

European Parliament

Special Committee on the Financial, Economic and Social Crisis

CRIS Newsletter No. 7 March 2011

<i>Recent Events</i>	<i>Upcoming Events</i>
14th March 2011 CRIS Interparliamentary Committee Meeting with National Parliaments	11th April 2011 Public Hearing with Mr Phil Angelides, Chairman of the US Financial Crisis Inquiry Commission (FCIC) - presentation of FCIC report
14th March 2011 Joint CRIS/ECON Dinner Debate with Mr Jacques Delors	12th April 2011 Consideration of the Draft Final Report
21-22nd March 2011 CRIS Committee Delegation to Athens	13th April 2011 Deadline for Amendments
28th March 2011 Consideration of the Draft Final Report	30th May 2011 CRIS Committee vote on the Draft Final Report

With the coming of spring, CRIS Committee has had the opportunity to bring fresh perspectives into its consideration of the financial crisis and possible ways forward. Towards the end of 2010 the Committee offered National Parliaments the opportunity to contribute towards the report in the form of a questionnaire. They were then invited to participate in an Interparliamentary Committee Meeting held on the 14th of March, with guest speakers Mr Thomas Mirow, President of the European Bank for Reconstruction and Development, and Mr Philippe Maystadt, President of the European Investment Bank. CRIS Committee also had the honor of welcoming the former Commission President Mr Jacques Delors, as the high level guest speaker at the ensuing dinner debate. At the end of March the Committee held a delegation to Athens to meet with leading politicians and key players in the Greek financial sector. The questionnaire and recent events have contributed towards the Committee's continued work on the Draft Final Report, due for vote in Committee in May 2011 and final vote in Plenary in July 2011.

CRIS Interparliamentary Committee Meeting, 14th March 2011



A moment's silence was held in memory of the Japanese Earthquake Victims.

On the 14th of March CRIS held an Interparliamentary Committee Meeting on the subject *"Investing in the real economy: A toolkit for growth, innovation and cohesion"*. The meeting was divided into two sessions, each with a keynote speaker followed by an exchange of views between



Keynote speaker Thomas Mirow

representatives of National Parliament and MEPs from the CRIS Committee and finally a round of conclusions from the speaker, coordinators and the Rapporteur Ms Pervenche Berès.

The first session was given the title *"European added value: Strategic long-term investment for growth and jobs"* with Mr Thomas Mirow providing the keynote speech. Mr Mirow emphasised that whilst the European Economy did return to growth last year, there is persisting concern and uncertainty in light of the crisis, with continued efforts to strengthen the Eurozone, severe fiscal challenges remaining in West

European countries, and the growth in Central and Eastern Europe remaining, to a degree, determined by external developments. He suggested, however, that there is a deeper reason for persisting concern, in that many weaknesses exposed by the crisis have not yet been adequately addressed. Three areas were highlighted in his speech as paramount: the strengthening of the real economy through reviving the European tradition of manufacture; redefining the financial sector, ensuring that the financial sector once again becomes the servant of the real economy, not a goal in itself; and "greening" the economy,



Jacques Delors was also in attendance

using the gains in terms of savings or increased productivity to out way the cost of new technologies. He suggested financing projects through complimenting public resources with private investments, through which the private sector would become engaged in activities which are beneficial for the economy as a whole, with an emphasis on creating a framework which encourages "responsible risk-taking".

The subsequent discussion raised the issue of Euro-scepticism as a foremost political challenge, public debt and austerity measures as unavoidable issues in dealing with the financial crisis, and investment in energy as paramount, but something which must be treated with extreme caution.

The second session considered the topic *"Investing in the EU economy, ensuring delivery of EU 2020 targets"* with Mr Philippe Maystadt as keynote speaker. Mr Maystadt emphasised that the EU2020 Strategy is primarily about increasing EU growth potential through investment, suggesting that a contraction in investment was responsible for the length and depth of the recession following the recent crisis. His speech considered the scale of the challenges facing Europe today and how this inevitably requires doing more with less, with the need to optimize the EU budget and with the EIB Group raising funds on capital markets. He explained how the combined use of EIB resources with the EU budget could help deliver the EU2020 Strategy. The subsequent discussion raised the issue of SMEs as essential to the European economy; discussed Project Bonds; and considered the failure of the Lisbon Strategy, which Mr Maystadt suggested as being due to



Keynote speaker
Philippe Maystadt



The Interparliamentary Committee Meeting
was extremely well attended

its implementation rather than content. The CRIS Committee Rapporteur, Ms Pervenche Berès concluded the session.

