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MOTION FOR A RESOLUTION

to wind up the debate on statements by the Council and Commission

pursuant to Rule 103(2) of the Rules of Procedure

by Martin Schulz, Harlem Désir, Robert Goebbels, Pervenche Berès and Elisa Ferreira

on behalf of the PSE Group

on the G20 Summit conclusions

European Parliament resolution on the G20 Summit conclusions

The European Parliament,

- having regard to the conclusions of the G20 Summit of 2 April 2009 in London,
 - having regard to the G20 Declaration of 15 November 2008 issued in Washington,
 - having regard to the conclusions of the Presidency of the Spring European Council meeting on 19 and 20 March 2009 on the European economic recovery,
 - having regard to its resolution of 11 March 2009 on the European Economic Recovery Plan (A6-0063/2009),
 - having regard to the Commission communication of 4 March 2009 for the Spring European Council on Driving European Recovery (COM (2009)114),
 - having regard to the report of the High Level Expert Group on EU Financial Supervision, chaired by Mr Jacques de Larosière, of 25 February 2009 for the 2009 Spring European Council,
 - having regard to the Commission Communication of 8 April 2009 on 'Supporting developing countries in coping with the crisis' (COM (2009)160),
 - having regard to the United Nations Millennium Development Goals and EU Member States' aid commitments to tackle hunger and poverty,
 - having regard to Rule 103(2) of its Rules of Procedure,
- A. whereas the world is falling deeper into a recession whose effects no country and no sector can expect to avoid; whereas the failings of the financial sector have hit the real economy, with jobs lost, living standards slashed, and people everywhere fearful of losing their houses and their pensions,
- B. whereas 150 million people are suffering from soaring food prices and whereas it is forecast that the recession will push an additional 50 million people into unemployment and an additional 200 million into absolute poverty this year,
- C. whereas some donor countries have reduced their Official Development Assistance to developing countries, putting in danger the Millennium Development Goals,
- D. whereas the highest priority is to tackle rising unemployment, while the chief obstacle is continued lack of confidence and a blockage in financial and capital markets leading to weak consumption and demand, both of which must be tackled urgently,
- E. whereas the current recession should be used as an opportunity to promote

'sustainable' investments and safeguard/create 'decent' jobs in line with the Lisbon-Göteborg goals and the global commitment to fight climate change and reduce energy consumption,

General remarks

1. Welcomes the G20's recognition that a global crisis requires a global solution and an integrated strategy to restore confidence, growth and jobs; considers that this recognition requires a serious follow-up at the next meeting of the G20 which will take place in early autumn this year;
2. Believes that the task ahead for the world's leaders is not to patch up the present financial and economic system, but to recognise that the economic orthodoxy of the last 20 years has failed, that a new balance must be struck between regulation and the market, that widening inequality has been a source of instability, and that a new regulatory and governance framework must be developed; calls therefore for a 'Global New Deal', rooted in sustainability, opportunity, social justice and participation, whose essential components are:
 - coordinated fiscal stimulus
 - better regulation and supervision of the international financial system
 - a transition to an eco-friendly economy
 - decent work for all
 - fair trade
 - stronger development policies
 - democratic and effective global governance;
3. Stresses that the immediate priority must be to get the real economy moving again, to sustain and promote employment, and to protect people from the adverse impact of the crisis, with special attention to the poorest and most vulnerable;
4. Calls for every measure to be taken to enable financial markets to function properly again, including an urgent restoration of domestic lending and international capital flows;
5. Deeply regrets that the G20 was silent on the problem of global imbalances in trade and finance, which played a fundamental role in the current economic crisis, and that it failed to address adequately the need for recovery packages to prioritise employment, social protection and a shift towards an eco-friendly economy; calls on the next G20 summit to address these issues more vigorously and to set targets for the sustainable 'green' components of all recovery plans;

Restoring growth and jobs

6. Welcomes the agreement to provide € 832 bn in additional financial resources for the IMF, other financial institutions and trade finance and the commitment to make a sustained fiscal effort on the requisite scale to restore credit, growth and jobs in the world economy while ensuring long-run fiscal sustainability; regrets, however, the fact

that no additional European fiscal stimulus was agreed; recognises that the margin for action is different for each country, but each needs to act to the limits of its possibilities and the EU as a whole should consider financing new priorities, e.g. eurobonds; supports the commitment to fiscal sustainability and public budgetary discipline, which should be brought back on track as soon as economies recover;

7. Underlines that central banks have to ensure a supportive monetary policy for recovery and to support exceptional economic measures and unconventional policy instruments while ensuring price stability; considers that the present recession renders necessary a broad interpretation of central bank mandates;
8. Takes note of the G20 commitment to take all necessary action to restore the flow of credit through the financial system but believes that stronger measures are urgently needed to restore confidence in the intra-banking market and among financial stakeholders; considers that the G20 failed to address the priority to deal adequately with the problem of toxic assets and their valuation in order for the market crisis to bottom out and, it is to be hoped, a recovery to ensue;
9. Supports the Framework for Restoring Lending but believes that clear guidelines must be laid down to ensure that State interventions in the banking system, via recapitalisation, temporary nationalisation or provision of liquidity, do not distort competition; underlines furthermore that banks which benefited from these interventions must rapidly restore normal lending to businesses, including SMEs, and to individuals, subject to sanctions in the event of failure to do so; insists on the importance of ensuring that public funds received by banks are used to restore lending rather than distributing dividends or bonuses;
10. Welcomes the \$50 bn earmarked for low-income countries and calls for it to be disbursed speedily in the form of direct grants rather than loans, in order to support social protection and boost trade;

