are monitoring this situation very carefully.

As regards fruit and vegetables, the economic crisis has led to lower domestic consumption, and also we have seen a certain decrease in some export markets. This has affected the fruit and vegetable prices that producers obtained. However, given the characteristics of the sector, we decided in the last reform on fruit and vegetables that the way to tackle the challenges faced by the sector is to make producer organisations more attractive and also make them responsible for crisis management.

Producer organisations account today for 40% of the total output of fruit and vegetables. They can associate into economically stronger units also on a transitional basis, which is significant, as today's crises do not recognise national borders.

In the 2007 reform, we provided incentives for producer organisations to do this. We also equipped them with new crisis management tools, like green harvesting or non-harvesting, which complement the traditional withdrawals.

We have also created a legal framework enabling fruit and vegetable producers to influence and stabilise the market, but there is a need for more bottom-up action, for which the Commission cannot take the responsibility. I therefore encourage the creation of producer organisations, and I think that Member States and farmers should take a look at the number of producer organisations you have in different Member States. It is not very wise if you have producer organisations competing against each other instead of competing against the retail sector.

Olive oil prices reached a record level four years ago due to unfavourable climate conditions. Since then, three consecutive satisfactory harvests and the economic crisis have led gradually to very low prices. For this reason, the Commission reactivated private storage aid earlier this year. We saw that the market reacted immediately and prices recovered steadily.

Despite the good harvest forecasts – the fourth in a row now – stocks at the beginning of the harvest stood at a low level. As far as we can see, consumption will recover.

To summarise, I see some timid signs of recovery. I agree that close monitoring of the situation is needed and that this will allow action where necessary.

This is a quick run-through of the short-term measures, but let me assure you that we are also looking into the medium- and long-term issues, in particular, at matters like the distribution of the value added in the food chain, and also how to deal with price volatility. I am sure we will come back to these important issues as well.

#### IN THE CHAIR: MRS KRATSA-TSAGAROPOULOU

*Vice-President*

**Albert Deß**, *on behalf of the PPE Group.* – (DE) Madam President, Commissioner, ladies and gentlemen, last year, and this year, too, dairy farmers made their concerns known very loudly, including in Brussels. The impression you get from the media is that it is only the dairy farmers that are in a difficult situation. The fact is that other farming sectors are also affected by this. In contrast to our dairy farmers, the pig producers, pig fatteners, poultry farmers, fruit and vegetable growers, wine growers and even cereal farmers are used to there being good and bad years and therefore do not make their voices heard so loudly. Nevertheless, I think that it is good for us to highlight the situation of these farmers today, too.

Commissioner, you said that the financial and economic crisis has affected the whole of the agricultural sector and that we ought to consider how we can respond to this. When talking with the farmers affected on the ground, I hear the same things again and again: by and large, they say they are coping with the markets, apart from situations where it is extremely difficult, like it was last year and is this year for the dairy farmers and others. However, what the farmers do not understand is that we in Europe are burdening them with ever more red tape. They say that they want to work their land and feed and care for their animals rather than spend the whole day keeping books and records about what they are doing.

For centuries, our farmers have produced food without keeping vast quantities of records. The yields on the land have increased, the performance of the animals has improved and today, we inundate our farmers with red tape. I have recently read that the agricultural ministers are discussing a reduction in red tape. Our farmers hardly dare believe this anymore. I hope that we can finally make some progress on this and allow our farmers to do what they do best, in other words, produce food – healthy food for half a billion people. We should support them in so doing and ensure that they are able to achieve this in future.

**Paolo De Castro**, *on behalf of the S&D Group.* – (IT) Madam President, Commissioner, ladies and gentlemen, here we are once again discussing the crisis in the agricultural sector.

In recent months, Parliament has spoken several times on the difficulties that have seriously beset the milk sector, and asked the Commission and the Council to take urgent action. We have achieved results, albeit

only partial results, but on the basis of these initiatives, a special fund of EUR 300 million has been made available to deal with the emergency.

However, we must now take note that the crisis that has affected the dairy farming sector is rapidly extending to other sectors of European agriculture, with the wheat, olive oil and fruit and vegetable markets showing alarming signs, as Mrs Fischer Boel has just said.

As for milk, we are facing a cyclical phenomenon that goes hand in hand with the difficult economic situation that has inevitably resulted in a fall in demand and in the ensuing stagnation of the markets. This crisis is starting to take on a decidedly worrying dimension, as demonstrated by the numerous protests led by farmers in many regions of Europe. These are symptomatic of a pressing and alarming situation and of widespread concern for the future of the sector as a whole.

That is why, at the last meeting of the Committee on Agriculture and Rural Development on 1 December, we decided unanimously to invite the Commission to the House to report to us on the status of the crisis faced by our agriculture and the trends that the various productive sectors are going through. On this front we expect, first of all, the Commission to make use of all the measures at its disposal to stabilise the market and to stimulate the recovery of consumption but, at the same time, we believe that this opportunity should also be seized upon to look to the future, and help guarantee that the common agricultural policy will continue to be an important European policy, which will look after the interests of all citizens and all European regions, from northern Sweden to southern Cyprus.

Farmers expect immediate answers, and today we are here to accept responsibility to speed things up, to tackle the crisis in a decisive manner, and to put the lessons of recent experiences to good use, thus avoiding wasting time and quickly remedying a situation that is in danger of becoming even worse. We would like to receive an answer and also news from the Commission in this regard.

**Marian Harkin**, *on behalf of the ALDE Group*. – Madam President, I would like to thank the Commissioner for the outline of the situation. However, I want to concentrate on just one area where we can act, and that is the low-level presence of unauthorised GMOs in feed imports and its impact on the EU feed industry, because this is an over-arching issue.

I sent a letter to President Barroso – signed by a number of MEPs – and he replied that the Commission have moved quickly to authorise three modified GM products, and a fourth on the way. However, we are still playing catch-up.

The problem next year will be Brazil: they have streamlined their approval system down to 22 months, and the problem will not go away. We are all aware that the agri-sector is beset by low margins, and the least, I think, that EU farmers can expect is that the cost of inputs should not be increased by the failure of the EU to act sufficiently quickly to establish authorisations. It is one thing to have poor output prices, but it is a double penalty when inputs are not available at world market prices. In Ireland, since May of this year, the extra cost of delayed authorisations has been EUR 23 million.

Finally, the issue of low-level presence will always be with us, and, while speedy functioning of the authorisation system will improve the situation, we still need a technical solution.

**Martin Häusling**, *on behalf of the Verts/ALE Group*. – (DE) Madam President, Commissioner, ladies and gentlemen, Mrs Fischer Boel, you gave a very brief response on the subject of the crises and I did not hear you mention any possible solutions to these crises. The crisis is not only in the dairy sector, that is true; we also have a crisis in the cereals sector, there is further concentration in the vegetables sector, and in the last ten years, we have lost 50% of our pig producers. This is not only due to the fact that we are experiencing an economic crisis, Commissioner, but also to the fact that the orientation of our agricultural policy has been wrong in recent years. You would really have to say now that liberalisation has failed and that the world market approach is not the answer for agriculture.

The next few years will be crucial in terms of where our agriculture is heading. We are therefore thankful that, in Paris, the 22 agricultural ministers have clearly indicated where it should be heading. There is much that we agree with here. We need reliable planning in agriculture, and agricultural policy must be sustainable. That is something that we have also advocated for a long time.

The prices are falling for farmers, but not for consumers. That indicates that our agricultural policy only really serves the interests of the large concerns. You quite rightly said, Commissioner, that we need to strengthen the position of farmers in this regard, but you always refuse to give an answer to the question of

how we should actually do this. We will try to provide answers to this. It will, in fact, be crucial over the next few years. Farmers must not merely be producers of raw materials. They need to actively seek market power and, in this, producers need our support.

Constant pressure on prices in the agricultural sector will lead to poor quality produce. Ever greater industrialisation in the agricultural sector will result in the continued loss of biodiversity, and industrialised agriculture will also increase CO<sub>2</sub> and methane emissions. To talk of climate protection, but still continue along the path of industrialisation cannot be the answer!

Therefore, we, as Parliament, must take our job very seriously over the next few years. We hope that our cooperation with the new Commission will be constructive.

**James Nicholson**, *on behalf of the ECR Group*. – Madam President, we all understand the concerns of many of the other sectors within agriculture, and they almost certainly thought that we were placing far too much emphasis on trying to resolve the problems facing the dairy sector. But those of us who were involved in it knew there was no alternative, that the dairy problems had to be resolved, and hopefully we are now on the way to resolving some of the problems that part of the sector faced. We must now focus on other areas.

We have spoken about the problems facing the grain farmers, for instance, who have suffered the lowest prices in many a long day – and in my area, potato farmers and apple growers too. Indeed, I can give you a list of other areas where there are serious problems. But one of the greatest problems – and here I want to come back to support what Mrs Harkin said – is the delay in approving new strands of GMO grains for imports into the European Union.

We are driving up the cost of feed, which is hitting our pig farmers, our poultry farmers and our beef farmers, and speeding up those approvals would go a long way to helping the situation. We are in major danger of over-bureaucracy, red tape and legislation strangling our farmers; you will see that on 1 January when you implement the CPID which, in my opinion, is a total waste of time.

The mid-term review brought us many changes, and we are about to embark on even more. But I think we need to re-examine the effect these changes have made in the industry. I know from experience in my area that many sheep farmers and suckler cow farmers are simply leaving the industry.

This is a very worrying trend. We need to look at both these sectors, at how we are actually supporting them. Can we do more for them? Can we keep them there? Because we should remember that many of these sectors, such as sheep and suckler cows, are in environmentally sensitive areas, they are in mountainous regions and areas where there is no alternative, and I think we need to have another look at how we are supporting those parts of the industry.

**Patrick Le Hyaric**, *on behalf of the GUE/NGL Group*. – (FR) Madam President, Commissioner, you said that the agricultural crisis is deep, which we already knew. Indeed, small- and medium-sized farms can no longer cope. However, Commissioner, this is not the result of a technical problem, but of the policy of deregulation that you have pursued, of the undermining of the fundamental principles of the common agricultural policy, your refusal to return to paying minimum prices for work and your comprehensive free-trade approach that goes against the very principle of Community preference.

The time has come, on the eve of a new period of reflection on the common agricultural policy, to consider agricultural work as a mission of general interest, contributing to the common public good. A new agricultural policy must also therefore be a food, environmental and territorial policy.

We must first identify the objectives and the direction of this policy before deciding on budgetary aspects. In any case, this would mean paying guaranteed basic minimum prices for work done and lead to a productive agriculture industry that adds value and provides employment, encouraging agricultural development that respects food sovereignty and combats famine.

Today, all the evidence points to the fact that social, environmental and health effectiveness depends on agriculture on a human, individual farmer scale, not on an industrial scale. These should be the subjects of our debates if we are finally to end the agricultural crisis.

**Lorenzo Fontana**, *on behalf of the EFD Group*. – (IT) Madam President, Commissioner, ladies and gentlemen, the current crisis that the agricultural world is enduring is the obvious result of the rapid territorial expansion that the European Union set in motion in recent years and, above all, the excessively quick globalisation of the markets.

The agricultural sector must be safeguarded and protected, by applying the principles of the Treaty on the Functioning of the European Union, in particular, Articles 32 to 38, with particular reference to the objectives which, in order to be achieved, must follow specific legal rules. In this sector, the rules that govern intervention in the event of a market crisis do not allow us to make a significant response to the requirements of the agricultural sector with specific protection of farmers, at an extremely difficult time that affects agriculture as a whole and, in particular, the fruit and vegetable sectors, such as, for example, apples and peaches, and cereals, such as wheat and maize.

Farmers must not only be helped, but they must also be guaranteed market protection, as laid down by the fundamental rules of the treaty. Unfortunately, this currently only occurs on a limited basis. We have seen it before with the milk crisis and with the current fruit and vegetable crisis, for example.

It is now time for Europe to take more incisive decisions so as to give truly 360-degree support to our farmers, our farms and our land, which, unfortunately, is all too often neglected. It would, then, be better to think seriously about what is being done in the European market to promote our agricultural products in the face of those from outside the Union and, I would repeat, for fruit and vegetables in particular.

By creating specific rules, which must, though, be respected by the whole European Union and which we must ensure are also respected by those third countries with which we have significant trade in agricultural products, we will perhaps be able to begin having a market that is less distorted and could better protect our farmers and the EU's agricultural products.

**Georgios Papastamkos (PPE).** – (EL) Madam President, sectors of the rural economy are really suffering: wheat, olive oil, fruit and vegetables and cotton. You should know that anger is rife among peach producers in Greece. I need only tell you that, as we speak, approximately 200 000 tonnes of peach compost have remained unsold.

The situation in the wheat sector is still critical and the facility for public intervention in the Member States needs to be activated at once. We must support protected designation of origin and protected geographical indication products.

Livestock farming is also facing a huge crisis. The dairy sector has been mentioned and we have quite rightly taken an initiative to protect it. Livestock farmers in northern Greece have blockaded the Evzona customs post and one of their reasonable demands is for the name of the place of origin to be included on labels for dairy produce. In my opinion, including the place of origin protects both producers and consumers.

We need more measures to promote agricultural products, both within the European Union and outside Europe, in third countries. We need to rationalise the markets still further and monitor the transparency of the supply chain in an effective manner and we must reduce any gap between producer and consumer prices.

As I maintained within the framework of the debate on the 2010 budget, it is especially important to maintain a satisfactory margin of agricultural spending in the budget in order to meet unforeseen requirements in other agricultural sectors.

**Csaba Sándor Tabajdi (S&D).** – (HU) Almost the entire agricultural sector in Europe is in a state of crisis. This has been caused not only by the global economic crisis and recession, along with a contraction of domestic and external markets, but also by the common agricultural policy, a neo-liberal policy which the European Commission has continued to pursue in previous years. This has made a major contribution to the present crisis. If the agricultural sector already has such huge profitability concerns, what will happen if the agriculture budget is slashed after 2013, which many people want to see? This will raise a question mark over food supply security in Europe.

The current situation is particularly alarming for livestock farmers, pig farmers and producers of fruit and vegetables. I welcome that the Commissioner wants to provide more money to the producer organisations, but this is still not sufficient to resolve the sector's concerns. Another alarming fact is that the European Union has become a net importer of beef for the last six years. We are now at the mercy of external markets.

**Julie Girling (ECR).** – Madam President, if you want to know how tough it is for farmers, just take a look at the UK Government's modified low-income threshold. This is the level below which a family is deemed to be living in poverty. The latest figures in the UK show that one quarter of all British farmers fall into this category.



But helping farmers is not just about agricultural policy. We should be working here in a holistic way. Consumers want to buy high-quality food that is produced as close to home as possible. The European Parliament must listen to consumers' demands for clear country-of-origin food labelling so that they can be sure where their food comes from. We already have country-of-origin labelling on many foods, and there is no reason why mandatory country-of-origin labelling should not be extended to the remaining sectors, including the main ingredients of processed food.

We have that opportunity coming up in this Parliament early next year. Let us make sure we take it.

**Ilda Figueiredo (GUE/NGL).** – (PT) Over the years, and through successive amendments to the common agricultural policy, we have warned about its consequences and tabled alternatives. Unfortunately, no one would listen, and today we have ended up in a disastrous situation, as is the case with Portuguese agriculture. We warned against the consequences of liberalising international trade in agri-foodstuffs. We said that agriculture cannot be treated like some kind of industrial merchandise, and it should be left out of the World Trade Organisation's talks so that it does not become exposed to stock market and financial speculation.

We have always said that food sovereignty and security should be prioritised and due recognition should be given to those who work the land. That is why we have opposed cancelling production aids and ending milk quotas. We have always pointed out that agriculture in the southern EU countries has special characteristics that need to be respected if we are to safeguard their production of high-quality foodstuffs, including wine, olive oil, fruit and vegetables, and rice, as well as meat and milk produced under very different conditions from those prevailing in other areas.

We therefore insist that these policies must be revised to take account of the high prices of production factors, such as diesel, electricity, fertiliser, feed, credit and insurance. We need to help farmers by adopting policies that support producers and create jobs in rural areas.

It is time to prioritise family farming and the countryside – which is becoming more and more deserted – as well as regional produce and native species. Our farmers deserve it, because they are the ones who produce what is required to feed us.

**John Stuart Agnew (EFD).** – Madam President, it looks as though I have temporarily joined Mrs Harkin's fan club by drawing your attention to the underlying crisis in the livestock feed market with reference to minute traces of GM material that might be found in a 60 000-tonne cargo of soya beans.

If these traces are not from an EU-authorized variety, the cargo is not allowed to unload. The cost to the shipper in such an instance amounts to GBP 2.3 million, but there is also severe disruption down the line with lorries returning empty to feed mills who then have the problem of sourcing alternative protein at very short notice.

After immense pressure on this subject, the EU Commission has approved four more varieties of GM maize that they regard as a safe contaminant. It can take several years for such approval to take place whilst, meanwhile, new GM maize varieties are being adopted by farms in America all the time. This problem will resurface again within a year or so.

At present there are also several GM flax and cotton products which can easily be inadvertently mixed in trace amounts amongst a large cargo of soya, and they will also cause a shipment to be refused.

It is perverse that, whilst there are small tolerances allowed for stones, soil, dead insects, metal filings and wood chips, there is no tolerance whatsoever for a single wholesome grain of maize.

The uncertainty that this zero-tolerance policy creates has resulted in steeply increased insurance premiums for shippers that get passed on to the livestock producer – to say nothing of the angst generated when a producer is informed that his feed order cannot be fulfilled.

This is a most unsatisfactory situation and creates an unnecessary crisis in the production of meat and eggs. I urge the Commission to approach this whole issue in a more practical and sensible fashion by bringing in a tolerance level for GM admixture similar to that for other contaminants.

**Giovanni La Via (PPE).** – (IT) Madam President, ladies and gentlemen, I would also like to thank the Commissioner for her analysis, but I would like to stress how, in some productive sectors, there is now a crisis jeopardising agriculture in some areas of our great Europe.

In particular, the crisis that has been affecting wheat in recent months has now brought prices down to the point where they are too low to cover costs and, in many regions of Europe, there is a reduction in the areas sown for the current year, which should be 30%, especially in remote areas that have limited possibilities in terms of alternative usage. On the other hand, with regard to fruit and vegetables, the Commissioner pointed out an aspect that is characteristic of the new common organisation of the market, which leaves producer organisations to deal with the crisis.

Of course, the resources allocated to this within the framework of operating programmes are limited resources that are by no means adequate to intervene in the event of structural crises that are as widespread as the one we are experiencing. They may possibly meet requirements, as you said, either by green harvesting or by destroying a small portion of the harvest in the event of small imbalances between demand and supply in normal years, but certainly not in the case of a widespread crisis such as the one we are experiencing.

The same could also be said for olive oil and for other sectors, but I believe that at this point, it is important to ask the Commission for a package of proposals, for an exhaustive proposal that covers all the other sectors which, apart from milk, have still not seen specific action to deal with the crisis we are experiencing.

**Iratxe García Pérez (S&D).** – (ES) Madam President, the agricultural sector has not been immune to the difficulties suffered by the economy in general. Months ago, we had the opportunity to debate the situation of dairy producers, but even then, many of us said that the crisis was affecting the other sectors of agriculture.

The whole sector is in a difficult situation: with low prices at source for the majority of products and many farms whose figures are beginning to fall below the profitability threshold. This situation has demonstrated the imbalance that exists between those in the agricultural and food sector value chain. The need to make the price-setting system transparent and to restore balance to the negotiating capacity of the parties concerned, within the framework of current legislation, are issues that are still to be resolved.

Another issue that concerns us in this difficult context is the decline in the competitiveness of our farmers who, unlike their competitors, face high production costs. What I am asking is for common support measures to be put together, and for the solutions not to revolve around the capacity of each Member State to respond.

**Peter Jahr (PPE).** – (DE) Madam President, firstly, I would like to say that I am very grateful that we are debating this item today, because from the media, you might get the impression that the crisis has only been in the dairy sector. That was, and is, not the case, and it is therefore extremely important for the farmers affected that we discuss their situation in the European Parliament today.

The economic crisis has hit farmers hard. The last financial year was one of the worst of the decade. For many farms, profits have fallen significantly, and therefore the situation is very difficult for many farmers. Economic crises expose deficiencies – deficiencies caused by people. Crises only become disasters if nothing is done about them. It is precisely because economic crises expose human errors that we are able to address those errors.

In any crisis, there is also an opportunity, and it is of precisely these opportunities that we must make greater use. In order to do so, firstly, the Commission must react quicker and more consistently in the event of any disturbances of the economic balance. Secondly, we must create the necessary political framework to enable farmers to regulate the market themselves. Thirdly, the legal authority of producer organisations must be significantly improved. Fourthly, we must significantly improve and simplify the use of agricultural raw materials for the production of renewable energy by way of market regulation. Fifthly, rather than merely talking about a reduction in red tape, we must actually address this problem at long last.

Thus, my appeal, once again, is the following: let us learn from the crisis and utilise the opportunity arising from it – we owe this to ourselves and, above all, to all of our farmers. In this regard, I await a catalogue of measures from the Commission at the beginning of 2010 that we can then debate in detail in the committee responsible.

**Luis Manuel Capoulas Santos (S&D).** – (PT) Commissioner, I would like to thank you for being here in this Chamber again – that has been a constant throughout your mandate – even though the Commission is in this transitional phase. The problems of agriculture have no sympathy for the whims of the political calendar, however, and farmers are expecting us to provide solutions to their problems, difficulties and anxieties.

