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# Motion du groupe Verts/ALE sur la crise actuelle

- Député européen (Verts, France) - Économie - Divers economie -



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*The European Parliament,*

- having regard to the European Council conclusions of 15 - 16 October 2008,

- having regard to Rule 103(2) of its Rules of Procedure,

A. Whereas many problems highlighted by the crisis are due to the complexity and increasing opacity of financial instruments;

B. Whereas financial innovation has had detrimental effects on financial stability, as it highlights that the creation of complex financial instruments allowing banks to offload risks led to decreasing attention being paid to the underlying assets and real economic fundamentals;

C. Whereas executive compensation scheme in financial institutions is one of the root cause of the current crisis as they have contributed to a focus on risk and short-time profit;

D. Whereas credit rating agencies are to assess properly the risks associated with increasingly complex new financial products, and whereas toxic products such as subprime received high ratings, pretending low risks to investors, financial firms and other users;

E. Whereas the deregulation of the financial market has enabled the development of new financial products that had no relation to economic reality; and whereas the accumulation of real risks (such as increasing poverty of borrowers and energy-climate crisis,) has thus been hidden, the financial crisis has turned into a recession, with dramatic consequences for people and small and medium enterprises, confronted with credit crunch;

F. Whereas the EU must be exemplary in promoting long-term investment;

G. Whereas the fulfilment of the objectives of the Lisbon-Göteborg Strategy and the climate-energy package supposes long-term investments; whereas the role of the European Investment Bank must be further increased in this respect; in association with ECB which has developed a practice of refunding during this financial crisis;

H. Whereas recapitalisation of banks needs public funding, and whereas the measures taken by the State must be assorted to strict conditions in respect with governance, compensation scheme, investment strategies, realistic accounting norms, adequate change of business models and a strong accountability to public authorities;

I. Whereas a strong interdependency exists between all financial actors, and whereas the coexistence of a lightly and unregulated market (as in the case of private equity funds and hedge funds) alongside tightly regulated institutions, has increased financial instability;

J. Whereas surveillance means overseeing the whole market to identify worrying trends and to access sufficient information about transactions outside the organised markets;

K. Whereas EU countries' existing tools are no longer adequate to contain the impact of financial crisis in ways that minimize collective costs and avoid moral hazard; and whereas a European view of risk exposures, a European prudential oversight body, and a European structure to allow for rapid exchange of information and a clear assignment of supervisory responsibilities are still lacking;

### **Economic and financial situation**

1. Welcomes the initiatives taken by the European Council to devise urgent and practical solutions to cope with the financial crisis related to savers' deposit or the interbanking market; agrees that these measures were necessary to curb the current financial crisis and to restore some confidence in the financial markets; underlines however that other medium-term and long-term measures need to be taken to counter remaining risks and to avoid systemic crisis in the future, deems for instance crucial to ban permanently certain market practices, such as short-selling;

2. Underlines that Europe faces recession, falling investment and rising unemployment due to the financial crisis ; takes the view that investigations must be launched in order to determine whether the current regulatory framework, however limited, has been infringed upon (especially in terms of transparency) and prosecutions be initiated where applicable;

3. Deplores the inability of the Commission to prevent and properly tackle the financial crisis, by systematically promoting self-regulation over regulation;

4. Takes the view that we need a "New Deal" to relaunch the real economy; emphasis in this respect the need to have a concerted Europe-wide action, especially on an investment strategy to attain energy efficiency and CO2 reduction goals; deems that the European Investment Bank should have a strengthened role to contribute towards these objectives; welcomes in this context the EIB's decision to mobilise EUR 30 billion to support European SMEs and its commitment to step up its ability to intervene in infrastructure project; stresses that millions of small projects such as housing isolation and installation of zero-carbon devices are the most cost-effective and employment-creating form of an ecological New Deal;

5. Underlines the role of long-term investors to finance the Lisbon-Göteborg strategy; urges the Member States and the Commission to come up with initiatives to encourage banks and financial institutions to implement long-term strategies, and to take measures so as to redirect liquidity towards longer-term investments;

6. Expresses its concerns about the existing gaps between over-the-counter transactions and organised markets; or between regulated and unregulated entities; invites Member States to rethink completely the functioning of the current financial system if they are serious about their willingness to restore confidence in the financial market and to tackle the financial crisis globally, which means recognizing the interdependence of national economies, and to close the gap between regulated and unregulated entities so as to achieve a level playing for all financial actors;

7. Takes the view that enhancing transparency of non-regulated markets is among the key problems to address to avoid new systemic financial crisis; urges the Member States to address these issues effectively and to take soon necessary measures in this respect;

8. Urges particularly in this context the Commission to submit a legislative proposal related to hedge funds and private equities; reiterates its conviction that such legislation should aim among others to set up a EU framework for the registration and authorisation of hedge funds and hedge funds managers and to set up a EU register for structured products.