Dinner Debate with Mr Jacques Delors, 14th March 2011



EP President Jerzy Buzek with Jacques Delors

This high level discussion was followed by a dinner in the presence of Mr Jerzy Buzek, President of the European Parliament, and Mr Jacques Delors, former President of the European Commission and founder of the French think tank "Notre Europe". In terms of possible action at an EU27 level, Mr Delors

spoke of the importance of competition policy in the financial markets; of social

aspects, in particular the need for solidarity and the interdependence of EU countries, implying both an economic and social cohesion. He spoke of cooperation as the "missing link" in European construction, stating that *"social*

Europe also means solidarity - it also means economic and social cohesion". The European budget was discussed as a means of inventing new resources with Mr Delors

emphasising a belief that Eurobonds only stand a chance of working if intended for future spending.

Mr Delors also mentioned action which could be taken at the EMU17 level. Commenting on the

distinction, he suggested that some European countries go beyond the rules which apply to all 27 countries, and that allowing this differentiation has facilitated a stronger EU. He suggested that in considering any enlargement of the EU we must also consider "deepening" the union or risk a large but weak market. Mr Delors concluded by calling for a minimum of tax harmonisation, to have a guarantee for the markets and by emphasising the need for an economic fund for the EMU, stating that *"if the Euro fails, European dreams will be destroyed. It is in the world as it is, in technological mutation, that Europe has the choice between two solutions - survival or decline"*.



Guest Speaker
Jacques Delors



EP President Jerzy Buzek,
Phillipe Maystadt,
Pervenche Berès and
Jacques Delors

CRIS Committee Delegation to Athens, 21-22nd March 2011

March saw the CRIS Committee delegation to Athens, with Committee Members meeting with Ministers, Members of the Greek National Parliament and high ranking Members of the financial sector. The intention of the delegation was to gain a deeper insight into the current crisis and the reforms put in place by Greece to counter it.

The meetings started with the Deputy Governors of the Bank of Greece, who are responsible for "The Economic Adjustment Programme for Greece". The delegation then met with Mr Haris Pamboukis,



Syntagma Square, Athens

Minister of State to the Prime Minister, to discuss the measures which the Government are pursuing in the field of investment, and subsequently with members of the Hellenic Banking Association to discuss the consolidation of the banking sector. Later, Mr Filippos Sachinidis, Deputy Minister of Finance, discussed the new measures the Government would take following the 3rd Review of the Memorandum and in light of the current Economic Governance package and the 11 March 2011 Euro Area Meeting. This was

followed by a meeting with Mr George Petrakos, Secretary-General for Public Investment in the Ministry of Regional Development and Competitiveness, to discuss the dimension of growth in reference to the new framework laws on investment. The final meeting of the day was with the Hellenic Confederation of Professional, Craftsmen and Merchants to discuss the increasing closure of small enterprises in relation to the stricter measures taken by the fiscal authorities.

The second day started with a breakfast debate with Professor Loukas Tsoukalis and Professor Yannis Stournaras, opening up



Joint Meeting at the Greek Parliament

the relevant topics of the Memorandum for discussion. This was followed by a joint meeting, chaired by Ms Rodoula Zisi, 2nd Deputy Speaker of the Greek Parliament, with Members from the National Parliament's Economic, European Affairs, Social Committees on the subject of the legislative work undertaken since the Memorandum. Mr Philippos Petsalnikos, President of the Greek Parliament received the delegation briefly as well.



The Delegation met with the President of the Greek Parliament Philippos Petsalnikos

Members finally met with the General Confederation of Greek Workers and its Labour Institute to discuss the Adjustment

Programme and how their report on the austerity measures and their impact on growth, unemployment and the prospects for debt consolidation differ from official documents.

Upcoming Events

On the 11th of April the CRIS Committee will have the pleasure of welcoming Mr Phil Angelides, Chairman of the United States Financial Crisis Inquiry Commission, to speak at a Public Hearing. The CRIS delegation met with Mr Angelides in Washington last year, and we now welcome him in Brussels to present his findings to the Committee.

Questions or comments? Please contact the **CRIS Secretariat** at CRIS.Secretariat@europarl.europa.eu