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MOTION FOR A RESOLUTION

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

pursuant to Rule 110(2) of the Rules of Procedure

on the Conclusions of the European Council meeting (30 January 2012) on an international agreement on a Fiscal Stability Union

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on behalf of the GUE/NGL Group

European Parliament resolution on the Conclusions of the European Council meeting (30 January 2012) on an international agreement on a Fiscal Stability Union

The European Parliament,

- having regard to the Communication by euro area Member States, 30 January 2012,
 - having regard to the International Treaty on Stability, Coordination and Governance in the Economic and Monetary Union,
- A. whereas the measures decided by the Heads of State and EU Council do not address the main elements that led to the crisis, namely the over-reliance on financial markets and the increasing macroeconomic disparities in the Euro area;
- B. whereas the dependence on financial markets has, despite their devastating effects, even increased since the beginning of the financial crisis; whereas only public control of banks and loan attribution at low rates by the European Central Bank to the Member States can put an end to this;
- C. whereas the proposed Treaty will remove fiscal policy choices from democratically elected governments of Member States and democratic control by the peoples of Europe, including by the national parliaments, and will establish a permanent austerity framework;
- D. whereas the crisis of confidence between people in EU Member States and the EU institutions continues to grow, leading to a crisis of legitimacy for the EU;
- E. whereas the process which led to this agreement has not been transparent thereby ignoring the democratic scrutiny that should normally characterise any reform of the Union;
- F. whereas governments across Europe have accepted the diktats of the financial markets and have therefore oriented their policy proposals entirely towards satisfying the markets;
- G. whereas any major EU policy changes cannot be undertaken without the full involvement of the EU and national parliaments;
- H. whereas the people increasingly perceive EU policies as being a threat to their economic and social well-being, as a source of increasing insecurity for their work and income, as a promoter of inequality and injustice and as an obstacle to people's democratic control over their own lives;
1. Believes that the European Council measures will deepen the global crisis of capitalism;
 2. Recalls that the main causes of the current sovereign debt crises are highly complex and will not be addressed by the one-sided approach of the reduction of spending as this Treaty suggests;

3. Rejects the International Treaty on Stability, Coordination and Governance in the Economic and Monetary Union and the recent changes in the EMU architecture (Economic Governance, European Semester, Pact for the Euro plus); believes that these changes form the most reactionary, undemocratic and extreme neoliberal response to the current crisis;
4. Reminds that the underlying factors of the crisis relate, for example, to the deregulation of key industries, current account imbalances and related diverging inflation rates coming from uneven unit labour cost dynamics as well as the failure of many Member States to effectively tax wealth and large enterprises;
5. Further believes that the draft International Treaty will institutionalise austerity and give up the principle of democratic equal rights of all 27 Member States which will inevitably deepen the crisis, undermine the living standards of the majority of people in the EU and will increase inequality between Member States and create divisions which will lead to a multi-speed EU, in the process not just endangering the existence of the Euro but perhaps the EU as a whole;
6. Reminds that some Member States are benefitting from the sovereign debt crisis, recalls that the export orientation led by some Member States contributed strongly to the misallocation of productive resources and the creation of economic bubbles and calls on these countries to make a bigger contribution to solving the crisis; calls on the Member States to introduce mechanisms based on solidarity and proportionality;
7. Denounces that the draft International Treaty on Stability, Coordination and Governance in the Economic and Monetary Union is focussing on the same instruments which led to the crisis instead of re-orienting economic development in the EU 27 towards full employment (including more and better jobs) socio-economic growth, social cohesion (in particular, the fight against poverty, income inequalities and unemployment) and environmental protection;
8. Opposes the introduction of a new rule fixing the annual structural deficit of Member States at 0.5% of nominal GDP as it will lead to permanent austerity and further economic decline, fuelling the vicious cycle of falling state revenues and increasing debt and strongly opposes the sanctions and conditionality to get further assistance;
9. Further believes that the introduction of an undertaking to reduce debt by one twentieth per year to achieve a 60 % debt to GDP ratio, apart from being unachievable, will cripple the efforts of governments to grow their economies and emerge from the crisis;
10. Calls on the Member States to end the ongoing transfer of wealth from wages to profits will inevitably lead to further economic destabilisation and the creation of bubbles;
11. Reaffirms the necessity for comprehensive and sustainable crisis resolution measures such as the introduction of debt-restructuring agreements for over-indebted economies involving debt-write-downs as well as growth stimulating investments in the green economy making use of the lending capacity of the European Investment Bank;
12. Strongly believes that a return to balanced public accounts requires a long term approach

including taxation of wealth, a financial transaction tax, combating tax fraud and tax evasion, adequate intervention of the ECB, and strong control over the financial sector;

13. Believes that commitments of the magnitude outlined in the draft International Treaty oblige the fullest possible consultation with the people by referenda according to national regulations; insists that those referenda be conducted without political interference by the European Commission; further believes that the governments in those Member States where it is not possible to have referenda give the people the power to decide on the ratification of this draft Treaty via popular consultation;
14. Notes that any change to the Irish constitution requires a referendum, and that budgetary powers are vested by the Irish constitution in the Irish Parliament and Government, therefore necessitating an amendment of the constitution in the event of any transfer of budgetary powers;
15. Instructs its President to forward this resolution to the Council, the Commission and to the parliaments of the Member States.