9. Emphasises that the crisis highlights the need for greater vigilance towards complex financial products; notes in this respect that the securitisation, which was conceived as a tool to diminish risks, has on the contrary blindly spread out credit risk throughout the financial system;
10. Supports the European Council' decision to speed up the work on the Capital Requirement Directive; deems crucial that all entities or activities with the same potential to create systemic risk should be subject to the same prudential rules; emphasises that the Commission's proposal concerning capital requirements should require that originators hold portions of securitised loans on their balance sheets; deems also crucial to require from banks to soundly manage and report off-balance sheet exposures.
11. Welcomes the decisions of the Council as regards remuneration scheme of company executives; shares the views that they should be in line with their actual contribution to the success of the company; without inducing them to foster ill-advised risks, insists that the Commission takes soon a legislative initiative in this respect to ensure that financial institutions disclose their remuneration policy, in particular the remuneration and compensation packages of directors, ensure prudential supervisors include in their assessment of risk management the influence of remuneration, bonus schemes and taxation to ensure that they do not encourage extreme risk taking;
12. Recalls that credit rating agencies bear their share of responsibility for the crisis; welcomes the call of the European Council to speed up the long-awaited forthcoming legislative proposal of the Commission to tighten up the rules on rating agencies; deems in this respect of utmost importance to ensure registration of rating agencies, to encourage the development of alternative models and to separate their rating business from any other services (such as device on structuring transactions) that they provide in respect of any obligations or entities that they rate; takes the view that the Commission should establish a EU public and independent Credit rating agency in order to improve transparency in that sector.
13. Approves the European Council decision to allow more flexibility in applying accounting rules given the current "exceptional market circumstances"; points out however that there is a need to tackle in the future the series of weaknesses relating to the way different accounting systems set a value on assets in bank sheets and to address more generally the issue of volatility of the market created by the current system of "fair value".
14. Deplores the fact that the Council's decisions related to the strengthening of the supervision of the European financial sector, particularly cross-border groups, are far from being enough to respond to the challenges posed by the current financial systemic risks;
15. Recalls in this respect that the fact that financial supervision has not kept pace with market integration has been an aggravated factor to the contagion of the crisis, since national supervisory bodies were not able to have a European view of risks created by these new complex financial innovations;
16. Reiterates therefore its conviction that there is a need to set-up a EU supervisory body to cover financial transeuropean transactions; recalls that this EU supervisory authority shall be able to collect and analyse micro and macro prudential information with the central banks, and should act as a rapid reaction force in crisis situations with a systemic impact for the EU.
17. Notes that some flexibility is needed in the implementation of state aids policy in view of these current exceptional circumstances; but stresses on the need to change incentives for large financial institutions with potential systemic risks, taking into account that if they are "too big to fail", these institutions are encouraged to maximize the risks they take;

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18. Questions about the role played by the Commission to avoid the growing of large financial institutions with systemic risks; as regards state aids, deems essential to implement sufficient behavioural rules for beneficiaries that prevent any abuse of state support, such as an expansion and aggressive market strategies, notably against smaller institutions, on the back of a state guarantee;

19. Emphasises as well that an appropriate contribution of the private sector is needed, as a counterpart to the introduction of the State guarantee scheme; takes the view that the Commission should refer back to the European Parliament on the implementation of these principles;

20. Agrees with the European Council that a genuine, all-encompassing reform of the international financial system is needed; calls on the Member States to take quick initiatives to strengthen the global regulatory architecture; deems in this respect crucial to set up a special tax on speculative financial transactions, such as a Tobin-tax; calls on the Commission and Member States to strive for an international agreement committing all signatories to impose such a tax on financial transactions;

21. Takes also the view that increased action must be taken to prevent tax fraud and tax evasion effectively, closing the tax havens within the EU and putting pressure on those outside the EU.

### **Lisbon Treaty**

22. Acknowledges that there is an increasing mistrust of the European citizens towards the European Union; however, reiterates that the Lisbon Treaty contains the indispensable elements for overcoming that mistrust by strengthening parliamentary democracy, transparency and the rule of law, by anchoring fundamental rights, developing citizenship and enhancing the capacity of the enlarged Union to act effectively at home and abroad;

23. Appreciates the in-depth analysis by the Irish government of the causes for the negative outcome of the referendum but is concerned about the delay; urges the Irish government to deploy all possible efforts to come forward with a concrete proposal establishing the conditions under which the ratification procedure could be resumed in time to allow the entry into force of the Treaty of Lisbon before the 2009 European elections;

24. Calls on the responsible authorities of Sweden and the Czech Republic to accomplish their respective ratification procedures before the end of the current year;

### **Energy and Climate change**

25. Is convinced that the economic case for tackling climate change is clear and every step to delay the necessary action will ultimately lead to greater costs; furthermore considers that improving energy efficiency and shifting to renewable energy sources and climate-friendly economy will save money, reduce our dependence on energy imports and have positive impacts on job creation in Europe at this critical time;

