

MONDAY, 21 FEBRUARY 2005

IN THE CHAIR: MR BORRELL FONTELLES

President

(The sitting was opened at 5.05 p.m.)

1. Resumption of the session

President. I declare resumed the session of the European Parliament adjourned on Thursday 27 January.

2. Approval of Minutes of previous sitting: see Minutes

3. Announcements by the President

President. Ladies and gentlemen, I believe it is important for the President to make two statements on two events, one that has already taken place and one that has yet to take place, which affect us directly.

Firstly, as you know, the first of the planned referendums on the ratification of the European Constitution took place yesterday in Spain. As you also know, the result of this referendum was 76.7% in favour.

(Applause)

I would remind you that a month ago this House approved the European Constitution by a majority of 74%; the support of the Spanish people has therefore closely reflected, and in fact exceeded, this Parliament's support for that draft. We could say that the result of the vote in Spain on Sunday is very similar to the vote in Strasbourg when this Parliament debated the resolution relating to it.

The turnout was slightly less than that for the last European elections in Spain and also very close to the average across all 25 countries of the Union. I believe that on the whole we can see the result of the process in Spain as being very similar to the vote of the Members of the European Parliament and, therefore, as President of Parliament and also in my capacity as a Spanish citizen, I am very pleased with the result. Immediately after hearing it I congratulated the President of the Spanish Government and all the political groups who had participated in this process.

The second communication refers to the visit to Brussels of the President of the United States. The visit by President Bush this week is being presented as a meeting with the European institutions. He is coming to Europe, but he is coming, amongst other things, to meet with the European Union and that means with the Union's institutions.

As President of the European Parliament and supported by all of the political groups, we have taken the view that our institution (the European Parliament) could not be absent from these meetings; we believe that the strength of the Union's institutions and the image of the European Union, in particular with regard to its relations with third countries and more especially with regard to the transatlantic relationship, is linked to the proper functioning of the institutional triangle: Council, Commission and Parliament.

To this end, I have held talks with the President-in-Office of the Council, Mr Juncker, and I have kept the Conference of Presidents constantly informed about the progress of those talks, and I can tell you that following the exchange of letters that took place last week, and having heard the opinion of the political groups and also speaking by telephone with the President of the Commission, Mr Barroso, I can tell you that the President of the European Parliament, on behalf of this institution of course, will participate in the meeting which the 25 Heads of State or Government will hold tomorrow with Mr Bush in Brussels.

It is not a meeting of the European Council in the real sense, but nevertheless, I would like to thank the President-in-Office of the Council, Mr Juncker, and Mr Barroso for agreeing that the Presidency of the European Parliament should be present at this meeting, and I would like to acknowledge and express my gratitude for what they have done to bring this about and thus to strengthen the European Union's institutional triangle, which I referred to just now. I will not, therefore, be able to be here in Strasbourg.

Do you wish to say anything in this regard, Mr Poettering?

Poettering (PPE-DE). – (DE) Mr President, ladies and gentlemen, we were delighted to hear what Mr Borrell had to say on the American President's visit to Brussels, and we agree entirely with his comments. Our group has always been very much in favour of the President of the European Parliament being present during this visit, whichever institution held the meeting.

I would call on the European Council and the governments to ensure that a discussion of the kind we have seen over the past few days and weeks is not repeated in future. I should like to express my wholehearted thanks to the President-in-Office of the Council, Mr Juncker, for having made it possible to achieve such an outcome, but there should be no more discussions of this kind. It should be self-evident that Parliament is involved whenever a president – in this case the American President – visits the European institutions.

I hope, Mr President, that your visit to Brussels tomorrow will be successful. The European Parliament is the epicentre of developments in Europe, and your presence at tomorrow's meeting is therefore to be welcomed.

(Applause)

President. Thank you very much, Mr Poettering. In any event, all's well that ends well. Regardless of the details of the process, tomorrow the three institutions will be present and I would like to make it very clear that the President-in-Office of the Council and the President of the Commission have always agreed on the need for that to be the case. If there has been any difficulty, in no way has it been caused by them.

4. Verification of credentials: see Minutes

5. Membership of committees and delegations: see Minutes

6. Documents received: see Minutes

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

8. Petitions: see Minutes

9. Written declarations (Rule 116): see Minutes

10. Action taken on Parliament's positions and resolutions: see Minutes

11. Order of business

President. The next item is the order of business.

The final version of the draft agenda for the present part-session as drawn up by the Conference of Presidents at its meeting of 17 February pursuant to Rules 130 and 131 of the Rules of Procedure has been distributed.

No amendments have been proposed to the agenda for Monday or Tuesday.

Wednesday:

The Group of the European People's Party (Christian Democrats) and European Democrats has proposed including the issue of the situation in Lebanon following the assassination of former Prime Minister, Mr Hariri, in the Council and Commission statements on EU relations with the Mediterranean region.

Poettering (PPE-DE). – (DE) Mr President, I am not sure whether I have correctly understood the formal announcement you have just made. Our group would agree to the situation in Lebanon being included in Wednesday morning's debate on the Mediterranean region. We would then be able to consider an appropriate way of discussing the issue in greater detail in March, perhaps on the basis of an oral question to the Council and the Commission. This would allow us to leave the agenda as it stands, and then to discuss the issue in more detail in March.

I was somewhat surprised to have been given the floor, but I hope that I have been able to help resolve this minor problem.

President. I understand then that the request has been withdrawn.