As we are all aware, the economic crisis has also affected agriculture – not just the dairy sector, as the media would have us believe, but other sectors as well. Milk, fruit and vegetables, cereals and olive oil have been

hit hard in recent months, just as meat production had been previously, due to the enormous hikes in production costs that occurred then.

The situation for fruit and vegetables is likely to get even worse when the market is opened wider still to Moroccan products under the new agreement that is currently being adopted. It is a fact, as the Commissioner has pointed out, that the markets have shown positive signs in recent weeks, but we should not get too excited about that because, if the upswing comes, as we all hope it will, it will certainly bring with it an increase in the price of oil and hence an inevitable rise in agricultural production costs.

Therefore, Commissioner, despite the political calendar, Parliament has to demand that the Commission provide answers to these questions. Farmers are waiting for political signals from Parliament and the Commission, and therefore, the timing of this debate that we are having here today makes perfect sense, in the hope that the Commission can give some signals and say what information it has and what measures it proposes in the short term to mitigate these problems.

**Michel Dantin (PPE).** – (FR) Madam President, Commissioner, thank you, once again, for your attention.

The price crisis in 2007-2008 highlighted the weak position of consumers with regard to price volatility. The agricultural crisis of 2009 is having a much more detrimental effect on farms than the indices reveal. Why? Because the upward trend in agricultural prices was portrayed by many as sustainable, and because farmers without doubt invested far too much in 2008 and at the beginning of 2009 – far too much because a delay has built up since the beginning of the 2000s.

On several occasions, Commissioner, you have expressed a desire to no longer intervene in market regulation in the same way. But have we failed to remember over the last 20 years that agricultural commodities are primarily food products and that we need a certain degree of price stability at both ends of the chain? Price stability is required at consumer level, on the one hand, because, due to other financial commitments such as mortgages, parenting and leisure activities, the consumer does not have enough leftover income to cope with price fluctuations. At producer level, on the other hand, price stability is required because business activity involves significant capital, which requires heavy investment.

Organisation within the sectors that includes all the elements of the supply chain, as well as the new players – I am referring to the mass catering sector and processing companies for quick-frozen or even fresh-prepared products – can undoubtedly lead to the introduction of private tools for stabilising prices.

Do you think it is possible to find a way forward with this, Commissioner, and is the Commission ready to participate in such discussions?

**Diane Dodds (NI).** – Madam President, I would like to thank the Commissioner for coming to listen to us once again, and I want to highlight just a number of issues which have been very prevalent in Northern Ireland within the agricultural industry over the last number of months. You may have read, Commissioner, that in County Fermanagh, we have suffered extreme flooding over the last number of weeks. This has led to very severe difficulties for farmers, not least, gaining access to stock in the fields, with many roads closed and impassable because of rain. It will also affect their ability to spread slurry, and just the general losses that they have. I would encourage the Commission to look into this issue and indicate whether there can be direct help for farmers in this sector.

I would also encourage the Commission to look at the potato industry in Northern Ireland. A number of potato farmers have written to me recently because they have been very badly affected by the very high levels of rainfall in recent weeks as well. They are expressing extreme concern about their ability to get potatoes out of the ground and, with frost fast approaching with the onset of the winter months, they fear that they will lose their crops. So, again, this is an industry – and part of the agricultural industry in Northern Ireland – which is going through a very difficult time.

Just recently, I also met with a number of egg producers, farmers who are currently in the process of changing to the enhanced cages. They would like from the Commission a guarantee that they will not be required to change those cages again for a considerable period of time, and again I would encourage the Commission to look into this.

**Sergio Paolo Francesco Silvestris (PPE).** – (IT) Madam President, Commissioner, ladies and gentlemen, the crisis that the agricultural sector is going through is extremely serious and is in danger of becoming irreversible.

In my region, Apulia, olive production is the main activity and one of the largest sources of income. This year, the price of olives has fallen to EUR 30 per 100 kilograms, and the wholesale price of oil to EUR 2.50 per kilogram, and at these prices, producers are operating at a loss. Extra virgin olive oil, green gold, which has always been the pride of my land, is in danger of turning into civil and social death. There are roadblocks and demonstrations by farmers throughout the region.

You say that everything is in order and that prices are rising again, but I put to you another situation that I am aware of, because I experience it each day. Urgent measures are required and I would ask that, as for milk, a solidarity fund be activated also for olive production and fruit and vegetables. With regard to olive production, I would ask for additional urgent measures and, in particular, Commissioner, that Commission Regulation (EEC) No 2568/91 on the characteristics of olive oil be amended to include nuclear magnetic resonance imaging as a method of analysis. This would allow us to reveal the ongoing fraud perpetuated on supermarket shelves by bottles bearing the wording 'extra virgin oil', which instead contain mixtures of rectified or refined oils.

**Elisabeth Köstinger (PPE).** – (DE) Madam President, Mrs Fischer Boel, thank you very much for your report. This is an important signal to our farmers, who are having to live with this strained market situation.

In your report, you also referred to the fall in demand in the agricultural sector. This is precisely why it is important to invigorate this sector and stimulate sales. Now, more than ever, the Commission needs to recognise crises at an early stage, irrespective of the branch of production, and quickly and efficiently take steps to counter them.

I am convinced that such a sensitive sector as food production is in particular need of market instruments. The added benefits of agriculture in the form of keeping open our cultural landscapes, care of the countryside, biodiversity and many other things besides are irreplaceable. We need to retain all of this and to take it into consideration in our future debates on the new agricultural policy.

**Marc Tarabella (S&D).** – (FR) Madam President, Commissioner, I would like to thank you for your explanation concerning the variations in price for the different types of agricultural produce. You reached the conclusion that we had to continue to monitor the situation in order to take action where necessary.

You did in fact put your finger on volatility – the number one enemy of the modern day farmer – and I would simply like to advocate the need to re-establish and maintain a public policy on pricing and regulation, and the need, certainly in the future, for this public policy on regulation to be established through, for example, a price and margin observatory that would set prices fairly for all those involved in production, be they producers, processing companies or distributors.

If, today, we let it get to the stage where pricing is being regulated privately, there will always be a mark-up for distributors, a mark-up for processing companies and a loss for producers, and therefore significant problems for local agriculture. Finally, Madam President, we cannot ignore the fact, either, that we must also be able to negotiate with the United States – particularly with regard to the price of wheat, which is fixed in Chicago – because we are dealing with a global issue and not just a European one.

**Cristina Gutiérrez-Cortines (PPE).** – (ES) Madam President, Commissioner, it concerns me that frequently a lack of coordination means that sustainability criteria are not applied to agriculture.

I would like to ask two questions: firstly, at a time when we are experiencing desertification in southern Europe, which is seriously impacted by climate change, and given that land use is the most important thing, why is money being paid to pull up olive trees and vines? This means that Europe is paying to have more desert! Are you going to stop this?

Secondly, the agreement with Morocco: if Europe is conducting a common foreign policy, it must defend the interests of its citizens and of European production. Europe is negotiating the agreement with Morocco on its knees, without taking into account the principle of reciprocity, without guaranteeing health and that insecticide and food quality programmes will be maintained.

How is it possible that this process is not only opening the door to products on top of the quotas, but that it is also putting quality at risk?

**Béla Glattfelder (PPE).** – (HU) It is of paramount importance that we are now talking about the crisis affecting the agricultural sectors as several plans have been leaked on the manner in which agricultural subsidies will be phased out after 2013. Let us always think about how severe the consequences have been

of the liberal measures implemented just recently. Let us learn from these examples so that we do not make the same mistakes again. The importance of agriculture will grow significantly in the coming years as the number of people suffering from hunger on our planet continues to rise.

On the subject of simplifications, unfortunately, farmers feel that every time simplification is mentioned it never actually happens. They must comply with increasingly complex systems. A succession of new animal welfare measures is being introduced. All these increase the costs which their competitors do not have to contend with. In addition, every single new animal welfare measure requires ever-greater energy consumption, which will mean ever-increasing CO<sub>2</sub> emissions.

#### IN THE CHAIR: MR LAMBRINIDIS

*Vice-President*

**Karin Kadenbach (S&D).** – (DE) Mr President, during the debate on his guidelines, Mr Barroso said that sustainability and the preservation of biodiversity would be priority policy objectives in the European Union in the current legislative term. These objectives must therefore be pursued in all policy fields and, of course, in particular in the area of agriculture. I would like to urge you emphatically today to promote and support those measures – and only those measures – that contribute to the preservation of biodiversity and to sustainability.

**Seán Kelly (PPE).** – Mr President, I welcome this debate. We cannot do much about many of the problems which have been mentioned, but others we can do an awful lot about. Colleagues have mentioned particularly the problem of over-regulation; that is something that many farmers mention throughout the European Union. People also mentioned GM foods, and I totally agree with them on that: there is need for action in that area.

However, one area which I think is also important to us is the area of live exports. There is a danger that we are going to put so many regulations in place that it will be cost-prohibitive, particularly for farmers and people exporting cattle from an island nation like Ireland.

Sometimes I think it would be interesting to compare, for instance, the travel schedule of MEPs coming here to Parliament today with the travel schedule of animals being exported overseas, and I think sometimes the stress levels on MEPs might be greater.

In that regard we would need to be very careful and not over-regulate and price ourselves out of the market.

**President.** - Thank you, Mr Kelly. Whereas everyone should be encouraged to speak other languages in this Chamber, let me note that you began your speech by saying ‘*Merci, Monsieur President*’. I am assuming you were not asking for my mercy, but were trying to say ‘thank you’ – not in Greek, I should add, which is ‘*Ευχαριστώ, κύριε Πρόεδρε!*’

**Gabriel Mato Adrover (PPE).** – (ES) Mr President, the situation in the agricultural sector is not only of concern. I would call it unsustainable: farmers’ incomes are declining and every day there is a greater difference between what farmers receive and the market price for consumers. Succession is already a Utopia, and association agreements are repeatedly infringed, as in the shameful case of tomatoes from Morocco, a situation that has been recognised by the European Anti-Fraud Office with no decisive action by the Commission. Plant health rules and controls are applied to varying degrees, creating entirely unfair situations.

If we add to this isolated cases, such as the decrease in duty for the banana sector, which is going to have entirely negative consequences, or the fact that it is impossible for livestock farmers to afford input costs, you will agree with me that the future of the sector is, at the very least, uncertain.

Moreover, for agriculture in the most remote regions, the future is not only uncertain but extremely worrying. Farmers want to continue farming, but it is becoming more difficult for them every day. The Commission must accept the importance of agriculture. Face up to it boldly!

**Herbert Dorfmann (PPE).** – (DE) Mr President, Commissioner, ladies and gentlemen, it is indeed the case that there is currently a crisis in many agricultural sectors. There are, no doubt, many reasons for this. One of them is probably the liberalisation of agricultural policy in recent years. If we remove more and more safety nets from the common agricultural policy, then the price fluctuations will increase. This is causing ever greater problems for our farmers.

Therefore, in the short term, the aim must surely be to find a solution to this crisis. Above all, however, in conjunction with the revision of our agricultural policy, we need to consider what we can do about these price fluctuations. Following the entry into force of the Treaty of Lisbon, we, as Parliament, have a duty to be active. The fact that the agricultural ministers have met in Paris outside of the Council in recent days in order to discuss this issue is surely, in principle, a good thing. However, in Parliament, it is our job to demonstrate our new role to our farmers. We need to find democratic solutions for our future agricultural policy.

**Mariann Fischer Boel**, *Member of the Commission*. – Mr President, I will now try to respond to some of the questions raised, but I think this discussion here clearly shows that there is a common understanding of the difficulties that our agricultural sector is facing.

First of all, I was a bit astonished to hear that we should have removed the safety net to the agricultural sector. That is certainly not the case. We actually have a safety net in place in situations where the farmers need support. We have a continuous safety net, which is the direct payments. That is certainly in place, and that is accountable for the farmers. Then we have the different intervention systems, the private storage, the export refunds systems to enter into effect when we find it necessary to trigger these tools.

On simplification, red tape, bureaucracy – I completely agree with you that we should try to ease the situation as much as possible for our farmers, and that is the reason why, in the Council meeting on Wednesday, I will present to the Council some deregulation proposals to be discussed.

The Council presented 39 different proposals, and we can actually accept quite a number. Others are more political, related to the period after 2013, but I am sure that you would find the proposals extremely interesting.

Those that have raised the GMO issue, I presume you know that I think completely along the same lines, and I think that it is important to find a solution on a technical figure on the presence of non-approved GMs. I expect the next Commission to present such a proposal.

It is true that the European Union is the biggest importer of agricultural products, but at the same time, the European Union is the biggest exporter of agricultural products. This is because of the fact that we have an extremely good brand: European products are considered to be high quality on overseas markets. Therefore, the idea that we should now protect our own production would be damaging for our agricultural sector.

So we need to go on being visible on the export markets, and I think that for the future – and I hope there will be full support from the European Parliament – we need much more money for promoting our high-quality products on the new emerging markets. I think we can do much better, but we need a bit of support.

Then on the issue of the regulatory framework – I did not hear this exact phrase, but I think that is what is behind the comments on this issue. Today, it is already possible for farmers to enter into a contract with the industry, with the dairy, for a certain volume at a fixed price. It is already possible for farmers to do this. And you know in the high level group for the dairy sector we are looking into some voluntary ways of improving this system.

Biodiversity: I completely agree that this is important, and that was exactly the reason why we included biodiversity in the new challenges when we agreed on the health check of the common agricultural policy in November 2008. So this has high priority, and I completely agree with the comments from the honourable Member.

On the measures: we can actually use all the tools that we have available at the moment. But new initiatives cannot be presented by a caretaker Commission. I am sure that you are aware of this problem, and therefore I hope that we will be able to see the new Commission in operation as soon as possible.

Next, I am very happy to see that the European Parliament will now have a role as an important player for the future, thanks to the Lisbon Treaty introducing codecision. This is not only codecision on the pure agricultural issues but also on the budget. So here, you will have a huge influence on the budgetary possibilities for the agricultural sector for the period after 2013.

Though I might not experience it from this place, I can guarantee that I will keep an eye on you when you take upon yourselves the new responsibilities for the agricultural sector.

**President.** - The debate is closed.

*Written statements (Rule 149)*

**Luís Paulo Alves (S&D), in writing.** – (PT) The economic and financial crisis has also dragged us into a farming and social crisis, and I therefore welcome this debate in Parliament, although it has come rather late. Producers (of cereals, pork, olive oil, fruit, vegetables, etc.) are experiencing extremely difficult conditions at the moment due to the slump in demand, and they are getting very low prices for their products compared with their production costs. There are also difficulties in obtaining credit. These problems are seriously affecting their income. Price volatility in agriculture is a highly complex issue that affects planning and the predictability that farmers need, with serious impacts on profitability and investment levels. It is therefore essential to guarantee conditions for the sustainability of holdings as well as a degree of price stability, so that producers can safeguard their livelihoods by improving product quality, which will have a positive impact on the whole chain from producer to consumer.

**Spyros Danellis (S&D), in writing.** – (EL) Multiple employment in the EU is a common occurrence and aims to secure income in addition to agricultural income. As a small farm holding is likely to employ workers with several jobs, a small holding today is obviously harder hit than a large holding. That is because:

- apart from the reduction in agricultural income, regardless of the production sector in which it specialises, it also has to deal with:

- the reduction in or elimination of its non-agricultural income, while:

- the income security which it collects in the form of direct aid is inadequate for a decent standard of living in absolute terms.

Consequently, regardless of the agricultural sector in which production specialises, horizontal targeted aid is needed for small farm holdings so that they can cope with the crisis.

## **16. Prospects for the Doha Development Agenda following the Seventh WTO Ministerial Conference (debate)**

**President.** – The next item is the oral question to the Commission (B7-0232/2009) by Mr Moreira, on behalf of the Committee on International Trade, on prospects for the Doha Development Agenda following the Seventh WTO Ministerial Conference (O-0126/2009).

**Vital Moreira, author.** – (PT) A few weeks ago, I had the honour of leading a delegation from this Parliament's Committee on International Trade, which attended the Seventh Ministerial Conference of the World Trade Organisation in Geneva. Although the Doha Round – that is, the Doha Development Agenda – was not on the official agenda for this ministerial conference, the fact is that a large majority of the official delegations from the WTO member countries took the opportunity to announce their positions on the subject and state that they wanted to conclude the Doha Round by the end of 2010.

It is public knowledge, however, that no progress has been made recently in the negotiations. That is why I have the honour of asking the Commission the following questions on behalf of the Committee on International Trade, which I chair:

Firstly, can the Commission provide an assessment of the 'state of play' in the main negotiating areas of the Doha Round, especially in agriculture, NAMA (non-agricultural market access) and services? What were the main achievements of the Commission at the Seventh WTO Ministerial Conference? Which, in her opinion, are the issues that remain under discussion, and which are the most difficult subjects in the negotiations?

Secondly, what impact will the WTO Ministerial Conference have on the ongoing Doha Round negotiations? How will the Commission ensure that the core negotiations are focused on development? Can the Commission provide an evaluation of the likelihood of a successful conclusion of the Doha Development Round by the end of next year?

For my third and final question, how does the Commission intend to include the members of the European Parliament delegation in the ongoing Doha Round negotiations and in the WTO structure?

Having put the question on behalf of the Committee on International Trade, I should like to end by emphasising that this parliamentary committee attaches great importance to shouldering the new responsibilities and making use of the new powers granted to it under the Treaty of Lisbon, and it would

also like to establish closer and more fruitful cooperation with the Commission in the area of international trade. That, of course, in return requires the Commission to be willing to cooperate with Parliament, starting with its reply to the questions we have put to it.

**Mariann Fischer Boel**, *Member of the Commission*. – Mr President, the Seventh WTO Ministerial Conference in Geneva was an important opportunity to exchange views with all WTO members on their priorities for the organisation. I think it is important to underline that this Seventh Ministerial Conference was not a negotiating conference: it was more a discussion on various topics.

Our priority list, of course, begins with the Doha Development Agenda. If it can be completed, Doha will deliver a good outcome not only for Europe, but also for the whole world economy. All of us will suffer if protectionism increases, just as all of us will gain if the economy picks up. Doha is the best trade policy instrument available on both those fronts.

Doha would also deliver the development that so many of the poorest countries in the world are looking for. It would do that through new rules on market access, farm reform and customs facilitation in particular. In all areas of the Doha negotiations, the development element for the countries concerned has already been taken into account.

But, of course, we can conclude the Doha Round only if all WTO members are on board. The reality is that the United States has serious concerns and constraints which it is discussing with the large emerging economies. In a few months we will see how these discussions are evolving as the deadline for the G20 to conclude the Doha Round in 2010 comes closer.

I think we all agree that, if we want a conclusion of the Doha Round before the end of 2010, we have to see modalities in place on agricultural and non-agricultural market access (NAMA) before the end of March 2010. That is the ultimate deadline. Meanwhile, we will continue to push so that the interests of the European Union in areas such as trade and services, and protection of geographical indications, are covered.

Apart from Doha, the Ministerial Conference addressed some important issues for WTO members. Our priorities included the need to strengthen the role of the WTO in monitoring and analysing protectionism; WTO accession – such as, for instance, the accessions of least-developed countries into the WTO, which we certainly think must be promoted; the rising number of regional free-trade agreements – here, we need to ensure that these actually complement the multilateral trade system; and finally, there is the contribution of trade policy to the fight against climate change. On many of these issues, WTO members agreed that the organisation can and should work. So I expect this to go forward.

On your last question, of course we will keep Parliament closely informed on these developments, in particular, on the Doha Round. The Lisbon Treaty actually offers an excellent opportunity to take our collaboration with Parliament a step further, and this will be a key priority for the Commission's trade policy in the years ahead.

**Georgios Papastamkos**, *on behalf of the PPE Group*. – (EL) Mr President, we support the multilateral trade system and the World Trade Organisation as the guardian of a rules-based trading system and of a system which guarantees more effective management of globalisation and fairer distribution of its benefits.

It is precisely the WTO *acquis* which, during the current economic crisis, did a great deal to prevent its members from taking recourse to restrictive trade measures, at the same time leaving sufficient margin for manoeuvre in the aim of economic recovery.

As the Group of the European People's Party (Christian Democrats), we support the integration of the Doha Development Agenda on the basis of an integrated, ambitious and balanced outcome to negotiations. We urge the Commission to maintain a firm negotiating position designed to really strengthen access for European goods and services to the markets of both developed and emerging economies.

As far as agriculture is concerned, I call on the Commission – and I should like you to note this down, Mrs Boel – to adhere strictly to the negotiating mandate received from the Council, which also makes the limits on its negotiating position subject to equal concessions by our trading partners. I would emphasise the need for our position on geographical indications to be stoutly defended.

The outcome of the Doha Development Agenda needs to safeguard more effective integration of developing countries, especially less developed countries, into the global trading system.



Finally, we are calling for work between the World Trade Organisation and other international organisations to be strengthened, so as to safeguard mutual support and cohesion between trade and non-trade aspects, such as environmental sustainability, food sufficiency and security and decent working conditions.

**Harlem Désir**, *on behalf of the S&D Group*. – (FR) Mr President, Commissioner, ladies and gentlemen, the Doha talks were opened in 2001 to correct the imbalances, in fact the injustices, of the international trade system that was introduced following the Uruguay Round, when the WTO was created.

It was thus acknowledged that the Uruguay Round had not kept all the promises it had made concerning developing countries, and that the countries of the South were at an unfair disadvantage where trade rules were concerned, particularly in the field of agriculture, because these trade rules allow the richest countries both to protect their market and to continue to fund their production, including that intended for export, bankrupting many farmers of the South in the process. Cotton has come to symbolise this situation.

In opening the 'development round', the WTO members have therefore committed themselves to amending multilateral trade rules in order to ensure that trade really does benefit economic and social development in every country, on every continent.