26. Welcomes the progress made within the European Parliament and the consensus that has been found on starting negotiations with a view of seeking first reading agreement with the Council before the end of this legislature;

27. Regrets the European Council's attempt to hijack the climate and energy package from regular co-decision procedure and subject it to unanimity rule within the Council; is concerned that this could seriously undermine the integrity of the package and put EU efforts to provide impetus for future international climate agreement at risk;

### Energy security

28. Acknowledges that the EU is now importing 82.5% of its oil; and if the EU immediately stopped importing oil the existing reserves within Member States would last 15 months;
29. Acknowledges that roughly 70% of the oil consumed in Europe is used by the transport sector, with the remaining 20% used in buildings and 10% as raw material; whereas energy demand in the transport sector is expected by the Commission to grow by at least 30% until 2030, with an unacceptable increase of up to 5% per year for air transport, which increases CO2 emissions and dependency on imported energy;
30. Underlines that development within the transport sector are critical towards oil dependency and a better environment; and deplores that the European Council has hardly tackled the question of oil dependency and has completely omitted to address the transport sector;
31. Is confident that a substantive development of energy efficiency and of renewable energies will enhance energy security, curb the projected rise in energy prices and reduce greenhouse gas emissions; urges the Commission to set energy saving, energy efficiency and renewable energies as the key measures to achieving the EU climate targets whilst simultaneously increase security of supply in the EU.
32. Considers that a target of improving energy efficiency by over 20% by 2020, as already agreed by the European Council of March 2007, is entirely feasible technically and economically; regrets therefore that the European Council has not made this target mandatory;
33. Calls once again the EU to take concrete measures in order to lead the EU towards the least fossil fuel-dependent and most energy-efficient economy by 2020; urges therefore the EU and its Member States to invest urgently and massively in energy-saving and energy-efficiency measures and the development of joint EU renewable projects, which can not only ensure the EU's security of supply, but can also bridge this goal with the Lisbon goal (economic and social development) and the Gothenburg goal (environment);
34. Demands further that that Commission launches under the Second Strategic Energy Review a vast energy efficiency programme, including a set of new relevant initiatives, such as a revision of the existing EU building directive, a new initiative on co-generation, new budgetary facilities for investments in energy savings and energy efficiency; stresses that energy saving, energy efficiency and the use of renewable energy represent the greatest, as well as cheapest, potential for CO2 reductions, while enhancing EU's geopolitical independence; reiterates that only through such measures can the EU offer concrete long-term answers to its citizens and businesses in their struggle against rising energy prices.

### European Pact on Immigration and Asylum

35. Regrets that the migration and asylum pact focuses on border control rather than prioritising means of legal migration. The focus on border controls and the systematic returning of irregular migrants represents a barrier to access to asylum and family reunion.
36. While accepting the Blue Card proposal as a first step in a more open migration programme, rejects a hierarchy of rights for migrant workers; calls in this respect on the Member States to ratify the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families

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37. Demands that the mandate of FRONTEX explicitly includes the obligation to meet international human rights standards and the duty towards asylum seekers, i.e. in relation to FRONTEX operations in high seas .

38. Looks forward to an ambitious review of the European asylum directives, followed by their effective implementation including the thorough revision of the Dublin II regulation.

### **The follow-up to the Georgian crisis**

39. Regrets that the international talks on the security and stability arrangements in Abkhazia and South (as foreseen in the 6-point plan of 12 August) that started in Geneva on 15 October were marked by procedural controversies that hindered the parties from dealing substantively and face-to-face with the points on the agenda;

40. Stresses the urgent need to solve the situation of the displaced persons and, in particular, calls for the quick return in safety and dignity of all the people living in the upper Kodori Gorge and the Akhgori region;

41. Looks forward to the conclusions of the International Donors' Conference on Georgia of 22 October; welcomes the commitment of the Commission to provide strong political, financial and practical support to Georgia; calls on the Commission to present and quickly follow through with measures aimed at the rehabilitation and recovery of the conflict areas and to step up the humanitarian assistance with a view to resettling and providing shelter before winter to the people affected by the war;

42. Welcomes the deployment of the EU Monitors in the buffer zones that enhances the role and the responsibilities of the EU in the region and paves the way for the further deepening of relations with Georgia; calls on the de-facto authorities of Abkhazia and South Ossetia and of the Russian Federation to allow the EU monitoring operations to take place also inside the breakaway territories;

43. Calls on the Council and the Commission to make clear to the Russian President at the forthcoming EU-Russia summit of 14 November the no strategic partnership is possible with countries that do not abide by international law and violate the territorial integrity of the neighbours;

44. Calls on the Commission to make democracy, the respect for human rights and the rule of law an integral part of the future partnership and cooperation agreement with the Russian Federation with a clear mechanism for the implementation of the suspension clause;

45. Instructs its President to forward this resolution to the Council, the Commission and the parliaments of the Member States.