Swoboda (PSE). – (DE) If this is how the proposal now stands, we are also fully in agreement with this solution. After all, we do not want to interfere in Lebanon's affairs; our aim is to ensure that the country is able to act entirely independently when taking decisions regarding its future. What I am trying to say is that we should leave the agenda as it stands, and set ourselves the task of including a separate item on the issue on the agenda for the March part-session.

President. Alright, we will deal with it within the item on the agenda which has already been included on the subject. We are not talking about including a new and specific item on the agenda.

The Socialist Group has also presented a request with a view to reversing the order of the oral questions, on the expiry of the WTO Agreement on textiles and clothing and on action against hunger and poverty. It is not a question of withdrawing either of them, but simply of reversing the order of the oral questions.

Swoboda (PSE). – (DE) Mr President, the proposal is as you have outlined it, and there is no need for any special explanation.

President. Since nobody else wants to speak, we shall proceed to the vote.

(The proposal was approved)

The political groups have agreed to establish a margin until 6.00 p.m., so that all the items on Wednesday's agenda which should involve the Council can be dealt with before that time.

No amendment to the Thursday sitting has been proposed.

(The order of business was adopted thus amended)

Posselt (PPE-DE). – (DE) Mr President, I am not sure whether I have misunderstood something. You said that matters requiring the presence of the Council must be completed by 6.00 p.m. Does that also apply to Question Time? Question Time with the Council is scheduled for Wednesday, and the Council will naturally need to be present then.

President. The Council will be here for Question Time and for all the items for which it is required, and it will therefore also be present for Questions to the Council.

We have received two requests for urgent procedure: a proposal for a Council regulation amending Regulation (EC) No 2792/1999 as regards a specific action for transfers of vessels to countries hit by the tsunami in 2004.

In view of the urgent problems facing the fisheries sectors in the countries affected by the December tsunami, this proposal establishes an essential legislative framework allowing the Member States to authorise the transfer of small vessels to those fishing communities.

The second request relates to the proposal for a Council regulation imposing certain specific restrictive measures directed against certain persons and entities in view of the situation in Côte d'Ivoire.

The urgent procedure is justified since it is very important that this Regulation be approved as quickly as possible in order to prevent the transfer of funds and resources that should be frozen.

Parliament will give its opinion on these requests for urgent procedure tomorrow, Tuesday, at the beginning of the sitting. I am telling you this so that you can come tomorrow duly prepared to make a decision on this.

12. One-minute speeches on matters of political importance

Pełk (IND/DEM). (PL) Mr President, ladies and gentlemen, I have risen to speak because I am extremely concerned about the state of democracy in the European Union. We are being told that it can be considered a great success if a small proportion, or just over one quarter, of the citizens entitled to do so vote 'yes' in a referendum, the most important public expression of collective will. It is also coming to light that propaganda tricks were used during the campaign, for example that Spanish citizens were told that a vote against the European Constitution would be a vote against Europe, which is a blatant lie. We are particularly concerned about public money being spent on the 'yes' campaign, and about the plans to spend even more on it. This amounts to cheating Europe's citizens, and we demand equality before the law.

Tabajdi (PSE). (HU) The Community cereals market is in a critical state. At the request of Austria, backed by the Czech Republic, Slovakia, Italy, Poland, Hungary and France, the Council of Agriculture and Fisheries at its last session expressed its concern over the grave situation facing European cereal farmers. The twenty-five Member States produced fifty-two million tons of surplus in cereals this year, more than seven million tons of which were offered for Community interventions. Half of this, more than three million tons, was offered by Hungary.

Three problems have arisen in the Community cereals market. First of all, there is the problem regarding the unfavourable changes in the Euro/Dollar exchange rate. Secondly, non-coastal countries, such as the Czech Republic, Austria, Slovakia and Hungary, are at a disadvantage when it comes to competition for tendering. Finally, my third point: the decrease in export aid presents further problems. I would like to ask Commissioner Fischer Boel to take effective measures towards solving the problems of the cereals market.

Yañez-Barnuevo García (PSE). – (ES) Mr President, I agree with what has been said and I would like to thank the President of this Parliament for what he has said about the referendum held in my country yesterday. It was a lesson in democracy. The day passed without incident. Everybody in favour of a 'yes' vote, everybody in favour of a 'no' vote and also everybody in favour of abstaining participated fully.

Nobody can therefore give our country lessons in democracy, since everybody was free to act with total freedom. Furthermore, an important radio station owned by the ecclesiastical hierarchy of the Catholic Church campaigned constantly for the 'no' camp and the results are there to see, but nobody stopped it from defending that position, which was as legitimate as any other.

Karatzferis (IND/DEM). – (EL) Mr President, a few days ago, the President of the Greek Parliament, addressing the new President of the Hellenic Republic, told him that, in the light of the referendum – in the light of the endorsement of the Constitution – Greece needed to restrict its national borders and its national sovereignty. This is dramatic. The Greek people need to be told why, for the prosperity of Europe, they need to be deprived of land and sovereignty. That is what was heard. A way has to be found of at least allaying the concerns of the Greek people. We want Europe to prosper, but not of course at the expense of the national borders of our country, at the expense of national sovereignty. We need to ensure that, if the Constitution is passed, Greece will not lose land, as – I repeat – the President of the Greek Parliament said.

As far as Spain's referendum is concerned, 33% of the Spanish people voted in favour. There was a very poor turnout ...