Thus we should always remember that this round of negotiations is not a round like any other, and that, even if, as in all negotiations, everyone is waiting for progress to be made on the issues that concern them – for industrialised countries, that means industrial products and services – it was agreed, from the outset, that this round was, first and foremost, about restoring the balance in favour of developing countries.

Today, in the wake of the Seventh Ministerial Conference, as before it, negotiations have essentially stalled on the slopes of Capitol Hill in Washington, just as they sank, in the past, in the sands of Cancún, and, back then, this was largely due to the demands made by the European Union.

Having demanded too much during the negotiations, industrialised countries have thus jeopardised the final outcome of the round of negotiations and the credibility even of the WTO. Everyone is focusing solely on personal goals instead of on the overall goal, which is to create a multilateral trade framework that is based on fairer rules to encourage fairer trade, and which promotes sustainable development and the eradication of poverty.

The first outcome of this stalemate is the increase in bilateral trade agreements, which are often even more unfavourable to the countries of the South. This is a step backwards.

The European Union must therefore adopt a clear position. The priority is to conclude this round as a development round and not to try to outdo one another where industrial products and services are concerned. These negotiations must not be approached in a conventional and narrow-minded manner, where everyone is simply out for themselves.

This leads to a deadlock and makes one lose sight of the main issue: the need to create a new way of regulating the international trade system that will form part of the new global governance that everyone has called for, particularly since the G20, in order to address the real challenges of today, which are fair development on all continents, the eradication of poverty, food security, respect for social rights and decent work, and the fight against climate change.

During these negotiations, the European Union must show what it is doing to ensure that trade rules will help improve this situation in the future. It is on this basis that each of the following points of discussion must be considered:

- on agriculture: honouring the July 2008 commitments; concluding the negotiations on procedures; guaranteeing, in particular, special and differential treatment, respect for special products, and safeguard mechanisms; developing agricultural support in accordance with sustainable agriculture and food security;
  - on NAMA products: asking developing countries for tariff reductions – I am finishing here – that are in line with their level of development;
- and
- on services: protecting the right of every country to continue to regulate its public services.

**Michael Theurer**, *on behalf of the ALDE Group*. – (DE) Mr President, Commissioner, ladies and gentlemen, two weeks ago, the Seventh Session of the World Trade Organisation Ministerial Conference was held in

Geneva. I had the opportunity, as the representative of the delegation of the Group of the Alliance of Liberals and Democrats for Europe, to attend the conference and, as co-author, to contribute to the present joint motion for a resolution.

There are four lessons that can and need to be learned from these experiences. The economic and financial crisis also brought a sharp fall in world trade. A speedy conclusion to the negotiations in the Doha Round is therefore crucial in order to give new impetus to the world economy.

The revival of fair and free world trade is something that Doha can, and indeed must, achieve. The European Union has gone a long way to accommodate its partners, in particular those in the developing countries. For example, we have promised to abolish all export subsidies for agricultural products.

Now we need to bring the negotiations to a conclusion. For this to happen, we need a signal of political will. In the ALDE Group, we are determined to achieve a conclusion to Doha. Now! It is therefore vital to join forces in order to bring the Round to a conclusion. The European Union can and must play a leading role in this. We should also take on a bridging role, for example, to bring together the United States and the emerging economies and developing countries, just as we call for in our joint resolution.

We must now also raise the public's awareness. We need broader support from the citizens. We should emphasise the advantages of global trade, as free and fair world trade is good for all of us.

I do not see any alternative to Doha. The alternative would be competition for bilateral agreements, which would put access for the weaker countries and the inclusion of human rights and environmental aims at risk. That must not happen. We therefore need a conclusion to the Doha Round now.

**Martin Häusling**, *on behalf of the Verts/ALE Group*. – (DE) Mr President, ladies and gentlemen, the Doha Round has been dragging on for eight years now and the vast majority of developing countries did not actually want this Doha Round in the first place. At the beginning, it was the US and Europe who wanted to force the consent of the developing countries by the use of the concept of 'development'. In the meantime, however, the negotiations have failed twice. Only the large agricultural exporters, Brazil and Argentina, and perhaps India, are really interested in something actually happening here. The EU, too, has also *de facto* taken a step back if we look at the EU's routine demands over the last few years and also at what is now on the table for the next few years.

However, we really need to take an objective look at what has come out of the last few years, other than a twenty year liberalisation policy. This liberalisation policy is partly responsible for the economic and financial crisis that we are experiencing. We cannot behave as if we can carry on in the same way. I do not want to mention the consequences for the world climate if we carry on as before and have no proper rules.

We have now had a conference in Geneva, where, in the midst of the crisis, everyone claimed that we have to carry on as before and we can simply wait until the crisis is over and then continue where we left off. It is claimed again and again that the Doha Round will give new impetus to the economic recovery. However, all of the figures point to this not being the case, and besides, the implementation times and periods will be much too long. Another recurring claim is that the developing countries will then be able to share in the recovery. However, if we take stock in an objective way, we have to say that it will not bring about recovery for the majority of developing countries, but rather the opposite. Instead, the net effect for most of the developing countries will be negative. We cannot therefore recommend to many of the developing countries that they cooperate with us in the middle of the crisis.

Even if none of the members of the World Trade Organisation or any of the large political groups in the European Parliament dare to say so, we in the Group of the Greens/European Free Alliance will say it: we call for an end, finally, to the Doha Round, which has been stuck down a blind alley for years and is completely inappropriate at this present time. We believe that the WTO needs to work on a reform and that, in its present form, it is unable to help in resolving the global crisis. In future, we need fair trade, not merely trade that is, in principle, free.

Looking at the agricultural sector over the last twenty years, what has this permanent liberalisation actually brought? It has resulted in an enormous pressure for rationalisation in the industrialised states. Processes have been industrialised, and the developing countries have essentially got nothing out of it except destabilised markets. Instead of giving the principle of food sovereignty its rightful status in the discussions, we have instead given absolute priority to the principle of total free trade. For this reason, the resolution of the Greens calls for no further political capital to be invested in the dead Doha Round. We call for a new start to the process.

**Jan Zahradil**, *on behalf of the ECR Group*. – (CS) Mr President, Commissioner, we are, of course, in a period of economic recession or crisis and it is unpleasant, but such crises come and go, they are a cyclical component of the market economy and they must not be used as an excuse for introducing excessive regulations restraining the economy, as such regulations will remain even after the crisis itself has ended, and this also concerns international trade. The European Union must therefore avoid succumbing to the lure of protectionism in commercial relations, as we would damage not only ourselves through this, but especially those whom we seek to assist, in other words, especially the least developed countries, whose full integration into the global commercial system we must promote.

On behalf of the European Conservatives and Reformists Group, I would like to applaud the approach of the European People's Party Group and the ALDE Group, who have drafted together with us a balanced draft resolution on the development agenda from Doha following the seventh conference of the World Trade Organisation. Progress in international trade must serve this development agenda and if the US has problems with that, then the EU must take a leading role in the successful completion of the Doha Round and also in mediating the full participation of these least developed countries in world trade.

European integration began with free trade. The EU or the European Community began as a trading zone and the European Commission – in both its current and future line-ups – will be aware, I hope, of where the roots of European integration lie and will return to them. We should continue to mediate the full participation of these least developed countries in world trade and also the signing of further bilateral and regional free trade agreements as a supplement to the multilateral framework.

**Helmut Scholz**, *on behalf of the GUE/NGL Group*. – (DE) Mr President, Commissioner, the questions raised by the committee chair in this debate reflect global circumstances. The balance of our global economic order is disastrous. Two billion people live in extreme poverty. Climate change has already forced more than 40 million people to flee their homes and the proliferation of global financial trading has led to the worst economic crisis in 80 years.

Mr Zahradil, we have here an historic task to initiate a completely new regulation of the global economy, guided by the aims of sustainability, environmental protection, social justice and food security. Looking at Geneva, I can only say that the World Trade Organisation conference has failed in this task. Despite all assurances, the opportunity that a gathering of the states might bring was lost.

The Doha mediators are clearly still operating within the framework of a completely out-of-date and – I think we should be honest here – failed negotiation mandate. In the opinion of the Confederal Group of the European United Left – Nordic Green Left, this needs to change as a matter of urgency, because the failure of Geneva and of Rome and the complicated negotiations now in Copenhagen are directly linked.

I therefore call on the Commission to work directly with the European Parliament in formulating a redefined negotiation mandate to further develop and transform the WTO. This must include the importance of the world trade architecture in the creation of the world crises, and potentially also in combating them, whilst also addressing the necessary re-regulation of trade relations.

**Bastiaan Belder**, *on behalf of the EFD Group*. – (NL) Mr President, the impasse on the Doha Round inevitably cast a dark shadow over the WTO Summit at the start of this month. At a time of economic crisis, with an equally bleak outlook for 2010, the successful conclusion of the Doha Round is a top political priority. The estimates regarding substantial revenues in terms of commercial turnover and increases in prosperity give me reason to hope for the actual fulfilment of the Geneva commitments to make 2010 a breakthrough year for the Doha Round.

As a Dutchman, I am very curious to hear the Commissioner's opinion on two proposals put forward by my government at the WTO Summit. How do you view the formation of a group of 'green forerunners' within the WTO, consisting of countries wanting to eliminate trade tariffs for sustainable products in order to promote their use? Also, Commissioner, do you share the opinion of the Dutch representative that the growth of the WTO negotiating system has not kept pace with globalisation? Might you work towards a solution?

**Marine Le Pen (NI)**. – (FR) Mr President, despite the obvious failure of trade liberalisation over the past 30 years, which has led to the wholesale deindustrialisation of developed countries and the impoverishment of underdeveloped countries, despite the financial and banking crisis, and now the Member States' debt crisis, which all independent economists agree was caused by financial and commercial globalisation, the

Director-General of the WTO, Mr Lamy, still wants to speed up the process of full international trade liberalisation.

All the statistics available to us show that globalisation has led to mass unemployment and salary cuts, which will end only when European salaries are brought into line with those in China or India.

Is this the economic development model that Europe should be proposing to Europeans?

There is another model: the legitimate protection of European economies against unfair competition from low-wage countries. This protectionism must go hand in hand with the creation of a new international monetary system that guarantees fair trade. It is unacceptable, because it is illogical, to separate trade negotiations from monetary negotiations.

Mr Lamy and all those in favour of uncontrolled free trade are not defending the common good but rather the interests of the financial and commercial institutions that pay them. If the European institutions continue in this direction, the crisis of legitimacy affecting the WTO and the IMF today will inevitably affect them tomorrow.

If this is your objective – to destroy European industry and agriculture and to transform our continent into an underdeveloped economic area – then do as Mr Lamy says.

If, on the contrary, you want to save Europe, then relocate Mr Lamy, as Maurice Allais, the French Nobel Prize winner for Economics, is insisting. This is the only relocation that Europe could welcome.

**Béla Glattfelder (PPE).** – (HU) The European Union's trade deficit has increased alarmingly three and a half fold in the last five years. A trade deficit increase of this magnitude is unsustainable. The EU's trade with China is responsible for half of this trade deficit increase. It has decreased significantly as a result of the global economic crisis, but half of the remaining deficit, and in fact, the entire trade deficit recorded for the first half of 2009 is equivalent to our current trade deficit with China.

I recently read a book by an American author which describes the following scenario. Fish caught off Europe's shores is frozen and then shipped to China. Over there it is thawed, filleted, frozen again and shipped back to Europe. This is done because wages are so much cheaper in China that it is worth the huge energy consumption to freeze, ship, freeze and ship back the fish to Europe. Every single job lost in Europe is responsible for an increase in CO<sub>2</sub> emissions of many hundreds of kilos.

The current trade system encourages the growth of CO<sub>2</sub> emissions. Rising European unemployment means greater CO<sub>2</sub> emissions. Since the signing of the Kyoto Protocol, China has trebled its CO<sub>2</sub> emissions because there are no sanctions linked to this. The new WTO regulations are only acceptable if they also integrate climate protection aspects. If we want these regulations to prevent the rise in CO<sub>2</sub> emissions, instead of encouraging them, sanctions are required.

**Kader Arif (S&D).** – (FR) Mr President, ladies and gentlemen, the aim of the Doha Round was clear. It was supposed to be a round to promote development, a round allowing developing countries to correct the imbalances created by the liberal policies implemented to date within the framework of the notorious Washington Consensus.

It is not surprising – although I deplore the fact – that during this crisis period, positions favouring equitable trade are on the retreat. In the face of the United States, which will not move until the health reform has been passed, and in the context of growing opposition from trade unions and the main industrial lobby groups, Europe is not managing to shift the boundaries, and it is therefore unlikely that an agreement will be reached soon.

The majority within this Parliament is therefore taking advantage of the fact to return to its ideology, that of aggressive trade, based solely on the interests of gaining greater market access. Blame the crisis. In acting in this way, in seeking, above all, the opening up of the markets and the removal of all barriers to trade, those on the right wing are, in addition, completely forgetting that it is in our interests to have strong trade partners that are fully integrated into the system of world trade. The reality is that no developing country could end up strengthened by such an agreement.

Together with Mr Désir, our group's rapporteur on this resolution, we have tabled several amendments to the joint compromise text produced by the right-wing European political parties. Of course, I would like to see my own group's resolution adopted, but this will not happen.

That is why our amendments make several points. Firstly, it is absolutely vital that public services remain outside the framework of the negotiations, because they relate to people's fundamental needs and cannot be left to the markets.

Next, special treatment should be given to products which are sensitive for developing countries, particularly in the agricultural sphere. The food crisis has been swept out of people's minds by the arrival of the financial and economic crisis. Let us not forget that food sovereignty should be our absolute priority, the first of the Millennium Development Goals.

Finally, we believe that the public intervention area in developing countries should be maintained, not only by ruling out any liberalisation of public contracts, but also by protecting new industries.

These few points, which are not an exhaustive list, are the absolute minimum in order to ensure that the Doha Round will truly promote development. If they do not appear in the final text, I will call upon my group to vote against it.

(Applause)

**Niccolò Rinaldi (ALDE).** – (IT) Mr President, Commissioner, ladies and gentlemen, I would first like to point out that several months ago, outside a meeting of the World Trade Organisation steering committee, of which I am a member, a colleague from Namibia expressed his disappointment that the prices of certain European agricultural and non-agricultural products in Namibia are lower in comparison with local products. This is one of many market distortions for which Doha must provide a solution.

In this regard, we, as the Group of the Alliance of Liberals and Democrats for Europe, tabled an amendment that calls – not only with reference to Europe, of course, we are very much addressing the United States as well, as the Commissioner is well aware – for all forms of export subsidies to be completely abolished, and in short order.

Secondly, on the issue of services, among the many things to be said, I would point out that a clear distinction needs to be made between services and public services. We need to fight and make a commitment in the context of Doha in order to attain liberalisation of services, which often means taking on veritable national oligarchies that stifle development of local economies. These national oligarchies exist in the communications sector, the banking sector, the insurance sector and others. We must really try to draw a distinction here from everything that instead concerns public services which, of course, must be the responsibility of the national state.

Thirdly, a point that has not yet been raised: we are now in the era of the Treaty of Lisbon and so I call on the Commission here, just as our compromise resolution does, to review the interinstitutional agreement.

We must come to a wholly new *modus vivendi* in relations between Parliament and the Commission so that Parliament is kept fully abreast of any negotiations and of the various stages of negotiations, so that Parliament can adopt recommendations during negotiations, and so that Parliament can play a full and responsible participating role as is the case, moreover, in other, though similar, negotiations with EU accession countries.

**Jacky Hénin (GUE/NGL).** – (FR) Mr President, on 5 December, Maurice Allais, the economist and Nobel prizewinner, said that the true origin of the crisis lay with the World Trade Organisation and that reform was required as a matter of urgency, his analysis being that current mass unemployment was due to the wholesale liberalisation of trade – a liberalisation which benefits only the rich.

Deaf to the suffering of the people, the WTO, the G20 and the Commission persist, just to please international finance and the large capitalist multinationals, in wanting to complete the Doha Round at any price and in declaring an absurd war on protectionism. In order to achieve this, they do not hesitate to falsify economic history, by ascribing the crisis of 1929 and the Second World War to protectionism. They take disgraceful cynicism to the furthest degree, claiming to be doing this in the interests of the poorest countries.

As Maurice Allais and clear-headed economists show, the total liberalisation of trade causes competition that pits everyone against everyone else as well as relocations, giving rise to pay restrictions, mass unemployment, and thus a crisis in our economies. If we do not react, universal free trade will end up ruining our civilisation much more quickly than global warming.

It is urgent and essential for us to embark on a path of moderate protectionism, which is reasonable, socially just and equitable, representing a mutually advantageous cooperation for different peoples and continents.

**Hans-Peter Martin (NI).** – (DE) Mr President, we need a revolution in democracy. I recall very clearly that the debates that we are hearing today started ten years ago in this House. I would appeal to you, Commissioner, to take particular account of what Mr Désir has said, but also of what the Group of the Greens/European Free Alliance and some of the Members on the left have said.

Do you not see that, with the approach with which the European Union has entered the negotiations, we cannot, as honest brokers, overcome the imbalance in relation to what we are currently seeing in Copenhagen, and that in reality, we need a new approach? In much of what they are doing today, the developing countries are no longer developing countries. They are emerging economies, industrialised countries and very self-aware. If we, in Europe, do not succeed in daring to start anew with fair requirements, then we will end up exactly where we do not want to be, namely with protectionism and with a repeat of 1933 and subsequent years in Europe.

**George Sabin Cutaş (S&D).** – (RO) Mr President, Commissioner, ladies and gentlemen, I do not want to get into an argument with some of my fellow Members who have spoken before me, but I believe that the role of the World Trade Organisation has become all the more important as the current complexities affecting the economic environment require a multilateral institution to oversee commercial practices.

The World Trade Organisation will continue, via the Doha Development Agenda, to improve conditions for global trade and investment by applying clearer rules. Given the important role played by the Doha Development Agenda in economic growth and in the reduction of unemployment and poverty, I believe that the Agenda must be concluded during 2010 and the development criterion maintained as its central pillar. The Agenda can then become a solid framework for coordinating the activities of numerous economic players, helping us to emerge from recession and undertake economic reconstruction.

Finally, I would like to recommend that the European Commission provide the European Parliament with regular updates about the relevant stage in the negotiations on the Doha Development Agenda.

**Paul Rübig (PPE).** – (DE) Mr President, Commissioner, I would like to thank the Commissioner, in particular, for very clearly laying the European Union's ideas on the table in the negotiations in Geneva, because, for us, the Doha Round is about providing a new framework for the global economy, which is undergoing this crisis.

I do not think that it is particularly easy for 153 States to agree on a common solution, but for small and medium-sized enterprises, in particular – and these form the backbone of the European economy – trade facilitation, of course, is one of the most important points that we need to get across if we want to enable worldwide economic growth of 2-3% in future, too, in order to be able to secure employment not only here in Europe but also in the many poor countries of this world.

It is therefore also important for us to protect the products that we produce, particularly in agriculture, by means of designations of origin, so that the added value can also be duly exploited locally.

**Marc Tarabella (S&D).** – (FR) Mr President, first of all, I would like to report an alarming fact and propose what might be a remedy for it.

Firstly, the alarming fact that I have found out is that the WTO is in the process of lamentably failing to attain the goal for which it was created and established, that of reducing poverty – in the poorest countries – as has been pointed out on several occasions here. Now, today, a billion people are suffering from malnutrition, of whom 700 million are, paradoxically, farmers.

The remedy, from the agricultural point of view, is that we must without doubt put a stop to monoculture intended for exportation, particularly in the continent of Africa, and give priority to subsistence agriculture in these countries instead of prioritising international trade.

Either we go on in the same way and the continent of Africa will continue to go under, or we radically change direction and can start to breathe, particularly in Africa, and, I say again, this will be through subsistence agriculture, which must take priority over international trade.

**Ilda Figueiredo (GUE/NGL).** – (PT) It is time to change priorities in international trade and to reject free trade on the grounds of the negative contribution it has made to the financial, economic, food and social crisis that people are now experiencing, with growing unemployment and poverty. Free trade only serves the interests of the richest countries and the main economic and financial groups.

A profound change is needed in the negotiations to prioritise development and social advancement, the creation of jobs with rights, and the fight against hunger and poverty. That means abolishing tax havens, investing in food sovereignty and security, supporting quality public services and respecting the right of governments to preserve their own economies and public services, particularly in the areas of health, education, water, culture, communications and energy.

**Mariann Fischer Boel**, *Member of the Commission*. – Mr President, I would like to refer to what one of the honourable Members said – that the European Union should be the honest broker in these negotiations. I do not disagree but I do not want the European Union to be the only banker in this round.

There is a broad recognition that the European Union has played a crucial role in keeping the train on track. The reason for this is that in previous rounds, we have been very vulnerable because of our agricultural sector, and this has not been the case in these negotiations. We have put a strong offer on the table and this has meant that we are now in a very favourable situation.

But I have to say as well – not only here, but I have said it elsewhere, including in the negotiations in Geneva – that the European Union is not going to give any further concessions in agriculture. We have stretched to the ultimate limit of what we can do and this actually has been recognised.

The Doha Development Round was certainly meant to be a development round. I think that the negotiating text on the table today shows that, if we conclude this round, it would indeed deliver on development. For instance, the market-opening obligations for developing countries will not be the same as for the developed countries, and the poorest countries – the least-developed countries – will not have to open their markets at all. The European Union has supported this flexible approach.

Today, the European Union is the only industrialised bloc that has completely opened its markets for the least developed countries with duty-free, quota-free access in all areas. No other industrialised countries have done as much as we have, but these blocs will be forced to do the same as we have if we can conclude this round.