Strengthening financial supervision and regulation

11. Approves the G20 diagnosis of the weaknesses in the financial sector and welcomes the commitment to build a stronger supervisory and regulatory framework on the basis of greater consistency and systematic cooperation between countries, but regrets that a more far-reaching review has not yet been undertaken of the core principles of the financial system and considers that these decisions must not prevent the EU from being more ambitious in the scope and requirements of regulation and supervision;
12. Supports the institutional structure established to provide global oversight of macroeconomic and financial risks, with the tasks of developing common principles and standards of regulation; understands the reluctance to set up a global regulator but underlines the importance of sharing common principles and ensuring convergence of rules in the financial services area to cope with global market players;
13. Welcomes the decision to regulate and oversee all systemically important institutions, markets and instruments (including hedge funds) but believes that further measures are

needed to stamp out speculative excesses and that regulation and supervision must include those activities whose size individually may be judged non-systemic but which collectively represent a potential risk to financial stability; approves the proposals for better measurement of off-balance sheet exposures and tighter limits on leverage in the banking system; will remain extremely vigilant regarding the effective implementation of the principles relating to pay and compensation in financial institutions and calls on the EU to adopt more stringent measures in this area, including legislative proposals; expresses its doubts as to the effectiveness of codes of conduct in this area;

14. Welcomes the intention to reach agreement on a single set of accounting standards, deplors the fact that the FASB has modified the definition of fair value for US market players and urges the Commission to adapt IAS 39 to this change without waiting for a decision by the IASB;
15. Regrets that the G20 did not agree on concrete action against tax havens although a list of uncooperative jurisdictions already exists and fiscal, economic and political tools could be used to convert threats into positive results; recommends that the EU should adopt at its own level an adequate legislative framework to restrict business with those jurisdictions and calls on its US partners to do the same; calls on the next G20 summit to agree on coordinated and effective action both to eliminate all tax havens and instances of lax regulation and to close 'onshore' tax and regulatory loopholes which permit widespread tax avoidance even in major financial centres;

Strengthening our global financial institutions

16. Agrees with the decision to expand the FSF/FSB to include all G20 countries plus Spain and the Commission and to reform the IMF in terms of voting, quotas, mode of operation and the type of conditionality it attaches to its loans as soon as possible; welcomes the allocation of additional resources and the commitment of G20 members to respect the IMF's independence in its surveillance tasks; underlines that the role given to the FSB in cooperation with the IMF will prove useful only if all countries agree to respect their assessments and recommendations; urges the EU negotiators to obtain real transparency and accountability of the FSB's decision-making;
17. Believes that the representation of developing countries in international financial institutions must be improved; calls, therefore, for a real governance reform to be agreed at the next WB and IMF committee meetings; welcomes the commitment to an open, transparent and merit-based selection process for the leadership of the international financial institutions; urges the EU as a consequence of this to speak with one voice;
18. Calls for a far-reaching reform of global economic and financial governance in order to tackle the problems of inequality, mismanagement and global imbalances, which have generated a crisis of inadequate demand in a world of vast unmet needs; believes that this reform must promote democracy, transparency, accountability and effectiveness, ensure coherence between the policies and procedures of the international economic and financial institutions and revise the Washington consensus and the intellectual underpinnings of IMF and World Bank policies, replacing their

discredited reliance on the self-correcting character of markets with a recognition of the responsibility of public authorities to protect the wider public interest;

Resisting protectionism and promoting global trade and investment

19. Welcomes the pledge to further promote global trade and investment, reject protectionism and remain committed to meeting the Millennium Development Goals and to achieving the ODA pledges, including commitments on Aid for Trade and debt relief and the Gleneagles commitments, especially to Sub-Saharan Africa, but regrets that there are no commitments on additional funding in the field of Aid for Trade; calls on the next G20 summit to address also the reform of the world trading system and the governance of the WTO to promote fair trade, reverse the growing inequalities between North and South, improve coherence between commercial, social and environmental policies and make the WTO more democratic, transparent and accountable;
20. Welcomes the \$250 bn made available for trade finance, which will enable affordable access to short-term credit; is alarmed however by the fall in world trade, which threatens a further deepening of the global recession; stresses the importance of concluding the Doha Round rapidly and successfully; believes that, to achieve that end, the negotiators from the industrialised world must be mandated by their Heads of State and Government to respect the central purpose of the Doha Development Round, which is to redress the imbalances in the world trading system which have worked to the detriment of developing countries;
21. Calls on the EU Member States to present actions and instruments introduced in response to the crisis in developing countries in order for the EU to make a coordinated response; calls for the implementation of the actions thus identified to be assessed in the next Monterrey report on financing development;

Ensuring a fair and sustainable recovery for all

22. Welcomes the G20 commitment to use investment funded by fiscal stimulus packages to evolve towards a green and sustainable global economy, with the goal of building a global eco-friendly society; supports the renewed commitment given to reach agreement at the UN Climate Change Conference in Copenhagen in December 2009; calls on the Commission to draw up proposals to improve performance in this regard and to name and shame those Member States which fall short;
23. Calls on the next G20 summit to adopt a 'Decent work agenda', which should combine a commitment to universal respect for human rights at work, core labour standards and the elimination of child labour, to job creation and access to jobs and incomes, to education, training and active labour market policies, to adequate levels of social protection and to social dialogue as the means of resolving conflicts and stimulating progress, and believes that the conditions attached to WB and IMF assistance should be revised to take account of this agenda and to put sustainability, social justice and decent work at the heart of international cooperation;

24. Instructs its President to forward this resolution to the Council, the Commission, the G20 Leaders, the Eurogroup, the European Central Bank, the Parliaments of the Member States, the Committee of the Regions and the European Economic and Social Committee.