(The President cut off the speaker)

Mote (NI). – Mr President, every professional criminal organisation in Europe must have jumped for joy at the European Central Bank's recent decision to double its printing of 500-euro banknotes. This year alone, 190 million more of the highest-value banknotes in the world will hit our streets, and a suitcase full of these is worth seven times as much as a suitcase filled with 100-dollar bills.

In today's electronic world, banks do not need large denomination notes: they are of value only to criminals. Why else did 10% of all the euros issued at its launch suddenly disappear into Russia? Why is it still the currency of choice for the Russian mafia? Why did Hussein invoice Iraq's secret oil sales in euros when he was trying to avoid sanctions? Last year, the number of counterfeit 500-euro notes rose by ...

(The President cut off the speaker)

Papastamkos (PPE-DE). – (EL) Mr President, we hope that the unification of Europe, at least as far as its economic and monetary union is concerned, means the lifting of barriers, means the lifting of borders in the economic sector. This is the quintessence of the common market and of the single European market. Greek euro-scepticism is directed at exactly what the European Union is; a European Union which has not progressed with the same speed as far as its political union is concerned, as far as acquiring a genuine, authentic European defence identity is concerned. That is what the President of the Greek Parliament said. She stated the obvious; that the economic borders have been lifted and that there is a single, homogenous economic area.

Corbett (PSE). – Mr President, ever since this Parliament voted by an overwhelming majority to endorse the European Constitution a month ago, some of those who were in the minority have sought to disrupt and discredit the position taken by the European Parliament.

They waved banners in this hall when we took our vote; they tried to disrupt the official launch of the European Parliament's information campaign; they have made the claim that it is somehow illegitimate for

this Parliament to present its view and its conclusion to the outside world. Even when we have been invited by national parliaments to present our assessment of the Constitution, they have written to them and complained that we have accepted such invitations.

Today, we hear them claiming that the result of the referendum in Spain was somehow illegitimate. Of course it had a low turnout – it was not controversial and it had overwhelming and broad support. But the bottom line is endorsement by a huge majority, which I am sure will be repeated in other countries.

(Applause)

Leinen (PSE). – *(DE)* Mr President, this House should wholeheartedly welcome the referendum held in Spain and the Spanish public's clear 'yes' to the Constitution. I believe we should thank the Spanish Government, and everyone else involved, for having informed and engaged the public, and in particular for having involved civil society in the referendum campaign.

I myself spent several days in Spain with other Members of this House, and was able to see how openly, democratically and peacefully the referendum passed off, providing a genuine example of European democracy. What Mr Pėk has said in this House is utterly absurd, and I am sure that only a small minority of Members share his views.

At the same time, however, turnout for the referendum demonstrated the need for the public to be provided with even more information. Mr President, we should call on the governments and the Commission to pursue, once and for all, a policy of proactive information on what the Constitution contains. We have no more time to lose, as the dates for the next referendums have already been set.

Krupa (IND/DEM). *(PL)* Many thanks. In view of the disastrous state of the health service in Poland and the hunger strikes staged by health workers, I should firstly like to ask that health services no longer be viewed in market terms, and that medical services be excluded from the services directive. I would also like to put forward a proposal concerning the need for public funding for health services, and in particular for hospitals, as the latter are already in debt to the tune of over PLN 6 billion in Poland. Following liberal amendments to the Civil Code, debt collectors have seized PLN 2 billion, with the result that employees have not received their wages. The seizure of these meagre wages represents a violation of moral principles and of social justice. It is also a violation of many items of legislation, including the EU Charter of Fundamental Rights and the Universal Declaration of Human Rights. I should like to ask whether the Commission intends to introduce a regulation making it possible for financial support ...

(The President cut off the speaker)

Pahor, Borut (PSE). *(SL)* Mr President, recently the impression has been created that certain antagonisms and divisions from the past are being revived, something which we hoped would never be repeated and never burden relations between nations in the united Europe. By marking 10 February as a day of remembrance for the tragic events after the Second World War, the Italian Republic is commemorating the suffering of its compatriots, and it has every right to do so. Yet here, democratic Italy should not forget the suffering which the Fascist regime inflicted on other nations, including Slovenia. I would like to take this opportunity to support the appeal of democratic circles on both sides of the border that we should move beyond this trauma from our semi-distant history, by telling the whole truth. The truth, no matter how grievous, is the only way to prevent similar things in the future. It is also the only basis for coexistence and reconciliation. And if the conciliatory meeting of the presidents of three neighbouring countries can contribute to this, then I also welcome it. Moving beyond the revival of nationalist prejudices is to the essence of the European idea. It is also one of the foundations and reasons behind European cohesion and integration.

Mitchell (PPE-DE). – Mr President, the recent tsunami disaster shocked the world and the huge loss of life it caused is almost inconceivable. Such disasters are not specific to South-East Asia. The worst European tsunami in recorded history occurred on 1 November 1755, when a powerful earthquake off Portugal's Atlantic coast sent waves crashing into Lisbon. Up to 30 000 lives were lost in the capital alone that day and the event signalled the decline of the city, which until then had been the fourth largest city in Europe and one of the richest. The waves also hit the coasts of Belgium, Britain, France, Ireland and the Netherlands.

Twenty Member States of the EU have coastlines. Given that earthquakes and subsequent tsunamis have taken place in the past, would it not be prudent for the Commission to set up a benchmarking process to facilitate alert strategies to warn of natural disasters of this kind?