Regarding whether the agreement is good enough; I think that being able to get consensus between more than 150 different countries with totally different approaches probably will mean that you would never get the best of all worlds. But I think that the offers on the table from the European Union are strong and will certainly result in benefits to global trade.

Finally, can I just reiterate the willingness and openness of the Commission regarding the new role that Parliament will play in the future on cooperation and transparency within the discussions that we will certainly be having on trade issues for the future.

**President.** - The debate is closed.

*Written statements (Rule 149)*

**Filip Kaczmarek (PPE)**, *in writing*. – (PL) Ladies and gentlemen, trade can be the basis for lasting and fair development. We will not eliminate poverty and hunger from the world without the help of the market. Those who think differently sentence the poor to the perpetual use of aid, perpetual dependence and perpetual uncertainty as to the future. Only building a true market economy can pull poor countries and their residents out of the trap of contemporary dependence. Globalisation can be a blessing, and not a curse. Suspension of negotiations in the Doha Development Round of the World Trade Organisation has done most harm to developing countries. This is all the more distressing because it has happened at a time of food, fuel and economic crisis. We should do everything possible to restore trust in the multilateral system of trade. If a solution to this problem is not found, the poor, the excluded and the threatened will be left where they are. Thank you very much.

**Tokia Saïfi (PPE)**, *in writing*. – (FR) Concluding the Doha Round remains a problem, and the Seventh Ministerial Conference held in Geneva at the beginning of December did not create the conditions by which to strengthen the multilateral framework of international trade. The fact is, the WTO's work is crucial to the global economic recovery. The post-crisis world, which will be a world of interdependencies, will thus have to protect itself from economic nationalism and excessive protectionism by focusing on the regulation and preservation of a fair trade environment. Now more than ever, we must remember that our objective is the ambitious and balanced conclusion of the Doha Round. Through its constructive proposals on the agricultural component (numerous concessions and a thorough reform of the CAP), the European Union can be considered to have made a vital contribution that moves it closer towards an agreement. Therefore, these numerous

concessions must now be matched by progress in relation to Non-Agricultural Market Access (NAMA) and services. The WTO is an international body that can help to combat inequalities and to strengthen the trade capacities of developing countries. Nevertheless, it must be able to be reformed and to take account of the interactions between trade and sustainable development.

### **17. Mobilisation of the European Globalisation Adjustment Fund: Sweden-Volvo; Austria-Steiermark; Netherlands-Heijmans (debate)**

**President.** – The next item is the report (A7-0079/2009) by Reimer Böge, on behalf of the Committee on Budgets, on mobilisation of the European Globalisation Adjustment Fund: Sweden - Volvo; Austria - Steiermark; Netherlands - Heijmans (COM(2009)0602 - C7-0254/2009 - 2009/2183(BUD)).

**Reimer Böge, rapporteur.** – (DE) Mr President, ladies and gentlemen, today we are, in fact, once again debating a proposal for the mobilisation of the European Globalisation Adjustment Fund. The periods between these reports are getting shorter and shorter. This time it relates to applications from Sweden and Austria in connection with redundancies in the automotive sector and from the Netherlands in connection with redundancies in the construction sector.

I would like to remind you once again that the purpose of this fund, with an annual ceiling of EUR 500 million, is solely to help workers who suffer the consequences of major structural changes in world trade patterns and to support them exclusively through further education and training and the opportunity to get appropriate work once again.

For us, it is once again important in this connection to emphasise on a general note that, in future, only single proposals or single reports should be submitted rather than multiple applications for the mobilisation of the Globalisation Adjustment Fund as in this case, which will hopefully be the last time this happens.

We would like to point out, once again, that the assistance provided by the Globalisation Adjustment Fund should not replace measures which are the responsibility of companies by virtue of national law or collective agreements, or measures for restructuring companies or sectors. For us, there still remains one point of criticism – and the Committee on Employment and Social Affairs will certainly not let up in this – and that is that payment appropriations are clearly being systematically transferred from the European Social Fund, but the European Globalisation Adjustment Fund is ultimately a separate and specific instrument with its own objectives and deadlines.

The total amount in question for these three applications that we are talking about today and on which we must take a decision this week is EUR 15.9 million. In this regard, the Swedish and Dutch applications are based on Article 2(a) of the legal basis, namely at least 500 redundancies over a period of four months in an enterprise in a Member State. The Austrian application is based on Article 2(b), namely at least 500 redundancies over a period of nine months, particularly in small or medium-sized enterprises. As I said, the Swedish application relates to a total of 4 687 redundancies at the car manufacturer Volvo and 23 of its suppliers and downstream producers. Sweden has applied for EUR 9.8 million from the Fund for this.

The Austrian application concerns 744 redundancies in nine enterprises, of which 400 are targeted for assistance from the European Globalisation Adjustment Fund. For this purpose, Austria has applied for EUR 5.7 million. The present Dutch application relates to 570 redundancies in one enterprise, Heijmans N.V., of which 435 are targeted for assistance with a total sum of around EUR 386 000.

In accordance with the Commission's assessment, which, after thorough examination, we are also able to support, the applications fulfil the eligibility criteria set. Without wanting to pre-empt my colleagues in the Committee on Employment and Social Affairs, I would like to point out that this committee, as has also been agreed in the procedure here, will issue an opinion prior to the decision by the Committee on Budgets and it will also look at the details very closely. For example, it has pointed out that, in the Swedish case, of the 4 687 redundancies mentioned, only 1 500 are targeted to receive the assistance.

In the case of Heijmans, for example, it can be established that a further 400 redundancies have occurred, mainly involving workers with fixed-term contracts, which are not included in the application. In this regard, there are always individual questions that quite rightly need to be asked here, but which nevertheless should not prevent us from giving the green light in general for the authorisation of the funds that have been applied for.



**Vladimír Špidla**, *Member of the Commission*. – (CS) Mr President, ladies and gentlemen of the European Parliament, I would like to thank the rapporteur for supporting the proposal put forward by the Commission aimed at releasing resources from the European Globalisation Adjustment Fund in response to layoffs in the automobile sector in Sweden and Austria and the construction sector in the Netherlands.

Mr Böge, your support was accompanied by several comments, in particular, two points of a budgetary nature which I have already had an opportunity to discuss in the previous debate and which I would like to return to today.

The first budgetary point you raise relates to funding sources. You tell us that the European Social Fund cannot be the only source of funding. The European Globalisation Adjustment Fund is, from a budgetary perspective, a special instrument which does not have its own resources. Resources must be transferred before they can be released which firstly means identifying budget items that offer suitable opportunities and secondly, proposing to the budgetary authority that the sums identified in this way be released via a budget amendment. This activity is performed on a case-by-case basis, according to need.

It is true that the European Social Fund has been the main source of funding so far. This is not merely a result of the similar nature of this fund. It is largely down to the fact that the fund has significant resources at its disposal. In 2009, the European Social Fund has almost EUR 11 billion available in resources for payments. By the end of November, EUR 6 billion of this overall amount had been used. The total volume of payments to the European Globalisation Adjustment Fund represents EUR 53 million in 2009, i.e. 0.5% of the allocated budgetary resources of the European Social Fund. Up until now, the method we have chosen and which was, from a certain viewpoint, logical and easier than other methods, did not delay or put at risk fulfilment of the objectives of the European Social Fund. Nevertheless, however, I agree that it is necessary to diversify the sources of payments and I can assure you that the Commission is addressing this issue. I hope therefore that we will be able to present a number of possible scenarios to you next time.

The second point you raise is not exclusively budget-related, but relates rather to decision making, since you ask that in future, the Commission submit its proposals for releasing resources from the European Globalisation Adjustment Fund in individual documents. The Commission is aware of the advantages of this case-by-case approach, which would completely eliminate the risk of secret agreements or guarantees, for example. It is true that the method originally used was an entirely normal approach which, to a certain extent, facilitated administrative handling of the problems, but in my opinion, the pragmatic and political fundamentals speak very strongly in favour of a case-by-case approach and the Commission will use this method from now on.

**Lambert van Nistelrooij**, *on behalf of the PPE Group*. – (NL) Mr President, unusual times call for unusual measures. With its Globalisation Adjustment Fund, a very special bespoke instrument, Europe is matching its words with deeds. The mass redundancy of more than 700 regular workers at Dutch construction company Heijmans N.V. – not to mention the numbers abroad, for example in Belgium and the United Kingdom – calls for targeted action. The construction sector occupies an important place in the Brabant region, which is also my home region, and the effects of this kind of mass redundancy are palpable far beyond the region itself.

Europe's action is rightly aimed at preserving expertise and skills. The crisis has meant people now losing their jobs even though experience has taught us that there is a great shortage of skilled professionals, particularly in construction. A mobility centre, along with the preservation of expertise and also of jobs where possible, is a good choice of instrument for Heijmans, therefore. The Dutch ministries and also the regional authorities, for example, those in the province of North Brabant, are now working to accelerate highly targeted investment in projects, infrastructure and construction. We are seeking thus to show the people losing their jobs that we are providing active input, including in financial terms.

I would again point out – this week in particular, against the backdrop of Copenhagen – that we are in particularly urgent need of energy supplies and energy measures in the fields of construction and also of transport. We have amended the rules in Parliament in other fields – I would draw your attention in this connection to the accelerated disbursements and advances from regional funds – and so an active contribution by Parliament must be supported. A company such as Heijmans, which always focuses on continuity and quality, would also profit from this. It is in that spirit that we give these three proposals, particularly the one concerning Heijmans, our wholehearted support.

**Frédéric Daerden**, *on behalf of the S&D Group*. – (FR) Mr President, ladies and gentlemen, applications of this fund are becoming more and more frequent. The main reason for this is the economic crisis that our continent is experiencing.

The crisis affects fundamental sectors of European industry, as shown by these three latest requests in the automotive and construction fields, which have received a favourable response.

I would like to take this opportunity to remind you that, without the latest revision to the regulation governing the fund, during which the economic crisis was added to the eligibility criteria, many of the requests currently reaching us could not, legally speaking, have been given a favourable response.

This shows that, in the face of the crisis, within this institution of the European Parliament, when political goodwill is present, high-quality political instruments are made available to our fellow citizens. Political goodwill can still do its work, since, on reading the report by Mr Böge, I find that the essential points for improving the fund's operation are there: speeding up the handling of requests in order to be responsive in the face of the crisis, ceasing to present requests jointly, and using funding other than from the European Social Fund.

On this latter point, the best solution would be to allocate to the fund payment appropriations in its own right, as for other funds, but we know the Council's position on this subject and I fully understand what the Commissioner said.

I am pleased to note the convergence of goodwill. In this regard, I have no doubt that the undeniable usefulness of this fund, combined with the will of Parliament, will mean that our aims of strengthening this fund will be achieved.

**Marian Harkin**, *on behalf of the ALDE Group*. – Mr President, the European Globalisation Adjustment Fund is a tangible expression of solidarity with workers who have lost their jobs due to major structural changes in world trade patterns.

As Members of this Parliament, it can give us some satisfaction that we can make a contribution to alleviating some of the more immediate effects of redundancy for these workers, indeed giving them some hope for the future.

However, our role should not just be to approve this Fund. We have a responsibility to do our best to ensure, first of all, that all criteria are met, but also to do what is in our power to ensure that the Globalisation Fund ensures added value.

One of the relevant issues raised by the Committee on Employment is that the measures proposed by Member States complement other actions cofinanced by the Structural Funds, and really we need more than a simple confirmation that this is the case. It needs to be demonstrated that this is the case, because this will help to ensure the added value I spoke of.

Also, the added value will come from the fact that the EGF will not replace actions that are the responsibility of companies, but are a valuable addition to measures taken at national level.

While we are evaluating the added value of the Fund within the process of the 2007-2013 multiannual framework budget review, this should, in my opinion, be an ongoing process, and we need to be vigilant in the area.

Another matter which is of some concern to me is the implementation of equality between men and women and non-discrimination within the framework of the Fund.

I have taken a quick look at the gender breakdown of the three programmes targeted for assistance and they run 91%, 72% and 79% male. I have looked at some of the other programmes that we have funded before this, and there seems to be an indication that there is a much greater percentage of the funding going towards male workers that have been made redundant. This may be a statistical aberration or it may be a situation where, for one reason or another, a greater number of the applications are for male workers.

Finally, we need to carefully evaluate all applications because it is crucial that assistance is made available as quickly and efficiently as possible.

**Marije Cornelissen**, *on behalf of the Verts/ALE Group*. – (NL) Mr President, I should like to make clear from the outset that we can endorse the use of the European Globalisation Adjustment Fund (EGF) for these three

applications. The applications meet the criteria, and therefore the workers made redundant are entitled to support from this fund.

Yet I should like to seize this opportunity to draw attention to a major shortcoming of the EGF. We are currently developing a shared vision of the future of the economy and the labour market in Europe. The various political groupings in this House may not fully agree on how exactly to do this or how far to go in this regard, but we are in reasonable agreement on the broad lines. More sustainability and more inclusiveness are required. If we wish to achieve these objectives, we must seize the opportunities now. At this very time, when tackling the crisis, we must take action that brings us closer to this sustainable economy.

In my opinion, we are letting some opportunities go to waste with the present mobilisation of the EGF. It is a crying shame that the fund, one of our instruments to confront the crisis, is not pointing the way forward. We must dare to make real choices. If we ensure that people who are now losing their jobs in polluting industries such as the car industry are retrained for work in sustainable sectors with a view to the future rather than remaining stuck in the past, this will make clear what direction we want to move in, and will also bring the innovative, inclusive and sustainable economy that bit closer.

**Hynek Fajmon**, *on behalf of the ECR Group*. – (CS) Mr President, ladies and gentlemen, today we are discussing further cases involving the release of funding from the European Globalisation Adjustment Fund. It is a question of whether money is available to meet requests from the governments of Sweden, Austria and the Netherlands in connection with layoffs in firms operating in the automobile and construction industries. We have approved a number of similar contributions in the past. In my opinion, however, this is an incorrect measure and the European Union should not continue with it. I would like to present two arguments in support of this position.

Firstly, this is an unjust measure. Globalisation, or rather competitive pressure, applies to almost all employees and employers in small businesses in the EU. As a result of this, many jobs are both lost and created every day in Europe. Support relating to job losses, however, is provided in the EU at a European level only in the case of large companies where the job losses are sufficiently high. People made redundant from small firms cannot access this form of support and it is therefore a selective and ultimately unjust measure.

Secondly, this is an issue which, in my opinion, ought to be resolved at a national level as there are sufficient resources, information and policies at that level.

**Miguel Portas**, *on behalf of the GUE/NGL Group*. – (PT) Mr President, we shall vote in favour of support for the workers made redundant in Sweden, Austria and the Netherlands. Every request to mobilise this fund, however, leaves me even more baffled as to its fairness and effectiveness.

Firstly, as regards effectiveness, the fund supported 16 000 workers in 2009, a mere drop in the ocean of redundancies, and expended EUR 53 million out of a possible EUR 500 million. Secondly, as regards fairness, why is a Swedish car worker supported to the tune of EUR 6 500, while an Austrian car worker gets EUR 14 300?

How can I explain this to a Portuguese textile worker, whose support was a mere EUR 524, when her Catalan counterpart can receive EUR 2 000? Worse still, why is it that in the Dutch request fixed-term contract workers were left out of any support, when they are the hardest hit? This fund cannot continue to be used to widen differences in unemployment or to accentuate inequalities between rich countries and countries on the margins.

**Marta Andreasen**, *on behalf of the EFD Group*. – Mr President, the European Union has set up budgetary instruments to provide support to workers who are being made redundant as a result of major structural changes in world trade patterns, many of which have been influenced directly or indirectly by the European Union.

However, this represents a piecemeal approach. Subsidising the training of those who have lost their jobs in certain industries will not resolve the situation of the said industries, nor will it help to create an alternative industry that will absorb this workforce. This is just a waste of taxpayers' money. If the European Union was really looking to help Europe out of the crisis, it should be investigating and working on the causes of the crisis, but it prefers to be seen as the charity that will come to rescue the poor.

Of course, this action will initially return support for the European Union from those affected. Moreover, the report and the motion for a resolution being proposed for vote do not indicate what the scope of this subsidy will be – i.e. how many industries it will cover and how many companies within a certain industry.

What is most worrying is that the report emphasises the need to speed up the payments of the subsidies, without ever mentioning the need to provide evidence that the funds are reaching the right people for the right purpose. Worse still, the report does not call for regular monitoring of the effects of the subsidy, leaving this evaluation to the general assessment of the programmes within the process of the 2007-2013 multiannual financial framework.

Colleagues, we are talking about taxpayers' money, many of whom have also lost their jobs and are getting no subsidies, many of whom are going through severe financial problems. How can we treat their money with such contempt? I will reject this resolution, and urge you to do the same.

**Angelika Werthmann (NI).** – (DE) Mr President, ladies and gentlemen, in the Globalisation Adjustment Fund, the European Union has a budgetary instrument that provides financial support to workers affected by major structural changes in world trade patterns. Now, the Globalisation Adjustment Fund is also providing direct assistance to people affected in my home country. I have pointed out on many occasions that the Globalisation Adjustment Fund must not be wrongly seen as a backup solution for multinational companies, but must go directly to help the citizens affected. For that reason, I am in favour of control mechanisms and would like to see regular progress reports from Steiermark. This fund is utilised precisely where society needs it most, namely to help the affected people themselves. That is something positive that the European Union does for its citizens.

**Paul Rübigen (PPE).** – (DE) Mr President, Commissioner, I am pleased that we are today debating how we can tackle the global crisis and unemployment in particular. Of course, it is affecting very many innocent enterprises that quite simply have too few orders coming in and thus have no turnover. They therefore also suffer from a lack of liquidity and with that, lose their creditworthiness.

I am grateful that the focus here is on small and medium-sized enterprises in particular. I believe that transitional assistance is particularly important to allow them to continue working and to be able to take advantage of any appropriate new opportunities on the markets. We should carefully analyse the results of this funding to see where we have used best practice and where we were actually able to help secure jobs and, above all, where we have succeeded in reintegrating redundant workers into the labour market as quickly and as efficiently as possible.

Now it is a question of providing help quickly and therefore I also support the mobilisation of the Fund as quickly as possible, particularly in Steiermark in Austria, where a whole region involved in car manufacture is affected and where there are many suppliers involved which, of course, are particularly important for the infrastructure. I think it is good that this EUR 5.7 million is being made available. However, in this regard I would like to ask that, for all cases that we take a positive decision on here today, an analysis be carried out and that the money does not merely flow out, but that proof is also provided that it is resulting in restoration or that new enterprises are being set up and that active economic activity will, in future, enable this region to regain the vigour that it has had up to now. Thank you, Commissioner.

**Evelyn Regner (S&D).** – (DE) Mr President, the Austrian application for assistance from the European Globalisation Adjustment Fund (EGF) concerns the former employees of a total of nine automotive suppliers in Steiermark. If we look closer at this case, we can immediately see that it is a classic case for the EGF, namely the provision of remedial assistance. The EGF can provide exactly that, and that is why it was set up, in other words to provide assistance to those directly affected by the negative effects of globalisation and who, through the abrupt loss of their jobs, have to suffer the consequences of the irresponsibility of financial market speculators.

Steiermark, unfortunately, is characterised by its large dependency on demand in the automotive industry. That means that the whole region has been badly affected by the current slump in the market and, in particular, in the demand for cars. Car sales have fallen by 59.4%. In this context, the EUR 5.7 million represents an excellent investment for the reintegration of redundant workers into the labour market. In other words, this investment will enable workers to attend local employment foundations, specifically for the automotive sector, while also facilitating the implementation of measures aimed at worker preparation and qualifications.

#### IN THE CHAIR: MRS KOCH-MEHRIN

*Vice-President*

**Milan Cabrnoch (ECR).** – (CS) Ladies and gentlemen, this week, we must express our opinion on a European Commission proposal to release financial resources from the European Globalisation Adjustment Fund in

three cases: Sweden, the Netherlands and Austria. Again we have to decide, unfortunately, over three unconnected and very different cases.

I would like to point out that the European Parliament has already asked the Commission on one occasion for individual requests for the release of resources to be presented and discussed separately. The requests are again accompanied by a whole series of ambiguities. In the case of the Swedish request, for example, it is not clear what volume of resources will be used and, in the case of the Austrian request, the volume of resources requested for each person losing a job is startling. While in previous projects, sums of several hundred euros were requested per person, Austria is asking for EUR 14 300 for each unemployed person. We remain unconvinced that the proposals correspond to the aims for which the globalisation fund was created and we do not support the release of these resources.

**Paul Rübzig (PPE).** – (DE) Madam President, I would like to use the blue card simply to rectify one point. The support in Austria is not being granted to just one person.

**Franz Obermayr (NI).** – (DE) Madam President, as you can see, this is clearly an Austrian issue, and Steiermark, one of our provinces that has been hard hit, is of great concern to us, with its above-average proportion of the population involved in the automotive industry on the one hand and, of course, a disproportionately high percentage of these products being exported on the other. The global fall in demand has resulted in a total of 744 redundancies, as has already been mentioned, and we are very pleased that 400 of the people affected will receive support through the European Globalisation Adjustment Fund. That is very much to be welcomed.

In this case – and this needs to be clarified with regard to what the previous speaker said, too – it is not about subsidies for simple restructuring, it is about supporting individual workers by providing assistance with living costs and measures for further training. In this regard, I agree with Mrs Cornelissen, who said that this further training must be particularly geared to the future. We need to have better trained workers for the future and retraining in the areas of technology and renewable energy is certainly a worthwhile step. Steiermark will surely be in favour of that.