Ludford (ALDE). – Mr President, Parliament has consistently campaigned against illegal internment in Guantanamo Bay. Most of the EU nationals have now been released – certainly all nine British citizens – but around a dozen people who have legal residence in an EU country, for instance as refugees, are still there.

There are five people from the UK whose names we know: Bisher al-Rawi, Jamil al-Banna, Jamal Abdullah, Shaker Aamer and Omar Deghayes. Reports tell of degrading and inhuman treatment, even torture. Omar Deghayes claims that he has been blinded in one eye with pepper spray. Twenty years ago he came as a refugee from Libya, where his father was killed by the Gaddafi regime. Libyan officials have visited him and threatened him with deportation to Libya and death.

This was obviously done with the collusion of the US Government. In fact, it sent a plane to Tripoli to pick them up. It must have been done also with the collusion of the UK Government. It cannot be allowed to hide behind the Vienna Convention. It has a moral and – I contend – legal obligation to intervene and rescue these people or put them on trial. Otherwise the pretensions of the EU to have a human rights policy ring hollow.

Rosati (PSE). (PL) Mr President, in September 2004 the Russian Federation set limits on imports of food products from Poland. Polish companies exporting meat and dairy products were also obliged to undergo special inspections by Russian veterinary and plant health agencies. Out of a total of 74 dairy companies inspected, only two were authorised to export products to Russia. In spite of the fact that nearly four months have passed since the inspections were completed, Russia has still not provided Poland with a list of companies that passed the inspections and are permitted to export products. This is proof that Polish companies are being discriminated against on the Russian market. In January, Poland was assured that the European Commission would intervene to speed up procedures for allowing Polish companies into the Russian market. I should like to ask what measures the Commission has taken in this connection, what the outcome of those measures has been and when the discriminatory practices applied by the Russian Federation will cease.

Batten (IND/DEM). – Mr President, referring to the proposed European Constitution President Bush has said that he is fascinated to see how the sovereignty of nations can be integrated into a larger whole. He can afford to be fascinated: it is not his country's freedoms, liberty and democracy that are being dismantled and abolished in that process of integration.

What he does take seriously, however, is Article 16 of the Constitution that commits Member States to a common foreign and security policy. He has rightly warned that this undermines NATO – and it is NATO that has kept the peace in Europe since 1949, not the European Union.

The British people need to know that the proposed common foreign and security policy will prevent Britain from ever again being able to act independently, militarily or politically, whether in alliance with the USA or not. That is one more good reason for the British people to reject the European Constitution when they have the opportunity to do so.

Czarnecki, Ryszard (NI). (PL) Mr President, ladies and gentlemen, the European Parliament recently celebrated the 50th anniversary of UEFA, the Union of European Football Associations. At today's sitting, I should like to express my wholehearted support for UEFA's latest project, the aim of which is to ensure that rich and poor clubs in both the old and the new EU, and indeed in all of Europe, enjoy the same opportunities. The project involves a progressive introduction of quotas for club-trained players, with a minimum of two players in one year's time, and eventually of four players. This is intended to force clubs to work with young players, and to prevent rich clubs from merely buying up talented players. There will also be quotas for players from the country in which the club is based, which are intended to promote national football. In practice, these quotas will also deter attempts by the richest clubs to build up football armies of hired 'galácticos' or superstars. UEFA's proposals comply with the principle of solidarity, upon which the European Union is founded. It is worth sacrificing another of the EU's principles that is in any case frequently violated, namely the principle of free movement of workers, for the sake of this principle of solidarity.

Iturgaiz Angulo (PPE-DE). – (ES) Mr President, ladies and gentlemen, I would like briefly to insist on something that the President said at the beginning of this sitting. As you all know, tomorrow there will be an historic visit by George Bush, the President of the United States of America, to the European Commission, in the Berlaymont building in Brussels. We must acknowledge and thank the President of the Commission, Mr Durão Barroso, for the efforts and steps he has taken to ensure that, during this visit, Mr Bush receives the President of this European Parliament, which is you, Mr Borrell.

We in our group naturally hope that this meeting is a success and also that it serves to improve relations between the European Parliament and the United States of America.

Pittella (PSE). – (IT) Mr President, ladies and gentlemen, since the Barroso Commission has been doing its job for months now and has appointed all its staff, including the spokespersons, it really is hard to believe that they have not yet succeeded in finding an Italian spokesperson. How can that be? What steps has Mr Barroso taken, even after all the parliamentary questions, the urging by Commissioner Frattini and the request made by the whole body of Italian journalists accredited with the Commission and the other European institutions?

Ours is not a religious battle and much less a return to sterile nationalism. We are proud of our language: our Dante Alighieri is the envy of all. That is precisely why we cannot understand the failure to appoint an Italian-speaking spokesperson.

Hegyí (PSE). – Mr President, last week I participated in the 'Berlinale', the 54th Berlin Film Festival. Most of our Member States were represented with new productions either in the competition or in other sections of the festival. It was amazing to see how many talented film-makers we have in Europe, but it was even more encouraging to see how many people were interested in non-Hollywood films made in Europe or elsewhere in the world. European films were more popular with the audience than American ones.

The whole event showed me that there is a great interest in European cinema, in spite of the fact that our promotion of cinema production is weaker than that of American movies. There is a huge need to improve European media and cinema policy. The protection of our cinema heritage and the production of new films deserve more support, both financially and in terms of legislation.

Figueiredo (GUE/NGL). – (PT) The lack of rain in recent months in Portugal is causing a major crisis both in terms of autumn-winter crops and livestock feed, and in terms of the low expectations for spring-summer crops. At the same time, there have also been cases of what is known as 'bluetongue' in animals, and the necessary quarantining, seizures and bans on movement have exacerbated the problems of selling livestock. Producers and farmers have thus been forced to keep animals much longer than planned and to feed them at extra cost, which has led to financial crises that many of them cannot cope with. I therefore call on you, Mr President, to notify the Commission of the seriousness of the agriculture situation in Portugal and of the need to bring forward the payment of livestock and crop aid. The shortage of pasture due to the drought is also causing problems and it is therefore necessary to authorise grazing on land banned under Community regulations, in order to reduce livestock deaths.

Schlyter (Verts/ALE). (SV) Mr President, this week sees the third anniversary of Ingrid Betancourt's abduction by Colombia's FARC guerrillas. It was 23 February 2002 when Ingrid Betancourt, mouthpiece for my Colombian sister party and a presidential candidate, was abducted while she was on the way to seek a negotiated solution to the conflict between the government and FARC.

The Colombian Government must stop having recourse to military means. It must instead sign a humanitarian agreement with FARC in line with the Geneva Convention so that Ingrid and 3 000 other prisoners can be released. I should be very grateful if you could act on Parliament's behalf and convey our concern about the breaches of human rights in Colombia.

Patrie (PSE). – (FR) Mr President, I should have liked to have taken advantage of the presence of Commissioner Barroso, who will join us later, to question him about the recent statements to the press by the Commissioner for Regional Policy. Mrs Hübner stated, in fact, that, in her view, it was necessary to facilitate relocation within Europe so that European companies might reduce their costs. At a time when we are in the middle of debating the EU's political priorities for 2005, can Mr Barroso tell us whether he supports this approach?

According to the latest figures from Eurostat, the highest rates of unemployment in the EU are in the new Member States. Seen in this light, of course, the strategy proposed by Mrs Hübner is perfectly understandable. What she said illustrates the reality of an enlargement that has taken place without any new budgetary resources. What the Commissioner is proposing to us is that we rob Peter to pay Paul. Might Mr Barroso be in favour of institutionalising social and fiscal dumping within the EU?

Piotrowski (IND/DEM). (PL) Thank you, Mr President. In view of the forthcoming anniversary of the end of the Second World War, I should like to alert this House to fresh attempts that have been made to falsify and manipulate history for short-term political goals. Evidence of this can be seen in recent statements made by the Russian Ministry of Foreign Affairs on the infamous Yalta Conference. The latter divided the European continent into two spheres of influence, in so doing subjecting many of the nations of Central and Eastern Europe, whose representatives are sitting in this House today, to nearly half a century's oppression under an inhuman totalitarian system. The root cause of this was the German-Soviet Pact of August 1939, and

responsibility for starting the Second World War rests not only with Germany, but also with Russia, as the heir to the Soviet Union. Yet while Germany has demonstrated its desire to face up to its tragic past, Russia still lacks the courage to do so. I hope the European Parliament will support this motion for a resolution, which, *inter alia*, condemns the Yalta Agreement. This would be a symbolic gesture of reparation towards the nations from behind the former Iron Curtain.

Herrero-Tejedor (PPE-DE). – (ES) Mr President, Spain treated the referendum on the European Constitution with disdain, with the lowest turnout in our history. This has been the case partly because there has not been a sufficiently pluralist debate in the media. If we want passion, we need controversy. And the future does not look promising.

The government of my country is promoting a law which will allow a friend of the Socialists, Jesús de Polanco, to control half of all radio in Spain. Furthermore, this gentleman already has a monopoly of satellite television and now he is seeking a further slice of the analogue advertising cake. Ladies and gentlemen of the left, Polanco makes Berlusconi look like a pauper. If we do not defend plurality in the media, we will very soon find ourselves in a situation in which the European Union's information strategy is no longer debated in this Parliament: it will be decided on by four men in an expensive restaurant, with the capacity to impose uniform thinking on 450 million Europeans.

Isler Béguin (Verts/ALE). – (FR) Mr President, ladies and gentlemen, I should like to draw your attention to the case of Mrs Aissata Bint-Karamoko and, above all, request the European Parliament's support for her. Mrs Karamoko applied for refugee status in France three years ago. She is now seven months pregnant and suffering from hepatitis, and is at present in hospital here in this very city of Strasbourg. Yet the French Government is behaving unacceptably by attempting to return Mrs Karamoko to her country of origin, Mauritania, in so doing violating her fundamental right to obtain treatment within the European Union.

In the name of respect for human rights and in accordance with our Charter of Fundamental Rights, I should like us to inform the French Government that it must respect human and fundamental rights by allowing Mrs Karamoko to obtain treatment here in France and, above all, to give birth in the best conditions.

Rogalski (IND/DEM). (PL) Mr President, I hope that this House has recovered from its infatuation with Ukraine's 'Orange Revolution', and that the time has now come to look facts in the face. Yushchenko's 'Our Ukraine' coalition has tabled a vetting bill, one of the provisions of which states that anyone who criticises the Ukrainian Insurgent Army, or the UPA for short, will be prevented from holding a public position. The UPA has become a symbol of patriotism, yet during the Second World War it gained notoriety for murdering Poles, Jews and Russians. This vetting provision is an attack against national minorities in Ukraine, the majority of whom are Poles. These Poles are critical of the UPA because they believe it to be a criminal organisation. The proposal is supported, however, by the Congress of Ukrainian Nationalists and its paramilitary wing, the UNA, some of the members of which fought as mercenaries in Chechnya. The Nationalists have made contact with Germany's neo-fascist National Democratic Party, invoking their brotherhood in arms during the Second World War. National minorities in Ukraine are in danger, they are afraid and they are calling for help.