**Gunnar Hökmark (PPE).** – (SV) Madam President, in a debate such as this, it is worth remembering that it is globalisation that has made Europe rich, that has created jobs and generated investments. Exports have paved the way for new businesses and large enterprises to emerge. Imports have provided opportunities for citizens to live a good life with cheap products and services which, taken together, has resulted in regeneration.

Change on a broad scale is a constant presence, allowing new enterprises, new jobs and new opportunities to emerge. These wide-ranging changes leave their mark right through society and we should never try to prevent them from happening. However, we need to make the transition easier for those who are affected. Every Member State should have a duty to ensure that the transition takes place safely and in a way that provides plenty of opportunities.

The European Union cannot provide such opportunities from a single fund. The changes are too great and too significant. If we think this can be resolved by means of a globalisation fund, then we are not presenting an accurate picture of the situation. We were against the creation of such a fund. However, when it comes to the car industry, we realise that Europe is in a special situation at the moment, with a multitude of different kinds of support at European and national level, and we are at risk not only of the distortion that comes from giving public subsidies to individual players, but also of this distortion being increased if enterprises and industry in different regions are not able to obtain equivalent support. In view of this, we will be voting in favour of this proposal, because we have already come so far in the subsidy process that if support is not provided, then competition would be distorted. However, we would like to emphasise that we cannot carry on like this in the future.

**Elisabeth Morin-Chartier (PPE).** – (FR) Madam President, I would like to stress the fact that the European Globalisation Adjustment Fund that we have set up is addressed to workers, to improve their employability. Therefore, it is on this point that we must truly take fundamental action. This is the approach that we adopt in examining the cases within the group on the Globalisation Adjustment Fund to ensure that workers can be included in the world of work, and stay in employment, because there is no social integration without professional integration.

The second point I would like to stress is that the automotive sector has been very seriously affected, and I call upon car manufacturers, which are being hit hard by the crisis, to adapt their products both to the new environmental objectives and to consumers' new needs. The future of the sector is at stake.

Finally, I call upon everyone to back the Committee on Budgets in its proposal – and I also thank Mr Böge for his proposal – and ask, as Mr Rübig did, for the effects of our policies to be monitored.

**Silvia-Adriana Țicău (S&D).** – (RO) Last year, we approved a number of similar allocations of sums from the European Globalisation Adjustment Fund in order to provide additional support to workers who are suffering the consequences of major structural changes in global trade patterns. The economic crisis has had a drastic impact on global trade.

In the region I come from, I can tell you that during the last year, roughly 2 500 redundancies have been made in the iron and steel industry, approximately 700 in shipbuilding, and an announcement has been made about around 6 000 redundancies to follow in the rail transport sector. This is why I believe that it is important for us to be prepared in 2010 for many similar applications which will come about due to the economic crisis. The existing procedure must be simple so that states and beneficiaries can gain easy access to it. Sweden applied in June, Austria in July and the Netherlands in August, which shows that several months have passed since their applications. This is why I believe that the procedure must be simple.

**Seán Kelly (PPE).** – Madam President, having sat here a few weeks ago when Parliament voted in favour of globalisation funding for my own constituents in Limerick, who were made redundant due to Dell relocating to Poland – and also in the springtime, the Waterford Crystal workers will be looking for a similar assistance – obviously I support what has been proposed here tonight for Sweden, Austria and the Netherlands.

A number of anomalies have been mentioned and I am going to repeat them very briefly. Firstly, I think the start date needs to be looked at. Secondly, the time span needs to reflect the length of the course, not just the particular two years, as it is at the moment. Thirdly, concerning administration, it is very important that it is not gobbled up, particularly by government agencies. Fourthly – and more importantly – as much help as possible should be given to entrepreneurs. Thirty-five per cent of start-up companies in the EU have been started by people who have been unemployed. If they are helped, they will deliver. Necessity is the mother of invention, and I think it is very important that we give them every assistance we can.

**Andreas Mölzer (NI).** – (DE) Madam President, if we assume that most jobs across Europe – not just in my country, Austria – are at risk due to the effects of globalisation, then we must consider, in particular, that younger workers – some of whom have not yet been registered as unemployed because they have just come from a training course or from school – are at risk as a result. We need to take particular care – and this applies to Austria, primarily – to ensure that we use these sorts of measures to support those workers who need to be integrated into the labour market for the first time, and give them the opportunity, including with assistance from the European Union, to enter the European labour market.

**Vladimír Špidla, Member of the Commission.** – (CS) Ladies and gentlemen, in my opinion, the debate has shown clearly that the European Globalisation Adjustment Fund is functioning and we are able to state that it has now been used several dozen times and it has always brought considerable benefit to the people making use of the fund. As a Commissioner, I have always tried to familiarise myself with results in the field, which is not proper analysis of course but merely direct experience, and I was delighted to see how positively the fund is rated in those areas where it has operated.

The debate has thrown up many questions of a serious nature which demand a response and which call for a clear and realistic opinion. First is the idea that the fund can be used only for big companies. Experience fortunately shows that the fund can be used by anyone, regardless of whether a large or small country or a large or small firm is involved and this was our original intention. The newly adjusted rules clearly provide the possibility for using this fund also in the case of employees of small and medium-sized enterprises which are in areas or fields affected by the crisis. The fund thus operates without discrimination and does not disadvantage anyone.

I would also like to emphasise a fundamental characteristic of the fund, which is to help people rather than companies and, from this perspective, we cannot therefore see it as a life support machine for companies that have no realistic hope of functioning in economic terms, but rather the contrary. The fund helps people who have been made redundant to find work quickly in those areas where it exists. It is therefore a fund which, in principle, implements and facilitates restructuring.

Concerns over gender inequality were expressed in one speech and I think it was the speech of Mrs Harkin. This inequality, which really does exist at the level of reports, merely proves that the crisis, especially in its first phase, has markedly affected the male-dominated industries. Today also, we are talking about the automobile industry and the construction industry, in other words, two male-dominated industries. In overall

figures, therefore, the fund has provided more assistance to men. The crisis has changed the structure of the labour market in a specific way and I noted the statement of President Obama, who declared that at the end of this year, the majority of workers actively engaged on the labour market in the United States would be women. Also in the United States, therefore, the crisis has produced a very striking result in industries dominated by men. As far as the question is concerned, there is no gender inequality at all in the concept or the structure of the fund.

The debate also threw up a number of ideas, of course, on how it might be possible to amend and improve the fund. I have to say that the Commission does not of course regard the fund as something immutable which has emerged like Pallas Athena from the head of Zeus. It is a human institution, which can always be made better on the basis of experience and debate. Thus, in my opinion, there are no fundamental obstacles here.

Another question was raised on the issue of the specific method of financing, in other words, the integration of the fund within the budget as independent budget items. This is surely a question that will be discussed at a political level but from a financial perspective, it was not possible to achieve a result in this way and, in my opinion, the fact that we mobilised resources by a different but effective method is, in itself, valuable.

Ladies and gentlemen, I would like to say that it is undoubtedly true that the amended rules and the pressure of the crisis have led to a situation where there will be more individual cases but, as I have already stated, the Commission accepts the weight of the arguments on the side of adopting a case-by-case approach and we will therefore proceed under this method.

In conclusion, I would like to thank the MEPs from the Committee on Budgets and all of the MEPs involved in this issue because it has emerged clearly from the debate that consideration has been given to all of the contentious matters that are present in every decision of such complexity. In my opinion, it also emerged clearly from the debate and from the proposal of the Commission that all of these cases fall within the scope of the globalisation adjustment fund. I am delighted therefore that your debate has confirmed the view of the Commission and I expect that the vote will go in the same direction, or at least I hope it will.

**Reimer Böge, rapporteur.** – (DE) Madam President, I do not need to add anything to what the Commissioner said. I support what he said, especially his concluding remarks about the question of the future development of the Globalisation Adjustment Fund in relation to the other programmes – in particular the European Social Fund – about which we will, of course, have another intensive joint debate.

It is absolutely clear that this Globalisation Adjustment Fund cannot neutralise the consequences of structural change, nor can it accept and overcome the challenges of globalisation, and that, of course, is not its intended purpose. However, it can certainly help the individuals affected, who find themselves in a difficult situation in terms of employment after being made redundant and it can give them the opportunity, through gaining qualifications, to have prospects once more and to find work. That is something that, in spite of the debate about subsidiarity, which of course also plays a part in this connection, we should support and welcome as a supplementary fund to all the measures under the European Social Fund, which we also have.

At this point, I would just like to say one more thing and that is that there are certainly programmes in the national, as well as the European, budgets where there are more grounds for calling into question the meaningfulness of the expenditure than there are for a fund that provides assistance directly to people who are in a difficult initial situation.

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

The vote will take place on Wednesday.

## **18. European Microfinance Facility for Employment and Social Inclusion (Progress) (debate)**

**President.** – The next item is the report (A7-0050/2009) by Mrs Göncz, on behalf of the Committee on Employment and Social Affairs, on the proposal for a decision of the European Parliament and of the Council on establishing a European Microfinance Facility for Employment and Social Inclusion (Progress Microfinance Facility) (COM(2009)0333 - C7-0053/2009 - 2009/0096(COD)).

**Pervenche Berès (S&D).** – (FR) Madam President, I note that, throughout the previous debate, you referred to the debate that is now to take place as a debate on Progress.

However, the decision of this Parliament, confirmed by the Conference of Presidents, is that we will only vote on the 'microfinance' facility. I therefore think that this clarification is an important one. This is a debate on microfinance and not on the Progress programme.

**Kinga Göncz, rapporteur.** – (HU) Thank you very much, Madam President, and I am also very grateful for this clarification, as it is vitally important that we are now going to talk about the microfinance facility. I would also like to welcome Commissioner Špidla to the following debate. Let me begin by saying that when I became rapporteur for this programme, I thought that I would have a very easy job, given the wide-ranging consensus and support on this issue, something which was also in evidence during the debate. This support was wide-ranging in many respects. On the one hand, as a crisis management facility, it will also help precisely those who are in the most desperate situation, who have lost their job and who cannot access credit or assistance either due to the financial crisis.

On the other hand, this is typically a facility which does not provide people with fish, but teaches them how to fish. It triggers precisely the type of creativity which we need most from the point of view of ensuring a positive outcome to the crisis. The third aspect which received, and still receives, wide-ranging support is the fact that the European Union's resources are growing, which I think is the finance ministers' dream. Some of the resources are being contributed by the European Investment Bank, while others are coming from other commercial banks as the European Union will be primarily covering the risk, thereby making it easier for the other participants to assume the risk.

As I have mentioned, there is wide support for the programme's content. I think that, thanks to these aspects, the issue which provoked debate during the discussions with the Council and Commission was to do with which resources the European Union will use to finance this particular primary risk that has been assumed. The second point of contention was the extent of the resources which could help launch the facility and can be expected to actually attract other significant resources. The Council and Commission originally proposed that EUR 100 million should come from the Progress programme, which is primarily used to draw up policies for combating social exclusion and supporting equal opportunities.

We, for our part, said right from the start that the Progress programme cannot be jeopardised in any way since, during the current crisis, it is needed even more than before. It is also not acceptable for us to tinker with the Progress programme to such an extent that could really jeopardise it. Parliament was extremely willing to compromise during the debate. We also held three informal trialogues, one of which went on until the early hours, where we proposed that we could tinker with the Progress programme in any way that would not jeopardise its function. We suggested that, considering the original proposal, we could envisage launching the programme even with EUR 100 million rather than EUR 150 million.

Parliament's 2010 draft budget found resources of EUR 25 million, which will enable it to launch the programme at the very start of 2010, and it was able to find these resources without touching the Progress programme in 2010. We also requested this item be removed from today's agenda because we failed to reach agreement on it. Another matter we felt was an issue was that the Presidency arrived during the trialogue on all three occasions without any mandate, making it very difficult for it to consider our proposals properly.

I believe it is important for Parliament to vote as soon as possible on this matter, this very week even, so that this project can therefore be launched at the start of 2010 with a fund of EUR 100 million, because this conveys the message that this is a crisis management facility where speed is a particularly important consideration. I sincerely hope that Commissioner Špidla can help us get the Commission to withdraw its original proposal on diverting the EUR 100 million from the Progress programme so that this programme can be launched as soon as possible.

**Vladimír Špidla, Member of the Commission.** – (CS) Ladies and gentlemen, I would like to begin my speech by emphasising the importance of this initiative in the area of micro-financing. The current crisis is bringing about a significant rise in unemployment in all of the Member States, the effects of which will unfortunately fall hardest on the most vulnerable members of our society. The micro-financing instrument is specifically aimed at assisting these groups of citizens to find alternative employment and to become micro-entrepreneurs themselves.

I would like to congratulate the Committee on Employment for the outstanding work they have carried out in this area and, in particular, to applaud the contribution made by Mrs Göncz to this initiative. I am aware of the efforts that were made in the negotiations between Parliament and the Council aimed at achieving agreement at the first reading. In view of the fact that both bodies support the micro-financing instrument, it was possible to make considerable progress over the essential wording of the proposal. This progress is



reflected to a considerable extent in the amendments proposed today. Of course, the most difficult question is the budget. Although both bodies will probably approve an overall budget of EUR 100 million for this instrument, identifying the sources of the finance continues to be the main obstacle.

As you know, the micro-financing proposal forms part of a package which includes a proposal to transfer EUR 100 million from the Progress programme. You have decided not to vote on this second proposal this week. The transfer of funds from the Progress programme is support by the Council and, for many of the Member States, it constitutes a fundamental element of the whole package. Without an agreement over the source of finance in this area, we will not achieve our objective of implementing the new instrument rapidly. Today, however, we are debating the wording of the decision through which the instrument is to be set up.

In conclusion, I would like once more to applaud the rapporteur for the work she has carried out in submitting a report and amendments that will enable both of the lawmaking bodies to concentrate on the main problem that remains to be resolved, namely the funding.

**Olle Schmidt**, *rapporteur for the opinion of the Committee on Economic and Monetary Affairs (ECON)*. – (SV) Madam President, if we are to reduce unemployment, then both the EU and the Member States must shoulder greater responsibility. The proposal for microfinancing is an initiative that Parliament has been pushing for. It is about giving the unemployed a new start and opening the door to enterprise for some of the most vulnerable groups in the EU, including young people. The proposal is intended to facilitate small-scale investments and provide microenterprises with the opportunity to grow.

Following some minor amendments and clarifications the proposal received broad support from the Committee on Economic and Monetary Affairs. The issue on which there has been debate is its financing, as has also been mentioned here. The Commission proposed that no extra funds would be made available, with funding instead being taken from the Progress programme. It has been incorrectly asserted that this opinion is shared by the lead committee, but that is not so.

That is the current situation. I must say that I find it strange that the Council is so stubbornly rejecting our proposal for EUR 150 million during the period – a mean and miserly approach in these difficult times!

**Csaba Óry**, *on behalf of the PPE Group*. – (HU) Commissioner, ladies and gentlemen, we could sense during the previous debates as well that the economic crisis and how to emerge from it are a preoccupation for every one of us and are being given ample attention. As the coordinator from the Group of the European People's Party (Christian Democrats) for the Committee on Employment and Social Affairs, I would simply like to confirm that we support in every single dossier tabled before us one of the most important items for us, namely, the protection of jobs and the creation of new jobs.

Let me remind you that the PPE Group has been supporting the issue of micro-credit for a long time. In fact, it was my former colleague, Zsolt Becsey, who first tabled this topic before the House in his own-initiative report in 2009. This was based on earlier and current experiences in Hungary with this facility, which was called the Széchenyi card, and had the same purpose as in the current case: providing micro-enterprises with small, short-term credits. Let us think of butchers, bakers, greengrocers or perhaps even chemists. They are also being affected by the crisis. They employ a huge number of people. In some countries, this sector even accounts for more than 90% of employees. This is the case, for example, in Hungary for more than 90% of firms and enterprises. They do not need a large amount of money and they do not want to pay a great deal of interest either. In certain cases, they need temporary working credit and temporary assistance.

The Commission's proposal addresses this very problem and, as the rapporteur said, this proposal really has wide-ranging support and consensus. Therefore, I think that it is important for us to agree on the issue of funding as soon as possible as well. We also support the 35 proposals jointly submitted by the PPE Group, along with the Socialists, Liberals and Conservatives, because we feel that this provides the guarantee that we can approve this facility at first reading and launch it as soon as possible.

**Pervenche Berès**, *on behalf of the S&D Group*. – (FR) Madam President, I am rather surprised. We are going to adopt an instrument that creates an innovative tool, a vital tool, to allow those most vulnerable to this crisis to face it and to come up with their own jobs in the future. This is an instrument to be adopted using the codecision procedure, but the Council is not here. This must be because the Council has nothing to say to us on this issue and does not consider itself bound by the European Parliament's position. In any case, that is the impression that we have had at times throughout the negotiations.

The European Parliament is going to assume its responsibilities. Thanks to the cooperation and constructive understanding between all the groups, it is going to adopt the microfinance instrument, which is consistent with its actions over many years, as Mr Óry reminded us. However, I would also like to point to the pilot projects that we initiated. We know that in this crisis situation, the most vulnerable people – those who do not have access to the large banks to release loans to fund their initiatives – are able, through this tool, to launch their own strategies and, in a way, to create their own jobs.

I will not go back over the content, development and scope of the negotiations that have taken place. The negotiations were held in appropriate conditions. The issue of funding is more serious. When you look at the initiative launched by Mr Barroso in autumn 2008 to organise the European recovery, this tool was defined as an important one to be used in achieving the European Union's strategy.

However, the Commission has proposed to us that we should simply finance a new project by robbing a useful project that was already on the table. We had a project to benefit support networks for the most vulnerable – the Progress project – to which the European Parliament was highly committed, and, in order to fund microfinance, the Commission is proposing to us that we should simply tap into the funds allocated to the Progress programme.

It is this sleight of hand that this Parliament does not accept, and that is why we have not concluded the negotiations. That is why, taking a responsible attitude, we say that we are prepared to examine our proposal with the Spanish Presidency at the very beginning of January: EUR 40 million taken from the budgetary margins, EUR 60 million taken from the Progress programme, with EUR 20 million redeployed, enabling the burden to be distributed fairly. We will then assume our responsibilities as the Committee on Employment and Social Affairs to look at how such a programme is implemented in each of the Member States, to bring about a synergy between the various experiments to be conducted in the Member States – we are sure of this – when the package as a whole is adopted in January.

**Marian Harkin, on behalf of the ALDE Group.** – Madam President, I am pleased to have the opportunity to say a few words on the proposed microfinance facility. Earlier, we spoke about the European Globalisation Adjustment Fund and how it can assist redundant workers in certain sectors. The microfinance facility is another piece in the jigsaw where the EU, in this case, is trying to ensure access to micro-credit for those who would not be able to access that credit from what we might define as the normal or usual financial institutions. This would enable them to set up their own business and promote entrepreneurship.

In this context, I am pleased to see that credit unions, cooperative banks and other mutual financial institutions can operate the fund, because they are often closer to those who may wish to access this particular facility. Indeed, I do not know about elsewhere, but in Ireland, the only financial institution left standing that did not require taxpayers' money to sustain it was the credit union movement, which is a not-for-profit institution run by its members.

When we speak of social inclusion as part of EU social policy, we need to ensure that, by our actions, social inclusion is integral to the decisions we take, and this programme has social inclusion written all over it. In this context, I want to express my extreme disappointment that after three trialogues, we were unable to reach agreement on the source of funding for this facility.

In my opinion, the Swedish Presidency did not seem to have the facility to have any meaningful negotiations on the matter. I do not know about you but, as I said, I was very disappointed that a figure of at most EUR 40 million over three years for 27 Member States was all that divided us. Obviously, many finance ministers did not support real negotiation. I could not help but think that many of those same ministers allocated billions to support banks, but were unable to support other financial institutions that would provide micro-credit to those who have lost their jobs and who would have difficulty in accessing credit from the same banks that have been saved.

**Elisabeth Schroedter, on behalf of the Verts/ALE Group.** – (DE) Madam President, Commissioner, ladies and gentlemen, micro-credits and small loans can help people who are not able to get credit through normal market mechanisms. As has already been said, they can also help these people to set up businesses and create jobs with their ideas. Such credits can help people to get out of a crisis if they are capable of doing so.

Micro-credits are also an important instrument for supporting the social economy. With its diverse aspects and traditions, it has also been a recognised local employment policy instrument within the EU since 2000. On account of this, in 2006, this Parliament, in its wisdom, established that resources from the European

Social Fund could also be paid out as micro-credits or subsidised loans, as laid down in Article 11 of the European Social Fund Regulation.

However, EUR 76 billion is available for the European Social Fund, and with cofinancing that becomes EUR 118 billion! Even a tenth of that would still be EUR 11 billion that the Member States could use. However, they do not use it for micro-credits. For that reason, the Commission created a test phase for micro-credits with an instrument called JASMINE – also financed from European structural funds, and because this was so successful, a new instrument is intended to follow in its wake. However, this will no longer come from the structural funds, where we have billions available to us, but from the smallest of all of the European Union's programmes, the poverty programme Progress, for which a total of only EUR 743 million is available over seven years. It is intended for NGOs which are establishing networks in the Member States in order to provide a pressure group for the poorest of the poor. The European Roma Information Office alone gets 50% of its funding from Progress. It establishes national and regional information and advisory offices and gives the Roma minority a voice, particularly in the Eastern European States.

If this House follows the Council and names this instrument Progress, as proposed in the compromises put forward by the Group of the European People's Party (Christian Democrats), the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament and the Group of the Alliance of Liberals and Democrats for Europe, then the Group of the Greens/European Free Alliance will not give its approval to this instrument. We cannot allow such conjuring tricks – on one side, taking away money from the poor and, on the other, paying out ...

*(The President cut off the speaker)*

**Milan Cabrnoch**, *on behalf of the ECR Group.* – (CS) Ladies and gentlemen, in a time of continuing financial and economic crisis it is necessary to support not only banks and big companies but also small firms and self-employed people. We all know that it is these small firms, including family-owned firms, which create and sustain large numbers of jobs. We support the creation of the new financial instrument of the micro-finance programme for employment and social inclusion which, in cooperation with the European Investment Bank, will improve the availability of loans precisely for self-employed people and small start-ups and family firms.

We agree to the release of resources amounting to EUR 100 million for securing these small loans for a fixed period. We regard this programme as a good and effective instrument for an active policy on employment and as a good way of spending so-called European money, in other words, our money. We fully endorse the proposal to release the necessary resources for this financial instrument from the resources originally intended for the Progress programme. We do not agree to funding for the micro-financing instrument being obtained from reserves or from other budget chapters. The resources of the Progress programme, which amount to EUR 700 million if I am correctly informed, are used for building up study and analysis networks. None of the resources of the Progress programme have been earmarked for directly supporting people who are seeking work or creating jobs. I do not doubt that it is necessary to build up networks and produce analyses and studies. In the current period, however, which is not easy for entrepreneurs and employees, I give precedence to using these resources from the EU budget for programmes directly targeted at employers and employees.

**Thomas Händel**, *on behalf of the GUE/NGL Group.* – (DE) Madam President, ladies and gentlemen, a microfinance instrument for the unemployed, those at risk of becoming unemployed and, above all, for people who do not have access to normal credit markets, is evidence of good intentions and is, in principle, something that our group supports. However, what the Commission and the Council have so far achieved in this process is quite simply inadequate and, in some respects, wrong, and our group is not able to support it.

Our first criticism relates to the question of total appropriation. What is on the table in terms of total appropriation is not appropriate for a programme for combating unemployment and can hardly be termed a microfinance programme – at best, it is a nanofinance programme!

Secondly, we are, as a matter of principle, opposed to these types of conjuring tricks which do not have the slightest effect and which are financed at the expense of other programmes and therefore simply fizzle out.

Thirdly, we are of the opinion that mentoring and coaching are absolutely essential in order for such a programme to succeed and be sustainable. Many new business start-ups fail, in particular, in the microfinance sector, and so this must be accounted for within the programme.

Fourthly, it must be ensured that social security payments in the Member States are not cancelled if someone takes advantage of this programme, otherwise it will have no effect. Unemployment cannot be lastingly combated in this way. In this form, we will reject this programme.

**Jaroslav Paška**, *on behalf of the EFD Group*. – (SK) Madam President, ladies and gentlemen, the draft decision passed by the European Parliament and the Council establishing a European micro-financing instrument in the area of employment and social inclusion is, in essence, a draft which adapts the original Progress programme to the current economic reality of a Europe marked by the financial and economic crisis.

The Commission is proposing support in the form of micro-credits for small enterprises, creating a stimulus for maintaining and developing employment in crisis-hit regions. If we wish to achieve this objective, however, we must ensure that the financial resources provided are not spent on social benefits or consumption. They must go only to sensible, sustainable business activities through the use of objectively measurable criteria and transparent procedures.

It is therefore very important to require of the ultimate providers of the loans that they thoroughly assess the business plans of the applicants, the risks of the business projects submitted and also the return on the resources invested. I therefore consider it highly necessary to support and complete the amendments of the Committee on Economic and Monetary Affairs, which provide a sensible framework for the Commission's proposal.

**Sari Essayah (PPE)**. – (FI) Madam President, Commissioner, ladies and gentlemen, it seems strange that there should be opposition to this excellent and important programme in this House, given the worsening employment situation.

The prediction is that there will be another 10 million unemployed people in Europe next year and that those with poorer labour status will face tougher times ahead. This data underlines the importance of investing in entrepreneurship.

It is always companies just starting up that have the biggest problems getting bank loans. For example, over 93% of companies in Finland are micro-enterprises with fewer than 10 staff, and yet these small companies employ 46% of the working population. It is only right, therefore, that the EU should establish a microfinance facility in response to this employment crisis and, in that way, also lend support to those programmes in the individual Member States which pursue the same objective.

I wish like to stress, however, that this programme will require a comprehensive approach. The social benefit, holiday and pension systems in small companies also need to be developed in line with other sectors. Europe is especially lacking in high-risk funding and those individuals, the business angels, who are prepared to invest in a company in its early stages. Entrepreneurship education and connections to work and employment should also be supported at all levels of education, and there should be more young people's workshops and business incubators and more funds available for them.

Microfinance can only work as a component of this sort of comprehensive approach, in which the situation of new small entrepreneurs and the whole environment in which they operate is one that provides real opportunities to continue in business successfully and profitably.

**Proinsias De Rossa (S&D)**. – Madam President, I very much welcome this initiative. Unemployment is the biggest social problem we face right now, and anything we can do to mitigate its impact is important for the well-being of our societies.

However, a proposal for EUR 100 million over a three-year period lacks ambition, in my view, given the growth in unemployment. I am likewise surprised that the money proposed is not new money, and that we will in effect be robbing Peter to pay Paul, as has already been said, at a time when all the money we can find should be used in the Progress programme, on existing schemes.

We must do all we can to reach agreement quickly with the Spanish Presidency so that the programme can get under way at the earliest possible date. It is equally incumbent on the Council to get its act together and to meet Parliament with regard to our concerns. This is no time for the Council to haggle over what is a tiny amount of money.

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

**William (The Earl of) Dartmouth (EFD).** – Mr De Rossa, has it occurred to you that unemployment in Ireland has a tremendous amount to do with Ireland's continuing membership of the euro, which means that Ireland cannot devalue, cannot reduce interest rates and cannot do any quantitative easing?

Has it ever occurred to you that it might be better if Ireland left the euro, rather than stretching out its begging hand to the contributing countries of the European Union?

**Proinsias De Rossa (S&D).** – Madam President, I have no problem at all in seeking to answer that usual nonsense from the far right of this Parliament. Without the euro, the Irish economy would be in hell at the moment.

As I was saying, this is no time for the Council to haggle over what is a tiny amount of money given the scale of the jobs crisis, the size of the overall budget and certainly in the context of the support that Member States, and indeed the European Central Bank, have given to the banking sector – a banking sector, incidentally, which will not lend to the people that we are seeking to facilitate. I have every confidence that if there is goodwill on the part of the Council, we can reach agreement based on the pragmatic approach of our rapporteur. I sincerely hope they will do so quickly.

**Marek Józef Gróbarczyk (ECR).** – (PL) Madam President, Commissioner, in light of this debate, attention should be drawn to the fact that the strategy being employed by the European Commission completely ignores employment in the maritime economy. The lack of an integrated maritime policy has, for many years, been the cause of the systematic decay of this sector in the European Union, while we should be aware that it is an enormous labour market.

In addition, the marginalised shipbuilding industry, which has been efficiently eliminated in Europe by the dumping policy of states in the Far East, has also not gained the support of the European Commission. In my country, Poland, alone, the actions of the European Commission have led to the collapse of the shipbuilding industry and, as a result, many thousands of people have lost their jobs directly, while it is estimated that indirect job losses have been suffered by nearly 80 000 people. However, this sector will not disappear from the world economy. Following the pattern of recent years, it will move to countries in the Far East, at the expense of the labour market in Europe. The lack of a strategy to return ships to national colours is extremely dangerous. As a result of this policy, Europe is irretrievably losing huge incomes, which will flow instead to tax havens.

Another extremely important element of European Commission policy is fishing which, not uncommonly, is the only sector that stimulates non-industrialised areas of the European Union. The Commission is concentrating mainly on reducing the size of fleets while, at the same time, failing to curb mass imports to the European market from the Far East, such as of the highly damaging panga. At a time of crisis, European Commission policy must create the basis for development of the economy, and not hastily treat the effects of erroneous strategy.

**Regina Bastos (PPE).** – (PT) Madam President, Commissioner, ladies and gentlemen, I congratulate the rapporteur on the work that has been done in this report and on her speech just now.

This new microfinance facility will make it possible to grant micro-credit to small enterprises and people who have lost their jobs and who want to start up their own business and create their own jobs. That is very important at a time when the economic crisis is expected to result in the loss of 3.5 million jobs in the European Union alone.

With the economic downturn, the banks have stopped giving out loans for start-ups and job creation, and access to credit is more difficult at a time when it ought to be more accessible. This new microfinance scheme, however, will counter this current trend of restricting access to credit, by making it easier to obtain the funds needed to set up new businesses and create new jobs.

The Commission proposal is to reallocate EUR 100 million for this finance facility out of the Progress budget. We cannot agree with this proposal. The financial and economic crisis is also a social crisis. Diverting resources from Progress, which targets the most vulnerable groups, is certainly not the most appropriate solution. We are therefore in favour of creating a separate budget line to finance this facility, as well as increasing its appropriation to EUR 150 million.

We also agree with the need to make it clearer in the legislation itself that the target group is all vulnerable groups who are finding it difficult to enter or re-enter the labour market and who are facing the threat of social exclusion. The reference to specific groups should therefore be deleted.

To conclude, I would stress that it is essential that the people who receive financial support should also be given appropriate training.

**Sergio Gaetano Cofferati (S&D).** – (IT) Madam President, ladies and gentlemen, against a backdrop of serious economic crisis, characterised by very severe effects on employment, with many workers standing to lose their jobs and, at the same time, countless young people not able to enter the labour market for the first time, it is essential that the European Union and the Member States take action, both with global strategies and with targeted instruments.

The microfinance facility is precisely an instrument targeted at people, the aim of which is to provide a response to all those individuals who, excluded from the bank credit market and having difficulty entering the labour market, intend to start a project, an economic activity, which, nonetheless, can generate individual income and thus contribute to overall growth. In particular, if we want the micro-credit instrument to be effective and to yield lasting results, the Member States must prepare themselves sufficiently, including by establishing links at local administrative level, which is in more direct contact with situations of social crisis, and by taking an active role in making this new facility easily accessible.

It is important to stress that the long-term effectiveness of activities financed by micro-credit instruments and the possibility of fully achieving social integration largely depend on simultaneous guidance, mentoring and training programmes, which must accompany microfinance. At the same time, given the objectives to be achieved with the micro-credit instrument, it is necessary to emphasise one crucial action, namely actively promoting equal opportunities for men and women in access to microfinance programmes. In fact, it is women who are particularly discriminated against and disadvantaged, in terms of access to both the labour market and the conventional credit market.

Generally speaking, it is reassuring to note that the European Parliament is united and agrees on the issue of micro-credit and against such a socio-economic backdrop as this. It is up to the Council and the Member States to show that they are serious and committed, and pave the way so that the financial situation can be set right.

**Siiri Oviir (ALDE).** – (ET) Madam President, Commissioner, ladies and gentlemen, the Commission has made a proposal to create a new means of financing – micro-credit financing. The initiative is a good and important one, but the fact that it has been suggested that the resources needed for this should be taken from the already running Progress programme is not acceptable. I would like to remind the Council and the Commission that the people did not elect us in this chamber in order to be a rubber stamp. At the end of 2006, when we adopted the Progress programme here in this chamber, the Member States set their respective aims and began work. The results from the programme were well executed, and there is no reason to think that the programme will not therefore continue running until it ends in 2013.

The programme was and is aimed at all those groups of people finding themselves in an unfavourable position, and there has been help available for them from this programme. Today the economic crisis is growing into a social crisis. Unemployment is increasing month after month, and today the Progress measures remain necessary. At the same time, however, the Commission is going forward with its desire to reduce funding for the measures, which are still being implemented. Such an approach is not responsible, and it is unacceptable. I am sure that we in this chamber cannot approve micro-credit financing until it is clear where the money for these measures will come from – until it is clear that the funds will be found somewhere other than from plans targeted at all those people who are suffering.

**Arturs Krišjānis Kariņš (PPE).** – (LV) Madam President, the economies of the EU States are still experiencing the effects of the global economic crisis, but the crisis is having the hardest impact on young entrepreneurs and managers of small enterprises, whose entrepreneurial ideas are, at the moment, not receiving support from lenders. Economic growth takes place when new jobs are created. New jobs are created when businesses have access to finance in order to make their ideas into a reality. Unfortunately, in the current crisis situation, the banks do not want to lend money to enterprises because they are frightened of risk. Private capital has also dried up. In these circumstances, it is usually micro-enterprises and young entrepreneurs that suffer the most. They have ideas for development, but no finance, and it is clear that if these enterprises cannot develop, then new jobs will not be created; the creation of jobs is, however, a prerequisite for emerging from the economic crisis.

One solution to this problem is the European microfinance instrument, which plans to allocate EUR 100 million to the development of micro-enterprises and new enterprises, reallocating resources from existing sources of money. In contrast to the large stimulus packages which, over the last year, have been set up

predominantly to rescue the financial system as such, this programme is aimed directly at entrepreneurs, not banks. That means that this money will help in the most direct way to create new jobs and will stimulate the real economy. I call upon my fellow Members not to hesitate in taking the decision to establish this microfinance programme. The countries of the European Union are experiencing the crisis now; Europe needs new jobs now; support for new entrepreneurship initiatives is needed right away.

**Sylvana Rapti (S&D).** – (EL) Madam President, the mere fact that the European Microfinance Facility for Employment and Social Integration won the consent and agreement of all the political groups proves how necessary this mechanism is.

It is very important that a person who has lost his job or is in danger of losing it and cannot find a solution to his problem on the conventional banking markets is able to obtain a micro-loan or micro-credit.

However, in order for the idea of microfinance to work in practice, it needs to operate properly and it needs to operate soon, meaning that on Thursday, when we vote on the 2010 budget, we need to say 'yes' to the first EUR 25 million which will come out of the budget. However, that is not enough. There is another EUR 75 million which I think needs to be found from the budget because, if we take the money from the Progress programme, then it is very simply as if we were taking from the less poor and vulnerable in order to give it to the more poor and vulnerable.

If this were to happen, it would mean that the mechanism of micro funding had essentially been abolished as a concept. If we bear in mind that 'Progress' fundamentally means progress in taking the social face of Europe forward, and if this does not happen and the money is taken out of 'Progress', then we have regressed. That is precisely why I believe that the Council should approve the European Parliament's position.

**Filiz Hakaeva Hyusmenova (ALDE).** – (BG) Madam President, ladies and gentlemen, the European Union has been adopting a variety of measures to combat the economic crisis for more than a year. Unlike the other measures, the microfinance facility is actually intended to assist the most vulnerable groups in society who find it difficult to enter and return to the labour market.

Solidarity, which is one of the European Union's fundamental principles, dictates that they should receive special attention. There is now a great deal of interest in this instrument, especially in Bulgaria, and I assume that this is the case in other countries too. I have kept myself informed on this issue, right from the very start of the debates, through the media, many representatives of which are following its development. It is in the European institutions' interest to demonstrate to the EU's citizens that our immediate task is to look after those affected by the crisis and the poorest members of society.

This will convince people that the institutions are effective and close to them. There is some doubt about whether the facility will be able to reach and serve all its potential customers. The lack of credit is huge and has contributed to the rise in unemployment. EUR 100 million will not be sufficient to help all the unemployed facing the threat of social exclusion. After all, not everyone has the skills to expand a business; not everyone could be successfully trained.

What is important is for a decision to be made more quickly and for the microfinance facility to start operating on as large a scale as possible, so that those with ideas and a flair for enterprise can get started now when the crisis is still severe. Next year has been declared the European Year for Combating Poverty and Social Exclusion, so let us adopt proper measures and not delay the start of the recovery process.

**Horst Schnellhardt (PPE).** – (DE) Madam President, ladies and gentlemen, we can undoubtedly see promising signs of the stabilisation of the economy and the financial markets in 2010, and I would also like to remind you that this was only possible because it was coordinated at a European level.

However, we are, of course, seeing a rise in the unemployment figures and we have to assume that they will rise still further over the next year. I therefore welcome this new financing instrument for people who want to go self-employed. It is, of course, common knowledge that small and medium-sized enterprises create jobs. For many years, we have been discussing financial support for these enterprises. However, every year, we discover that the funds have not gone where they were supposed to go.

I was able to follow the end of a pilot project last week, but as a result, there was not time to put the experiences gained from it in this report. I would therefore like to mention it here. The pilot project used participants who are self-employed or who want to go self-employed, and they were supported for a year along the path to self-employment. It was so successful that I would like to call for it to be included in this project, in other words, that the project not only provide finance for people who are going self-employed, but also for those

who support these people. That is necessary because the banks, which will not, of course, give them credit, perceive a certain amount of risk in this regard. I think we can neutralise this risk with this financing.

The second point that came up again and again in discussions in this regard was that we must not put a lower limit on the credits. Up to now, someone could only receive credits of EUR 5 000 or more. Sometimes, people do not need that amount. In these cases, much smaller amounts are sufficient, and that is something that we should take into account in this programme.

**Vilija Blinkevičiūtė (S&D).** – (LT) I would like to underline that currently, one of the most important tasks for the European Union is to curb the mass unemployment caused by prolonged inactivity and the social crisis. It is unfortunate that it was not possible to reach agreement on a microfinance source of funding during the trialogue. During this difficult social and economic period, the Commission's proposal to reallocate EUR 100 million from the Progress budget would be an unsatisfactory solution, as it would not reduce the social isolation of the most vulnerable groups. I am convinced that the microfinance facility will be more effective and will achieve its goal if it is coordinated by taking national, regional and local programmes into account and receives sufficient funding.

It is also important to take into consideration the fact that European social well-being is directly linked to employment and opportunities provided to find employment. Therefore, I suggest that the Commission consider not only those people at risk of losing their jobs, but also those who are finding it difficult to enter or return to the labour market. Even before the onset of the economic recession, many educated and hard-working citizens had no real opportunities to find employment and therefore, a large number of them emigrated beyond the European Union. As for socially disadvantaged people, I urge the Commission and the Council to bear in mind that apart from young people, there are other socially disadvantaged groups, including women, the disabled and the elderly, who need additional guarantees of employment. Thus, there is no other way but to find additional funds for microfinance facilities.

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

**Elisabeth Schroedter (Verts/ALE).** – (DE) Madam President, we have now listened to three or four speakers from the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament who have said that they do not want to take any money from Progress. However, the amendments state that the instrument is to be called Progress, and Mrs Berès has also said that EUR 60 million will come from Progress. That is two thirds! I would be interested to know what the Socialists' position actually is. Should the instrument be financed from Progress – yes or no?

**Vilija Blinkevičiūtė (S&D).** – (LT) I would like to answer that the best solution would be for us to find additional funds, because the Progress programme is essentially targeted at the same groups and this would mean that, if there is no additional funding, the effect will certainly not be achieved. Therefore, let us sit down together and find a solution, because unemployment is growing at a painful rate and this is really affecting many people who are already struggling.

**Seán Kelly (PPE).** – Madam President, three and a half million people lost their jobs in the European Union in the past year. EUR 100 million is not going to turn that situation around. In fact, when you consider that one hundred million people are employed by SMEs, it only comes to one euro per employee. Nevertheless, it is a start, and it is to be welcomed because, as Commissioner Špidla pointed out, financing is the biggest issue at hand.

To illustrate that: I became aware at the weekend of a situation where a company, which had a significant order delayed for three months, went to its bank – the bank it had been dealing with for 15 years – for bridging finance. It was refused. The company director was told that if he took out a mortgage on his own dwelling house, then they would allow him. He did this, and a week later he got a letter withdrawing the overdraft facility on the grounds that they were now in a high-risk situation. The result was that the company closed down and 10 more people were made redundant.

That brings me to a point which my colleague, Marian Harkin, mentioned, that, as far as possible, this funding should go to non-commercial banks like credit unions which, in my country anyway, are in every town and do tremendous work, whereas all the anecdotal evidence would suggest that the commercial banks, even with the finance they were getting from the European Investment Bank, are not giving it out but rather keeping it to shore up their own financial situation.



For those two reasons, I think we should be very careful of not so much where the money comes from, but where it goes to. If it goes to the right people, then it would be the best money we will spend perhaps for a long time here at European level.

Finally, I would like to respond to the rather ill-advised comments by the Earl when he spoke about the begging hand. This is not about a begging hand. This is about helping those to help others to create employment and to stay in employment. We are very proud and glad that we joined the euro, and we will be staying.

**Iliana Malinova Iotova (S&D).** – (FR) Madam President, the clause in the Treaty of Lisbon on social policies requires the European Union to take into account employment, social protection and the fight against social exclusion.

The economic and financial crisis which has overrun Europe has led to a very serious human and social crisis, and this will have consequences that are impossible to assess at the moment.

Until now, the majority of efforts have been devoted to stabilising the banks and preventing bankruptcies. In addition to measures to prevent unemployment, we must create a mechanism to give renewed impetus to the European Union's economic growth.

The mechanism used by the Commission is designed to create an infrastructure which, in turn, will enable citizens to work. At the practical level, it is possible to move from a temporary strategy to a long-term strategy. This mechanism must be put in place quickly, in January 2010. Our debate today and our decisions are heard by many people who are suffering from inequality and by many young people who want to enter the working world and to whom we should just give a helping hand.

I would mention again the proposal already made to create a separate budget heading of EUR 50 million for this mechanism. That will enable approximately 6 000 European entrepreneurs to start their own businesses, to develop them and thus to create new jobs.

In addition, and this is the most important thing, it is vital to improve access to resources and, above all, to provide better information to citizens about all the projects to which they can apply.