Allister (NI). – Mr President, when this Parliament last met it quite properly condemned the Nazi atrocities epitomised by Auschwitz. Sadly and shamefully, the head of state of an EU member country – President McAleese of the Republic of Ireland – chose that 60th anniversary to launch a vicious and vindictive attack on the majority community in Northern Ireland when she shamefully equated Nazi hatred of Jews to the attitude of Protestants towards Roman Catholics.

Nothing equates to the Nazi holocaust. In the name of the peace-loving majority in Northern Ireland, I take this opportunity in this international forum to refute and reject that vile attack upon those I represent. References to the struggle against fascism fall particularly ill from the lips of a President, one of whose predecessors expressed condolences upon the death of Hitler.

Medina Ortega (PSE). – (ES) Mr President, I was surprised by the comments of Mr Herrero-Tejedor. He gives the impression of coming from a completely different country, since he appears to have forgotten that the People's Party government controlled the whole of the public and private media for eight years.

The Socialist government is currently trying to re-establish democracy, establishing plurality in the media which was not guaranteed by the last People's Party government.

Finally, Mr Herrero-Tejedor, does your comment imply that your colleague, Mr Berlusconi, is controlling the media in Italy?

(Applause)

Držar Murko (ALDE). *(SL)* Thank you, Mr President. Together with several other Members, Mr Cashman advised in a letter to Mr Barroso, and I quote: '... that in Slovenia politicians are obviously publicly encouraging discrimination against minorities ...', end of quote, and proposed that the Commission should launch an investigation into this together with the Slovenian Government. As a liberal Member from Slovenia I wish to draw the attention of Parliament additionally to the fact that the current Slovenian government has also expressly refused to implement the decision of the Constitutional Court of Slovenia, whereby homes in Slovenia taken illegally from them in 1992 should be returned to 18 305 citizens of the former Yugoslavia. This is not therefore simply a case of discrimination against minorities, but also a violation of the fundamental principles of a state ruled by law.

President. Mr Herrero-Tejedor has the floor for a point of order.

Herrero-Tejedor (PPE-DE). – *(ES)* For a personal statement, Mr President. A remark has been made about me and I would like to exercise my right to reply, if only for thirty seconds.

President. Which Rule of Procedure are you invoking?

Herrero-Tejedor (PPE-DE). – *(ES)* Rule 27 B.

President. Did you say Rule 27 B?

Herrero-Tejedor (PPE-DE). – *(ES)* Mr President, I appreciate that you should know the Rules of Procedure better than I. Perhaps I have suffered a lapse of memory ...

President. Mr Herrero, Rule 27 B relates to the work of delegations. What does that have to do with personal statements?

Herrero-Tejedor (PPE-DE). – *(ES)* It is clearly not that Rule, Mr President, but ...

President. Which Rule are you invoking?

Herrero-Tejedor (PPE-DE). – *(ES)* The Rule which establishes the right to respond to personal comments, Mr President, whichever Rule that is. I have that right and I expect you to ensure that I can exercise it, Mr President.

President. I simply asked you which Rule you are invoking and you mentioned a Rule that has nothing to do with the issue we are talking about. Mr Herrero-Tejedor, I am not responsible for your words, you are. I imagine you are referring to Rule 145. Is that the case, Mr Tejedor?

Herrero-Tejedor (PPE-DE). – *(ES)* It is Rule 145, Mr Borrell Fontell.

President. You have thirty seconds.

Herrero-Tejedor (PPE-DE). – *(ES)* I simply wished to say to Mr Medina that, in fact, Mr Berlusconi has a control over the media in Italy which my party and myself in particular have severely criticised. And I would therefore ask that the same yardstick be used in relation to Spain.

With regard to the point about the People's Party controlling the whole of the private media, does that mean that it also controlled all of Mr Polanco's media, Mr Medina? Are you trying to make fools of the honourable Members? Goodness gracious me!

President. Mr Herrero-Tejedor, I have given you the floor in order to avoid pointless arguments, but I must tell you that Rule 145 relates to accusations made against a Member on a personal level. That was not the case in any way, but despite that, the Presidency has given you the floor in order not to give you the impression that our interpretation of the Rules of Procedure is biased.

De Rossa (PSE). – Mr President, I do not have the rule book in front of me but I simply want to add a clarification to the statement on Northern Ireland made by Mr Allister who criticised President McAleese of the Irish Republic for remarks she made concerning the Protestant community in Northern Ireland. I want

to point out that President McAleese apologised fulsomely and without reservation within hours of making the remarks. She had not intended the interpretation which has been made and I would appreciate it if this could be noted in the record of the House.

President. Alright, Mr de Rossa, that is what we will do. However, in the future, all the honourable Members should generally have sufficient knowledge of the Rules of Procedure to be aware that the Rule in question allows Members to speak in response to personal accusations, not to references to a Member within the context of a debate on issues relating to third parties.

Please take note of the fact that the Presidency will not give the floor in future unless a Member has been affected by an issue that relates to them personally.

13. Commission legislative and work programme (2005) (continuation of debate)

President. The next item is the debate on the Commission's legislative and work programme (2005), a debate which began in Brussels on 26 January 2005.