**Małgorzata Handzlik (PPE).** – (PL) Madam President, hundreds of thousands of Europeans have felt the effects of the economic crisis in a way which has hit them hardest, for they have lost their jobs. In every country of the European Union, the rate of unemployment has risen, and this is the feature of the crisis which most disturbs our citizens. Essential help is reaching financial institutions. Unfortunately, help is not reaching people at risk of losing their job in time, and it is they who will feel the effects of the present crisis the longest.

Therefore, I, too, am pleased about the establishment of the European Microfinance Facility for Employment and Social Inclusion. Especially worthy of note is the combining of this facility with the general objective of support for entrepreneurship. Funds supplied with the help of this facility will stimulate the establishment of new businesses. This is good news for our economy, because it is small and medium-sized enterprises which are its foundation, and it is SMEs which create jobs.

The facility fits in perfectly with the concept of support for entrepreneurship presented in the Charter for Small Enterprises. It is important that businesses also receive that help at a later stage, and not only at the setting up stage, because financial resources from this facility will bring benefits to the people who use them and to economies only when the businesses which are set up are able to survive in the market.

I also hope that entrepreneurship, particularly as it concerns SMEs, will not just be the subject of our debates during the crisis. We should adopt a comprehensive approach to entrepreneurship, because these businesses provide jobs for our citizens not just during a crisis.

**Silvia Costa (S&D).** – (IT) Madam President, ladies and gentlemen, it would be very important for 2010, the European Year for Combating Poverty and Social Exclusion, to mark the birth of a new Community financial instrument, dedicated to microfinance, aimed at those who are disadvantaged in accessing the banking system but who have micro-enterprise plans.

As we are aware, micro-credit has proved to be an extraordinary tool for creating self-entrepreneurship opportunities and widespread social value in developing countries, particularly for women. It has become a new strategy of the United Nations and of the World Bank, but it has also been trialled with positive results

in many countries, in many European Member States, including Italy, particularly for immigrants, women and young people.

By adopting this report, Parliament is providing, in the midst of a serious economic and financial crisis, not only a strategic opportunity for social inclusion but also a positive challenge to the banking system, since it is developing a new approach and new powers, in collaboration with non-profit bodies and local and national institutions.

I welcome the adoption of many amendments, which I will not go over again, but I would like to say that today we are asking not just for micro-credit resources, but we are also asking that micro-credit ...

*(The President cut off the speaker)*

**Christa Kläß (PPE).** – (DE) Madam President, Commissioner, ladies and gentlemen, in the last month, the Commission has presented its new EU Strategy 2020 as a continuation of the Lisbon goals and, among other things, has called for a more social Europe.

If we are striving to ensure lasting employment for Europe's citizens, then, particularly now in this difficult economic situation, we need to ensure that people can implement their own good ideas themselves in order to generate their own income. The EU microfinance facility for employment is intended to provide the opportunity for a new start and to smooth the path to entrepreneurship.

The path to self-employment often goes in stages. Initial small investments are easier to cope with than to pile up large mountains of debt. A more manageable risk for starting out in self-employment is something that women, in particular, seek and they often ask for start-up capital in order to secure the start of the business and then, when the business is going well, to expand. Women want to grow with their businesses. Therefore, citizens need to be offered credit amounts that are as small as possible. By that I mean amounts significantly lower than EUR 25 000, which is the amount generally provided for micro-credits.

Particularly during the economic crisis, the necessary liquidity needs to be provided to the population at large. If this provides a way to help to keep the often high rates of interest and administrative fees for micro-credits low, then it would give us an opportunity to give new impetus to the economy.

I welcome the idea presented in the Commission proposal. The European Parliament committees disagree about the financing. Questioning the jurisdiction of European policy is certainly permissible in this area. The Member States have the prime responsibility. As I see it, however, funds from the Community Programme for Employment and Social Solidarity (Progress), particularly as proposed here, will enable people to go self-employed.

**Antonio Cancian (PPE).** – (IT) Madam President, ladies and gentlemen, this evening we are discussing issues that are truly at the social heart of our society today – discussing mobilisation of the Globalisation Adjustment Fund earlier, and, let us hope, of Progress in the coming days – and this European fund for microfinance is the ideal and essential instrument.

I believe that it is pointless to keep reiterating that this is what solves or attempts to solve the problems of the most needy citizens, which makes them more confident and more hopeful with regard to entrepreneurship and with regard to the future, so I believe that here we are not thinking of the damage caused by this perfect storm of crises and we are hearing much talk of the exit strategy, of how to get out of this crisis. We will only get out of it if we solve the problem of employment, which is our tragedy, so we should seek to ensure that things move as quickly as possible and ensure that firm guarantees are in place regarding the resources for this facility since we should mobilise much larger resources than those we have heard discussed this evening and certainly should not divert money from one instrument to another, since all three need this money.

I believe that this EUR 100 million absolutely should not be taken from Progress since it also has the same objectives, but it should be a completely distinct and different budget line and must guarantee the mobilisation of much larger resources.

**Pascale Gruny (PPE).** – (FR) Madam President, Commissioner, ladies and gentlemen, first of all, I would like to thank the rapporteur for the work she has done, and our fellow Members for their hard work in creating this new microfinance instrument.

This European instrument will make it possible to grant micro-credits to small enterprises and to people who have lost their jobs and want to set up their own small businesses. In this time of financial crisis, the

most vulnerable people, especially the unemployed and young people, have been the worst affected. In fact, over 3.5 million job losses have been recorded this year in the European Union. The adoption of this new tool will make it easier for these people to access the capital required to set up or develop a business and make their dreams of entrepreneurship come true. We should not forget that over a third of micro-enterprises are created by unemployed people.

In my region, I am often approached by citizens wishing to obtain aid to set up their own business. I am convinced that this new initiative will bear fruit in preserving jobs and that it will create new jobs too. The proposal will facilitate investments of low sums and will give micro-enterprises an opportunity to grow.

Madam President, I would like to welcome the real added value of micro-credits, which will go hand in hand with new support measures, such as training and mentoring, which will enable the youngest people and the unemployed to obtain guarantees and assistance for their investment plans. I hope that this new instrument to promote employment will be adopted as soon as possible and that an agreement will be reached between Parliament and the Council on making this tool, which is vital for our fellow citizens, and particularly so during this crisis period, a permanent one.

Ladies and gentlemen, let us not forget that it is small and medium-sized enterprises that create jobs.

**Raffaele Baldassarre (PPE).** – (IT) Madam President, ladies and gentlemen, the microfinance facility for employment is part of a set of initiatives that have been adopted at European level, and it gives the unemployed an opportunity for a new start and opens the door to entrepreneurship for some of Europe's most disadvantaged groups, including, of course, the young.

The new facility should extend the range of targeted financial support to new entrepreneurs in the current context of a reduced credit supply. Individual entrepreneurs and founders of micro-enterprises will also be assisted by way of mentoring, training, coaching and capacity building, in addition to interest-rate support from the European Social Fund.

It is clear that, given the currently reduced level of bank lending and given the difficulties that now exist in accessing credit, if the weakest sectors of our society, the unemployed and disadvantaged groups, want to undertake an action, an entrepreneurial activity, all this must be supported robustly, because it is one of the instruments that can help us combat what is the natural epilogue to the financial crisis, namely an endless employment crisis. Although we are seeing signs of economic recovery, the signs are still negative with regard to employment.

It is, however, necessary that the transfer of Progress funds remains unchanged, in the sense that we cannot give the signal to divert resources from the Progress programme. These resources need to be found from other sources and, above all, need to be associated with other European initiatives, so that we project a strong image and make a strong effort in favour of the unemployed in Europe.

**Elisabeth Morin-Chartier (PPE).** – (FR) Madam President, Commissioner, ladies and gentlemen, I would like to draw your attention to the fundamental importance of micro-credit in these times of crisis for jobs. Micro-credit allows the unemployed to make a new start, thanks to risk-sharing and financing instruments, making entrepreneurship accessible.

Given the financial crisis and the significant drop in the number of loans being granted, I support the proposal by the European Commission to establish a microfinance instrument targeting the most vulnerable groups, and particularly women, young people and the unemployed.

I would like to give my backing to my colleagues in the Group of the European People's Party which, together with the other groups – socialists, liberals and conservatives – have tabled compromise amendments in order to set up this microfinance instrument as quickly as possible, starting in 2010. I also call upon the Council of Ministers to take responsibility for finding, in the current crisis situation, a swift solution to combat unemployment and provide a lasting solution to the funding of this micro-credit.

**Artur Zasada (PPE).** – (PL) Madam President, the Progress programme is an important initiative intended to help Member States effectively implement objectives in the areas of employment and social affairs. Last week, I had a meeting with the members of the programme committee concerning implementation of the Progress programme. My conclusions are as follows. Firstly, the advertising campaign, which should introduce potential beneficiaries of the programme to the scope of its operation, is not being conducted in a sufficiently visible way. Secondly, most of the information about tenders and competitions is available in only three languages: English, German and French. This constitutes a functional barrier for people who do not speak

any of these languages. I think a review of the principles of the promotional campaign is called for. We should, as quickly as possible, increase recognition of the Progress programme and disseminate knowledge about it throughout the entire Union.

**Silvia-Adriana Țicău (S&D).** – (RO) The Microfinance Facility for Employment and Social Inclusion supports and must support the application of simple procedures so that those affected can benefit from this in an effective manner. However, I believe that the microfinance facility should be focused more on people who have lost their jobs and are at a disadvantage in terms of access to the traditional credit market, and who want to set up or continue to develop their own micro-enterprise, including as a self-employed activity.

I think that special attention must be focused on young people who, unfortunately, going by the recent European statistics, are facing ever-longer periods of unemployment or are hired on a temporary basis. In addition, an annual report on the use of the budget allocated will enable a serious analysis to be carried out in the near future and, if necessary, a top-up to be provided for this budget. If we transfer sums from one programme to another, we run the risk of undermining both.

**Karin Kadenbach (S&D).** – (DE) Madam President, today we have discussed the European Globalisation Adjustment Fund and now we are talking about micro-credits. Both instruments are absolutely essential to combat the effects of the financial and economic crisis in the EU and to stimulate the European labour market.

We need both instruments, as not everyone is destined to be an entrepreneur. Neither should it be the goal of our employment policy to make new self-employed entrepreneurs out of former employees and the non-self-employed workforce purely for business reasons. For such people, the term 'putative self-employed' would be more appropriate. The Member States must also take appropriate precautionary steps in this regard. However, for all of those who want to accept the challenge of self-employment, the resources must be made available to allow them to start or expand their business. Along with this, however, it must be ensured – and this is the duty of the European Parliament and the Member States – that normal social security continues to be provided. We need new money for new ideas.

**Zigmantas Balčytis (S&D).** – (LT) I believe that today, MEPs are completely unanimous in their opinion that this microfinance support facility is now very necessary. Living and working conditions have changed fundamentally and the scourge of unemployment that has affected almost every state is forcing us to put forward certain proposals that certain support facilities should be amended. Until now, most financial support was earmarked for large companies and organisations and on many occasions, it has been underscored that until now, ordinary European Union citizens have had little or no hope of financial support. I believe that the Commission's future solution to seek agreement together with the European Parliament is absolutely essential. 100 million is the very beginning. It is a first attempt, but I am convinced that this attempt may be successful.

**Vladimír Špidla, Member of the Commission.** – (CS) Ladies and gentlemen, the discussion has clearly shown Parliament's support for the micro-financing instrument and I believe there are no fundamental disputes as far as the substance of the issue is concerned. I also believe that there is considerable proximity to the position of the Council as far as the substance of the issue is concerned.

It is the issue of financing that remains open. Of course, the issue of finance is also part of the codecision process, which means that it will be highly necessary and desirable to look for a compromise and I am delighted that the debate has signalled a great willingness to resume negotiations with the Council without delay. At the same time, the debate has indicated the possibility of compromise in some areas.

The debate saw frequent mention and frequent criticism of the Commission over the issue of the Progress programme and its use within the framework of this new instrument. I have to say that the Commission was not faced with a simple issue because it had to move within the framework of the existing budget or within the framework of the interinstitutional agreement. It was only able to use money which was available. When weighing up our decision concerning the use of Progress programme resources, we very carefully considered the consequences and came to the conclusion that although it was not an ideal solution, it was probably one of the possible solutions.

It was repeatedly asserted in the debate that this involved some sleight of hand or shifting of money from one pot to another. That is not the case, since all of the analyses show clearly that resources used within the framework of the micro-credit principle are subject to an estimated five-fold multiplier effect. In the other programme, these resources would achieve an index of 1 while in the micro-credit programme, they can theoretically achieve an index of up to 5. From this perspective, it is not a matter simply of transferring from

one pot to another but of a new use for the resources. I would like to reiterate that it was no easy decision, and I do not even think that it was the only decision and, in the debate over a compromise, a decent basis will surely be found, or at least I hope so.

The idea of micro-credit is based on a clear statement that the current financial system does not provide sufficient sources for small and very small enterprises in particular, in other words, that the system does not make use of the human capital that is present in people who belong to so-called vulnerable groups. I consider this to be a great waste of an opportunity and I am therefore delighted that the Commission has proposed this instrument and I am also delighted that Parliament rates it so highly.

As I have already said, the idea is to make use of the human capital that is in people who would normally not be able to make use of their capital in this entrepreneurial way. However, it is also very important to make use of time. In my opinion, holding an unduly long debate would be against the very sense of this instrument which is particularly needed in a time of crisis. I also believe that it will be needed in times when there is no crisis and that it will become a permanent component of European labour market and economic policy.

**Kinga Göncz, rapporteur.** – (HU) Thank you for the supportive remarks and comments. Allow me to share the view of those who expressed their disappointment due to the Commission's lack of willingness to compromise. I must also say to the Commissioner that if we reallocate what are exclusively Progress resources, this conveys the message that, when it comes to resources for social inclusion, we can only envisage support for the most vulnerable if we take the resources from places serving the same purpose. We are unable to find any other kind of resources. I think that this is unacceptable.

The codecision procedure also means that everyone, each party, must take steps. Parliament came up with a number of suggestions and proposals on this matter, whereas there was no such proposal forthcoming from the Council and Commission which would have helped reach agreement. I must say to Elisabeth Schroeder that the fact that we are defending the Progress programme here conveys our conviction – which is a shared conviction that we are still willing to come to a compromise on this – that this programme must be implemented as soon as possible.

The assistance provided will only be effective if the facility can be launched at the start of 2010. If Parliament actually votes on this matter this week, then it will have done, for its part, what it can to ensure that this programme is launched at the start of 2010. As Parliament will presumably vote for the EUR 25 million from its own resources for next year, and if Parliament votes for the entire amount, this will be sufficient for the Commission to sign the agreements which can facilitate the programme's launch.

I believe that this reflects Parliament's constructive approach. At any rate, I consider that this programme is extremely important from a social inclusion perspective. I would also like to ask those of my fellow Members who supported this to agree for us not to take the entire resources from the Progress programme and to lobby their own governments as well for resources, given that these countries' governments are the members of the Commission.

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

The vote will take place tomorrow.

*Written statements (Rule 149)*

**Corina Crețu (S&D), in writing.** – (RO) The economic crisis has become an acutely felt social crisis for which we have not yet found a solution. Unfortunately, one of the indicators which could help launch a recovery, the level of lending, has reached a record low in the euro area since 1991 and is experiencing an unprecedented collapse in the new Member States, as is the case for Romania. This is one of the elements which cast doubt on the prospects for beating the recession. Against this background, I appreciate the welcome proposal from the European Commission on setting up the microfinance facility.

However, in order to ensure that social inclusion measures are effective, the facility needs to be entered in a separate budget line. The reallocation of the funds from the Progress programme would affect its specific guidelines for community action and send out an alarm signal concerning the social openness of a European executive, which has been extremely reluctant until now, unfortunately, in terms of displaying sufficient social involvement.

The crisis is affecting every category of vulnerable people, but we cannot ignore the severity of youth unemployment. The fact that one young person in five in Europe does not have a job may have numerous repercussions at an economic and social level, as well as from a demographic and crime perspective. This is why I think that it is appropriate to have a greater focus on boosting young people's chances of entering the job market.

**Vasilica Viorica Dăncilă (S&D), in writing.** – (RO) Since autumn last year, more than 5 million European citizens have lost their jobs, giving a total of 22.5 million unemployed in Europe. In this context, we cannot ignore the serious level of unemployment among young people. It is deeply concerning that one young person in five in Europe does not have a job, which has repercussions at an economic and social level, as well as from a demographic and crime perspective. In some countries, the percentage of young people out of work is even higher in proportion to the national unemployment rate as well. For instance, one young Latvian in three is unemployed, while approximately 43% of Spanish citizens under the age of 25 are affected by this problem. I think that more attention needs to be focused on young people. In this respect, the initiative put forward by the European Commission on microfinance programmes which are entered in a separate budget line will help encourage and motivate young people to enter the labour market, thereby reducing the unemployment rate which has risen among this group.

**Iosif Matula (PPE), in writing.** – (RO) The current efforts being made at both EU and national level must be stepped up in order to boost the offer of micro-credits. The European Microfinance Facility must provide useful assistance to the unemployed and vulnerable people who would like to set up or run micro-enterprises. I believe that the European Microfinance Facility must have a separate credit line as the beneficiaries of this scheme are different to those for the Progress programme. Progress programme funds must not, under any circumstances, be reduced during this crisis period as they are targeted at the most vulnerable groups. I also believe that the European Microfinance Facility should have a sufficiently large budget to make it really effective in achieving its objectives in terms of employment and social inclusion. Member States and the EU as a whole must continue to implement the Progress programme effectively at a time of global economic crisis

## 19. Toy safety (debate)

**President.** - The next item is the statement from the Commission on toy safety.

**Günter Verheugen, Vice-President of the Commission.** – (DE) Madam President, honourable Members, we always discuss toys just before Christmas, and quite rightly so, as this is the time when people are most interested in toys. I am grateful that we are doing so once again this year, as the safety of toys is a matter that is of interest to Parliament, the Council and the Commission and for which we all set the highest requirements.

The debate this evening has been triggered by media reports in one particular Member State – Germany. They originate from the Federal Institute for Risk Assessment and from the Technical Supervisory Association (*Technischer Überwachungsverein*). Neither institution has approached the Commission directly. The German Government has not, as yet, come to the Commission with regard to this matter either. Thus, we do not know any more than what was stated by these two institutions in their press releases and what could be read in the German media. Nevertheless, it is a subject that needs to be taken so seriously that, even if all we have to go on is reports in the press, we still need to address the matter.

The analysis in the reports we have before us indicates that we need to deal with four different issues. The first is a question that is very easy to answer. According to the statement by the German Technical Supervisory Association, a considerable proportion of the toys on the German market that were tested did not comply with the European Union's current legal provisions. In this case, ladies and gentlemen, the rules are perfectly clear. If a Member State makes such a discovery, it is obliged to inform all the other Member States and the European Commission of this immediately and put the necessary measures in place. They can go as far as taking these products off the market immediately, and indeed this means throughout Europe, and also imposing an import ban if these products are manufactured outside the European Union. I hope that the German authorities will very quickly notify the other Member States and the Commission accordingly via RAPEX. Should import bans be necessary, then I assure you here and now that the Commission will approve such bans directly and without delay. However, as I said, as yet, no such information has been submitted to us by the German authorities.

Market surveillance – and I have to say this very clearly at this point – is the sole responsibility of the Member States. Neither the European Commission, Parliament nor the Council have any market surveillance instruments at their disposal. These are the sole preserve of the Member States. However, they are obliged under law, including under the current Toys Directive, to carry out this market surveillance. When I read news from Germany that it is doubtful that the country's market surveillance is in a position to meet the requirements of the new Toys Directive, then there is only one thing I can say, and that is that the German Government is under obligation to ensure that the German market surveillance authorities can meet these requirements. Thus, I think the answer to this question is fairly clear.

The second question is simple, too. It is an old topic on which Parliament has had intensive debates in connection with the adoption of the Toys Directive and where the crucial vote in this Parliament resulted in a clear and unambiguous majority decision in a roll-call vote. It related to the question of mandatory certification of toys by a third body. This proposal was put forward by Germany. The German Technical Supervisory Association was behind the proposal, which was quite rightly rejected because certification by a third body would not provide any additional safety at all in the case of toys, which are normally not technically complicated, as it would be the prototype that would be certified in this case.

When it comes to toys, however, the problem is not the prototype, but, as we know from experience, the problem is whether the high requirements that we set are actually complied with during the entire manufacturing process by all suppliers and all of those involved in the supply chain. As in all other areas, when it comes to toys, we abide by the principle that the manufacturer must take full responsibility for a product being in compliance with the law in force. Regardless of where in the world they are, we must not release manufacturers from this responsibility.

If there is a problem with reliability in a particular country, we need to talk to this country about improving its production conditions, and that is exactly what the European Commission is doing. I am talking about China. We are in close and intensive contact with China with regard to the question of how we can actually ensure that the production conditions in this country, which is by far the largest toy manufacturer in the world, meet our requirements. Progress has indeed been made here, but there is certainly still more that needs to be done.

The third complex of issues relates to chemical substances and heavy metals in toys. This is an extremely difficult and thorny issue. The political guideline that I gave to my colleagues when work was being carried out on the Toys Directive was to lay down the most stringent rules possible – the most stringent possible! This view was also shared by the Council and by Parliament. As a result, the limit values that we included in the new Toys Directive, which will be introduced in stages from 2011 onwards, represented the state of the art in terms of scientific knowledge at the time the directive was adopted.

However, we were aware that this is an evolving process – science is, of course, always progressing and there are always new research results and new findings – and, together, we deliberately framed the directive in such a way that new scientific findings that there are risks that we had not previously observed and that limit values have been set too high can very quickly be incorporated into the directive in a comitology procedure involving Parliament. According to the current legal situation, adopted by the European Parliament, the involvement of the competent scientific committee is needed for the assessment of the risks posed by products.

There have been indications twice this year that new findings may be available. The first was via a letter sent to me by Germany's Federal Minister for Food, Agriculture and Consumer Protection in the spring of this year. The letter concerned cadmium. I immediately arranged for this issue to be submitted to the scientific committee, not only with regard to cadmium, but with regard to other heavy metals, too. We are expecting the results of their examination during the first half of 2010 – by the end of June at the latest. If their examination does indeed reveal new findings, we will immediately bring forward a proposal to tighten up the directive, which has not yet entered into force, so that it enters into force in 2011 with the more stringent limit values in place.

The second case is rather complicated and difficult to explain. It relates to polycyclic aromatic hydrocarbons, known as PAHs, which surround us all in our daily lives – we are not even aware of what we are coming into contact with. In this case, too, we received information that the limit values for these polycyclic aromatic hydrocarbons may possibly be set too high. The scientific committee is looking into this. The results will also arrive in good time to allow us to make corrections.

At this point, let me point out that we are dealing with a problem here that, as politicians, we are not really able to solve. These are technical issues that are extremely complex. I will quite openly admit to you that I

do not always understand the extremely complicated scientific analyses that are presented to me. I do not imagine that there are many Members of this Parliament, even if everyone were here this evening, who could claim to understand them. We cannot understand them because we have not received the relevant education. To a certain degree, therefore, we have to trust our experts. This is where the problem lies.

We all know, of course, that the history of science is full of examples of cases where the generally accepted teaching has turned out to be wrong. It is also full of examples of so-called minority opinions ultimately proving to be correct. As politicians, how can we decide when scientists disagree with each other? We cannot, and this is a risk that comes with our jobs as politicians and it is one that we cannot avoid.

The rule that we have in this regard in the European institutions is that we follow the recommendations of the competent scientific committees, and that is what we have done in this case, too. However, I would like to say quite openly that I take this issue so seriously that any indication, however small, that there may be new findings available – and even if we only find out about them in a newspaper report – is taken so seriously by the Commission that the issue is put to the scientists.

The last point is quite an annoying one. In this regard, I have to say that I really would have expected an institute belonging to the government of a Member State to observe the minimum requirements of good scientific conduct. The claim by the Federal Institute for Risk Assessment, which has been widely taken up by the German media, that, when it comes to polycyclic aromatic hydrocarbons, we have a limit value for tyres that is a hundred times more stringent than the limit value for children's toys is simply scandal mongering. It is pure scandal mongering and the scientists there know that.

The truth is that the rules applying to the manufacture of tyres, in particular, to the oils used in this process, originate from the time before REACH and before the Directive on the safety of toys and that, in this case, one of these substances is taken as a reference value. However, this substance represents a group of around a hundred others. Thus, you need to multiply the reference value by one hundred. You then come to exactly the threshold value that also applies to other products within the European Union.

In other words, since the threshold value applying to the use of certain oils in the manufacture of tyres is based on the smallest content of these substances that is still measurable in the product, it is exactly the same for toys, too. The content is defined in terms of the smallest measurable content. I can only urge the Federal Institute to withdraw this misleading and indefensible claim. It really is intolerable that we have to deal with such things.

In summary, as regards the Toys Directive, we have produced a document which, to the best of our knowledge and belief, corresponds to what was possible at the time it was adopted. We have also framed it in such a way that new findings can be incorporated at any time so that our safety requirements for toys will always reflect the state of the art in science and research.

**Andreas Schwab**, *on behalf of the PPE Group*. – (DE) Madam President, Commissioner, I would like to thank you sincerely for the clarity and credibility of your statement with regard to the limit values under discussion here. On behalf of the Group of the European People's Party (Christian Democrats) – we also provided the rapporteur for the Toys Directive at that time in Marianne Thyssen – I would therefore like to make it clear that we, too, want to achieve and maintain complete protection in respect of all hazardous substances. We know that, in this regard, we have a particular responsibility for the health of our children and therefore our future.

Particularly before Christmas – you mentioned this, Commissioner – it needs to be possible for parents and grandparents to be certain which toys are safe for their children or grandchildren and which toys they can buy for them. Like you, I, too, call on the market surveillance authorities in the Member States, in particular, in Germany, to fulfil their obligations and remove dangerous toys from the market. I believe that we made the right decision at the time not to implement certification by third bodies as a general evaluation criterion for toys.

As regards the limit values, a similar appeal was made a year ago – as you mentioned. At that time, I wrote a letter to you asking you to refer the matter to the Commission's scientific committee, and that is something for which I am very grateful to you. I tried, back then, to obtain more scientific opinions from Germany and I have since received these. I would like to quote from one study by the *Chemisches und Veterinäruntersuchungsamt Stuttgart* (the Stuttgart Chemical and Veterinary Testing Office): 'Comparisons of the higher migration limit values in the new directive with the fifteen year old values in DIN EN 71 3 are ultimately difficult to evaluate from a technical point of view.'



With this, I believe I can explain that it is not a cheap way of palming the issue off on to science and saying 'we do not want to examine this any closer because we do not want to understand it', but it is a genuine and difficult dispute among experts and one institute in Germany is clearly putting its point of view across particularly strongly. However, I urge you, Commissioner, to do everything possible to bring together the scientific institutes involved to enable them finally to agree on a scientifically objective opinion.

**Sylvana Rapti**, *on behalf of the S&D Group*. – (EL) Madam President, at this time every year, parents intervene to ensure that letters are received by Father Christmas. Children ask for toys in these letters. One of these toys might be this one here, just as this one here might be one of the 104 toys controlled by the Federal German institute responsible for identifying dangers in consumer goods.

I have just listened to the Commissioner basically blame the institute for doing its work. I have listened to him heaping blame on scientists. I have listened to him heaping blame on the Member States, who are responsible for supervision. I have listened to all this with a great deal of interest, just as I have listened to him constantly telling us, with a great deal of honesty and solid data, that every previous directive is improved every now and then with new data. That fact alone confirms that the Federal German institute has done its job properly. So we need to bear that in mind.

As far as the directive is concerned, it is due to be applied in 2011 and, for chemical substances, in 2014, as you know. And another thing: on 17 December, in other words, the day after tomorrow, each Member State will go to the Commission in order to present its draft in connection with the market supervision regulation.

These relate directly to the Christmas market. These relate directly to the health of our children, who play with the toys that we buy them. Finally, it is very important that the debate on toys should not be held at this time every year. The debate on toys and safety should really be held throughout the year. That is the Commission's responsibility.

**Jürgen Creutzmann**, *on behalf of the ALDE Group*. – (DE) Madam President, Commissioner, the Group of the Alliance of Liberals and Democrats for Europe supports the views expressed in the opinion of the German Federal Institute for Risk Assessment to the effect that the ALARA principle, in other words, the principle of 'as low as reasonably achievable', should apply in the assessment of carcinogenic substances.

Secondly, there is consequently a need for the Commission to examine whether this principle is also satisfied by the limit values laid down in the Toys Directive.

Thirdly, if this does not happen, we call on the Commission to ensure that, until the Toys Directive has been transposed by all the Member States in 2011, the limit values are laid down in the Toys Directive in such a way as to rule out any risk to the health of children from softening agents in toys.

Fourthly, the principle enshrined in the Toys Directive, whereby chemicals that are potentially carcinogenic, mutagenic or toxic to reproduction are impermissible, must be implemented with regard to accessible parts of toys. This must actually be achieved by the limit values set, as otherwise such a directive is worthless.

Fifthly, this calls, in particular, for better and more efficient market surveillance, because it is usually toys that have been imported into the EU that exceed the limit values set by the Union. However, efficient market surveillance would also enable toys manufactured within the EU to be tested to see whether they, too, comply with the limit values.

Sixthly, it is totally unacceptable, should this be the case, that lower standards should apply to imports into the EU than, for example, into the US. However, the threat by the German Federal Minister for Food, Agriculture and Consumer Protection, Ilse Aigner, to go it alone and prohibit so-called 'toxic toys' herself is, in my view, completely the wrong way to go about it and totally counterproductive when it comes to creating confidence in the European internal market. Merely cultivating national popular opinion not only destroys confidence in the European Institutions; it also damages the German Federal Government, because it approved the Toys Directive.

**Heide Rühle**, *on behalf of the Verts/ALE Group*. – (DE) Madam President, Commissioner, we requested this debate in order to correct and clarify exactly what in these claims is true and what is merely cheap populism. That was the background to this. We would have expected the Commission to go to the press sooner, but if the matter can be cleared up through this debate, we will be very happy with that.

I welcome the announcement that you are going to carry out tests with regard to heavy metals and softening agents. I believe that is urgently needed. I would like to point out that the number of new cases of cancer in

children under 15 years of age rose by more than 50% between 1980 – when data began to be collected – and 2006.

Malignant tumours are the second most common cause of death in children. We therefore need to act, we need to check whether these figures are correct and we need to respond accordingly. If this latest study by the German Federal Institute for Risk Assessment shows that the revised Toys Directive does not provide sufficient protection from carcinogenic softening agents, we will have to take action.

It cannot be the case that children can take up many times the quantity of carcinogenic substances in just one hour of skin contact than are contained in the smoke from 40 cigarettes. These substances can be avoided. The study shows that this is technically possible. Seventy percent of toys sold are below these thresholds. Therefore, it is possible at any time to require the other toys to meet these limit values, too. It is presumably a question of price, but that cannot be regulated by the market alone when the safety of children is at risk. Political action needs to be taken to adjust and raise the threshold values accordingly.

Of course, Member States are responsible for market surveillance, not Europe, Parliament or the Commission. We have also called on Germany many times to take its duties in the area of market surveillance seriously and to take the relevant action. However, that does not, by any means, mean that we do not need to take action where there is doubt as to whether our threshold values reflect the latest scientific findings, and therefore it is my hope and request that the new Commission will present proposals to Parliament as soon as possible so that we can then adjust the relevant limit values in the comitology procedure.

**Marianne Thyssen (PPE).** – (NL) Madam President, Commissioner, ladies and gentlemen, the safety of children – our smallest and most vulnerable consumers – has always been a priority for the Group of the European People's Party (Christian Democrats) and indeed for everyone in this House, and it was for this very reason that, one year ago, we adopted a new, strict, Directive on the safety of toys. Thanks to the excellent cooperation with the Commissioner and his services, with the Council Presidency and with my fellow MEPs across all the political groups, we were able to complete that mammoth task; and quickly, namely in a single reading. All our institutions were convinced that we had drawn up legislation that was the strictest in the world and was being followed attentively as far a field as China and the United States.

Parliament acted sensibly as far as third-party certification was concerned, and took a particularly strict line concerning the standards on chemical substances such as allergens and heavy metals. With regard to the substances that are carcinogenic, mutagenic or toxic for reproduction (CMR), we opted for a total ban, with a few exceptions under very strict conditions. This legislation provides for a transitional period, but that goes without saying – it is inherent in the system – and, in any case, this transitional period is shorter than the industry had said it could cope with. Ladies and gentlemen, either we got it completely wrong and failed with regard to this act, or science and technology have evolved to such an extent that the act already needs amending, which can be done very quickly through the comitology procedure, or there is nothing wrong, in which case we cannot play unnecessarily on people's fears and on their justified concern for their children's safety. I have listened to and believed the Commissioner, and I see that the European Commission is doing what it has to do.

If further infringements should come to light in this field, I believe this shows we can rest assured that market surveillance is in place and that it is working. We have two questions, then: is the legislation still up to the minute, and is the market surveillance adequate? If the answer to both questions is 'yes', we must absolutely avoid giving way to populism and must make clear to people that there is no need to worry.

**Christel Schaldemose (S&D).** – (DA) Madam President, thank you, Commissioner, for your introduction. If I have understood you correctly, you wanted to ensure that a study was started into whether there are, in fact, too many toxic substances in children's toys in Germany, as the study indicates. If I have it right, then I would say that your idea is a good one. It is extremely important for us to act quickly. If we have any reason to suspect that our children's safety is at risk, then we must act. Furthermore, we would, of course, appreciate it if the Commission could get back to us here in Parliament very quickly to let us know whether or not there is anything in these claims. However, I would like to point out that, when it comes to softening agents in toys, there are, in fact, a number of researchers who are saying that there is no safe limit. The only safe thing to do is to leave the softening agents out of our children's toys completely. I really think that we should take a stand on this and consider whether we should not have tightened up the rules. I am not sure that the rules are good enough, even those in the new Toys Directive.

However, there is another matter that I would also like to raise in this regard, and that is that, a month and a half ago, we received a Commission study into how the new market surveillance legislation had been

implemented in each Member State. It is indeed right that it is the task of the Member States to ensure that market surveillance functions properly. However, this study showed that, despite the fact that we have tightened up the rules, only two Member States chose to put more money into market surveillance. We ought to be able to do better than this. It is precisely to prevent terrible stories of unsafe toys on the market that we need significantly better market surveillance. I therefore also hope that the Commission will ensure that the Member States achieve this.

**Anna Hedh (S&D).** – (SV) Madam President, I would like to thank Commissioner Verheugen for coming here to tell us about this important matter. We have a huge responsibility to ensure that our children are not made unwell or put at risk. I would like to take this opportunity to put a couple of questions that I have concerning the commitments made by the Commission in connection with the negotiations ahead of the first reading vote on the Toys Directive, as well as ahead of our plenary vote.

The party groups that were involved in the negotiations agreed to remove certain limits on noise levels because the wording approved by the Committee contained specific decibel levels. The Commission said that these levels might be too high and promised instead to produce a standard based on maximum levels for sustained noise and short noises. How far has the Commission got with its work on ensuring that toys do not cause hearing impairment? When can we expect a standard stating maximum noise levels for toys?

I would also like to highlight the issue of the font size used for warning texts. Once again, we were told that this would be resolved via standardisation. What is the Commission's view on the rules that should be applied here? When can we expect a standard that includes minimum font sizes for warning texts?

**Małgorzata Handzlik (PPE).** – (PL) The subject of toy safety arouses very great interest, especially during the pre-Christmas period, when we are thinking about which toys to buy for the youngest among us. In the previous parliamentary term, we prepared what is, in my opinion, a very good solution for increasing the safety of the toys our children play with. Unfortunately, we have to wait for the effects of these provisions. I do, however, believe they will bring tangible results.

I would like to thank, here, the Commission services for organising the Toys Road Show, because it is a very important initiative which is helping businesses to prepare for the changes which result from the directive.

Ladies and gentlemen, I am, however, disturbed by another piece of information. At the end of November, in the United States, the Consumer Product Safety Commission decided to recall over a million children's cots from the market. Another million will be recalled from the Canadian market. A cot is an item of everyday use, and children come into contact with cots more often, perhaps, than with toys. In view of the scale of the operation, I would be grateful if the Commissioner could comment on this matter. Can we be sure that the children's cots available on the European market are safe?

**Anja Weisgerber (PPE).** – (DE) Madam President, Commissioner, I, too, would like to thank you most sincerely for the clarity of your words. Essentially, it should be said that, overall, the Toys Directive has brought a considerable improvement in the protection of our children. We all approached it with the intention of producing the most stringent legislation anywhere in the world. However, many parents and grandparents are now concerned – as you said – because of the studies by the German Federal Institute for Risk Assessment. We now need to ask ourselves whether or not the Institute's statements and opinion are right. In any case, we need to examine the facts of the matter very closely. It is a question of the protection of our children.

At this point, I would like to thank you most sincerely for having stated that you are willing to do that. However, I think that things need to move more quickly. Not until next year, you say, during the first half of the year, will the findings of the scientific committee be available. It must be done quicker than that. It is a question of the protection of our children. I really cannot understand why the Federal Institute left it so long to come out with these statements. I want to make that point here, too.

**Georgios Papanikolaou (PPE).** – (EL) Madam President, dozens of instances have been recorded over recent years – 36 in 2000 alone – in which children needed immediate surgical intervention due to harmful substances in toys. I would also remind the House that just last week, a report was published in America which says that one third of toys in circulation contain dangerous chemical substances.

We should therefore understand that the European mark of conformity (CEE) is not enough to guarantee toy safety. It is awarded following submission of a file by the company in question and not following preventive and spot checking of the product and, as a result, we cannot assume that toys are safe.

In order, therefore, to ensure that our children – I do not have any, but I hope that one day I shall – receive gifts from Father Christmas, as mentioned earlier, which are completely safe and need not cause parents to worry, we must put pressure on the Member States to carry out more thorough checks and, of course, to strengthen current legislation.

**Günter Verheugen**, *Member of the Commission*. – (DE) Madam President, ladies and gentlemen, I am delighted at the broad consensus that this debate has shown. Allow me to make a preliminary comment. We are dealing with a scientific institute, the German Federal Institute for Risk Assessment, which I have been aware of for some time as a result of its tendency to make alarmist announcements to the public without informing the Commission or any other European institutions of its findings. You can judge that for yourselves. The only thing that I know about this is that the continued funding of this institute from Germany's Federal budget is under discussion. Perhaps that is one explanation for the institute's intensive public relations activities, while it clearly sets no great store by allowing us to examine its findings in any appropriate way.

Nevertheless – and it seems I have been misunderstood on this point – even if we only read something in the media, we still regard it as an indication of possible new scientific findings and I have already passed this on to the scientific committee. The call for me to do this that has been expressed here is not needed. The moment that I receive an indication that there may be new scientific findings available concerning the safety of toys and the limit values that we have set, this information is sent to the scientific committee.

However, I must reiterate that you cannot expect me, and likewise I cannot expect you, to make a decision in respect of the disagreements among scientists regarding methods. You cannot do that. I cannot do that and neither can you. I can do nothing more than say that the question of methodology in the measurement of possible limit values has been rigorously debated here in Parliament, in the Council and the Commission. Furthermore, the opinion of this German institute is not shared by any other scientific institute in Europe – not one! If you believe that I am obliged to follow the opinion of a single institute and ignore that of all the others, then please tell me so and you can reprimand me for this. I cannot assume this responsibility. Not one of you can do that either. However, I will say it once again: if any new findings come to light, the process will be set in motion.

Mrs Weisgerber, you said that the process should go quicker – unfortunately, it cannot go any quicker. These are very complicated scientific issues. Tests are needed. You are perhaps not aware of this, but extensive animal tests are needed, for example, in order to be able to verify this sort of claim. You cannot force scientists to produce findings within a particular timeframe. I am sorry, but that is not possible. I must therefore simply ask you to be satisfied with me telling you that the scientific committee has told us that it will be able to provide substantiated results by the middle of next year, and it will indeed do so. On the basis of these results, the Commission will immediately prepare new proposals if it should emerge that there are indeed new findings. I hope that makes it clear.

Mr Creutzmann, the principle of using the lowest possible risk is valid. I do not need the help of the Federal Institute for Risk Assessment to find that out. The requirements that you derived from this are therefore also met.

Mrs Rühle, you say that I should have gone to the press sooner. It will surprise you when I say that I did exactly that. Just as I do not think that what I have said here this evening in Parliament will make it into the European media, and particularly not the German media, so my factual and, I thought, calm statement of the facts was not taken up by the German media. However, I issued the necessary statement and explained the facts of the matter. I would be happy to provide you with the text.

Mrs Davidson, we have the most stringent legislation in the world. That is something we can take pride in. This Commission will not allow itself to be outdone by anyone in the world when it comes to providing the highest possible level of safety for toys.

Mrs Schaldemose, I can only agree with you, and say that the responsibility of the Member States for market surveillance must not be called into question. I agree with you entirely that the question of implementation is crucial here. In this regard, too, we have made appropriate preparations.

The last question from Mrs Hedh is a very important one. With regard to the standards for different areas, you mentioned two examples, one of them being sources of noise. The relevant instructions have been sent to the European standardisation organisations. However, for standards, it is no different than for other scientific work. You cannot expect them to be available in a week or in one, or indeed several, months. It takes time. However, all of the standards that we have talked about are in progress and will be available in

good time, and they will also allow us to develop an exact comparability of the products and to strengthen market surveillance.

There is one last point I would like to address. Baby seats, which have been mentioned here and with regard to which there have been some safety problems in the US, are not toys. They do not, therefore, fall within the scope of the Toys Directive, but rather within that of the General Product Safety Directive. We need not hide from the Americans in this regard. The system that we have in Europe with regard to the general safety of products has continued to prove its worth over the last few years. If unsafe products appear on the European market, we can now assume with a degree of certainty that all the other Member States and the Commission will, in fact, be informed about them and that the appropriate steps will also then be taken.

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

*Written statements (Rule 149)*

**Jim Higgins (PPE), in writing.** – I welcome the fact that the new Directive 2009/48/EC on toy safety will come into force in 2011, although it is regrettable that the directive will not be in force for the Christmas 2010 period next year, when the majority of toys made or imported into the EU, are sold. I hope that Member States will see fit to transpose all elements of this important directive before the final deadline for implementation in order to give parents, as consumers, greater peace of mind.

**Artur Zasada (PPE), in writing.** – (PL) Taking the opportunity of this debate, I would like to draw attention to the need to improve the functioning of the European Union's register of consumer accidents, which anticipates, among other things, collection of information about fatalities and bodily injuries resulting from the use of various products intended for children. The register should be an important element of the mechanism of the system for protecting consumers, including the youngest and most helpless. Unfortunately, according to an expert from the Technical Committee on products for small children and toy safety of the Polish Committee for Standardisation, rapid exchange of information between Member States and the European Commission on products which pose a hazard, and steps taken in particular countries to prevent or restrict their coming onto the market, is still not functioning satisfactorily. I would like to ask that this matter be thoroughly investigated.

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

## **21. Closure of the sitting**

*(The sitting was suspended at 22.50)*