Mr Barroso has the floor.

Barroso, President of the Commission. (PT) Mr President, eminent Members of the European Parliament, ladies and gentlemen, before I address you on the Commission's legislative and work programme for 2005, I should like briefly to express my satisfaction with the results of yesterday's referendum on the European Constitution in Spain and I shall try to do this in Spanish.

(ES) The Spanish people have said yes to the European Constitution, a clear and resounding yes.

(Applause)

I would like to express to you the European Commission's satisfaction with this result. Spain has said yes to a Europe united in its diversity. I would like to thank everybody who has participated in the referendum process with such commitment, in particular all the Members of this Parliament who have contributed with their voices and opinions to achieving this significant result. In this regard, I called the President of the Spanish Government, José Luis Rodríguez Zapatero, yesterday to congratulate him and thank him for the great commitment demonstrated by his government during the referendum campaign.

This 'yes', expressed clearly and unreservedly, opens the way for the other European citizens who will also be called upon to express their opinions on the European Constitution over the coming months.

This has been a very important step in the process of ratifying the European Constitution, which the Commission believes to be the only instrument which will allow us Europeans to consolidate our ideas of peace, prosperity, solidarity and security in Europe.

Mr President, one month ago I presented the Commission's proposed strategic objectives, designed to guide European action until the end of the decade. This is a political roadmap based on three pillars: prosperity, solidarity and security. Being mutually reinforcing, they address the concrete and challenging concerns of European citizens. I also presented the first delivery of the strategic objectives: the legislative work programme for this year. Let me remind you of some of its most important elements.

First of all, the programme is more focused in political terms. The proposed initiatives are structured around the three strategic objectives and their external dimension, and represent a first concrete translation of the balanced approach pursued by the Commission. This applies to new initiatives as well as areas where we propose to reinforce an existing action.

Second, the Commission is fully committed to delivering its work programme. For this purpose, the Commission intends to adopt a list of just over 100 priority initiatives by the end of the year.

Finally, we do not only want to deliver on time – we also want to deliver in a better way. We want to be serious about the principles of better regulation. This means ensuring quality of legislation; respect for the principles of proportionality, subsidiarity and added value; and widespread use of impact assessments.

In addition to this work programme, I announced that the Commission will regularly inform the Parliament about its planning agenda for legislative proposals in preparation. I am happy to be able to say that this information channel is now operational.

In the meantime, the Commission has gone further in implementing its proposals. On 2 February, I presented to you our proposals for a mid-term review of the Lisbon Strategy. By focusing on growth and jobs, it aims to create the conditions for proper living standards, social justice for all and environmental sustainability. On 6 January and 2 February we had an initial exchange of views.

I was pleased to hear that, broadly speaking, the Commission's proposals met many of the expectations and concerns of Members of this House. I welcome the detailed motions for resolutions tabled today by the political groups on the work programme. When we talk about partnership, dialogue and consultation, we know that we will not always agree on everything. As in any partnership, the important thing is to have positions on the table clearly spelt out, and to work together to achieve common objectives.

I would like to comment briefly on some of the important issues raised in the comments and motions for resolutions.

First, actions count more than words. The European Union has a responsibility to turn its aspirations into reality. It must promote prosperity, cohesion and social justice, both at home and beyond our borders. The Commission is fully committed to this task. We have already started to work towards this goal by implementing our work programme for 2005: we are on track.

Second, competitiveness and social cohesion need to go hand in hand. We all know that striking a balance is difficult. I want the Commission to be helpful in this regard. This requires listening carefully to your opinions and contributions.

Take the REACH initiative, for example. Let me assure you that we have taken due note of the concerns expressed. We all agree on the need to protect the safety of individuals and the environment properly. On the other hand, we should also address the fear that certain elements of the proposal would put a key European industry in serious difficulty without adding real value in the fields of health and the environment. Throughout the legislative process, we will continue to look into further possibilities to refine and improve the balance between regulation and competitiveness.

With regard to the draft services directive, here too we are pursuing an aim which commands general support – the completion of the single market for services by 2010. Again I can assure you that we have taken due note of the concerns expressed. I am fully convinced that, via the legislative process, we will be able to settle upon an instrument which will tap the single market's hidden potential without jeopardising legitimate public interest objectives.

Let us do this on an informed basis and dispel the myths. Our proposals do not call into question the responsibility of Member States when it comes to organising and financing key public services as required by their societal needs, nor do they undermine the rules on the posting of workers as laid down in the directive.

Finally, I shall mention the Stability and Growth Pact. The Commission is committed to helping improve the pact and ensuring it fully complies with the Treaty. The improvements proposed by the Commission aim to increase its economic rationale and refine its implementation. We want better incentives to foster 'good policies' in 'good times'. We want a better definition of the medium-term objectives of fiscal policy by taking into account elements such as the debt level and the up-front costs of structural reforms. We want to avoid undesirable fiscal restraint in a downturn, because, ultimately, we want our budgets to be in a position to enhance prosperity by focusing expenditure on growth-oriented sectors and by investing for the future.

These are not academic issues – this is about quality of life, people's opportunities to earn a living and reap the benefits of their savings and pensions. This is about the chances of current and future generations to lead as full a life as they can legitimately expect to.

As part of this balanced approach, the Commission has made progress via its recently adopted proposal on the revised social agenda for the period up to 2010. This shows the Commission's full commitment to modernising and developing European social systems, to tackling social exclusion and poverty, and to attaining the target of more and better jobs.

When liberalising markets, individuals must not be forgotten. That is why last week we adopted two new proposals to strengthen passengers' rights. This brings me to a key issue: the European Union needs to be given sufficient financial means to act. Cohesion policy is and must remain central to the purpose of the Union. Without solidarity, we can never be united. It is an essential complement to competitiveness and the Lisbon Strategy – raising prosperity levels in the less-developed regions of the Union benefits the Union as a whole.

We should also bear in mind that there are now 25 Member States. The new Member States are waiting for tangible proof of our solidarity. This is why our proposals for a new generation of cohesion policies for the next Financial Perspective are of critical importance for the Union, both economically and politically. We cannot afford to see our obligations in this area watered down.

In addition, the Commission is currently preparing its third package of proposals for the next Financial Perspective, which are based on a careful examination of their European added value with respect to providing citizens with opportunities that complement national approaches or fill existing gaps. This set of instruments will include proposals on the Seventh Framework Programme for Research and Development; consumer protection and public health; energy – including renewable energy sources; competitiveness and innovation in respect of freedom, security and justice.

The Commission is doing its work, but making these proposals a reality will very much depend on the terms of the agreement on the Financial Perspectives expected by June. As I said before, I do not see how the Commission can contribute to a Europe which aims to do more, but with less resources.

(FR) Honourable Members, sustainable development and the issue of climate change are both firmly rooted in the Commission's agenda. Although we are delighted that the Kyoto Protocol has come into force, we cannot however stop there. On 9 February, we adopted a communication on sustainable development and another entitled 'Winning the battle against global climate change'. These proposals supplement those relating to the mid-term review of the Lisbon strategy. Alongside the economic pillar, the sustainable development strategy and the new social agenda constitute two other supplementary pillars upon which our strategy for the next five years will be based.

Naturally, we must also look beyond our borders. We shall be able this year to take stock of the progress made in achieving the Millennium Development Goals. The situation is clearly disappointing. The European Union can and must make a larger contribution to achieving the Millennium Development Goals. Next month, we shall publish our contribution to the current review exercise. We must be more dynamic and more imaginative in giving concrete expression to our Monterrey Commitments. In doing so, our main priority will be Africa, and we intend to propose specific new initiatives for Africa.

Multilateralism and the reinforced Neighbourhood Policy are also priorities for the Commission. Renewed involvement in the peace process in the Middle East and revitalising transatlantic relations are also key objectives. When we meet President Bush tomorrow, we shall share with him our wish for effective multilateralism and our commitment to work for peace and provide humanitarian aid wherever required.

We all share the belief that it is our action for the benefit of Europeans that is the source of legitimacy for our daily work. Increasing public involvement is a priority for the Commission and, in order to fulfil this duty, we shall propose a specific programme within the framework of the Financial Perspective. By providing people with simple and transparent information on the subject, they will be in a better position to understand what is at stake in Europe and to form opinions. All the Commissioners – including, principally, Vice-President Wallström, whose particular area this is – have undertaken to exert themselves in this area.

Allow me, in conclusion, to explain how the Commission, of which I have the honour of being President, intends to meet these shared challenges and address these shared concerns. The method we will use will be partnership, particularly between the European institutions. I should like to repeat what I have already said on many occasions before this House, namely that I intend to develop a constructive rapport between the Commission and the European Parliament. I was delighted to see, during the debate of 26 January, that President Juncker and many Members of this House agree on the importance of working together on the strategic objectives proposed by the Commission. This would be an unprecedented step towards greater coherence in the action taken by the EU.

Finally, the Commission wants to work very closely with Parliament in the spirit of the proposed partnership. Vice-President Wallström will be present tomorrow at the Conference of Committee Chairmen, and this within the framework of what the Commission wishes to be a permanent and regular dialogue concerning the issues that have priority for us, from the points of view both of programming and of establishing political priorities.

To summarise, Mr President, ladies and gentlemen, I want the Work Programme for 2005 to be the first achievement of the partnership I am proposing to you for the renewal of Europe. I shall be happy to hear now your comments and suggestions regarding its content.

Grossetête (PPE-DE), on behalf of the PPE-DE Group. – (FR) Mr President, we are very happy that President Barroso has been able to join us and that we are able to examine with him this 2005 programme, the presentation of which has been delayed, albeit for reasons of which we are aware.

Mr Barroso, we know that you will do everything to bring about even greater effectiveness. Your programme is ambitious, and we have every confidence in you – confidence that we should very much like to re-affirm, as you have been an attentive listener, specifically to ourselves. Indeed, you took the initiative to review the Directive on Services in order to take account of our concerns. The same applies to REACH, as you have just explained to us.

We must therefore concentrate on the key issues, namely growth and employment. Fewer laws and better lawmaking will be the main thrust of our work. I know that we are on the same wavelength as you on this subject. You also spoke to us about actions to be taken. Productivity in Europe is increasing half as fast as in the United States, where the average growth in investment is 5.4% per year, compared with 1.7% for European investments.

What our fellow citizens are waiting for are, in fact, practical changes that can be described in simple terms: seeing purchasing power increase and no longer needing to fear unemployment or relocation. It is therefore with impatience that we await your framework programme for competitiveness and innovation, including precise objectives and pre-arranged meetings.

Increasing growth and employment means relying upon innovation and research and, above all, reconciling environmental and industrial policies. These two policies are not contradictory, in fact quite the opposite is true; they are complementary. Environmental considerations are not constraints or obstacles. They are assets and present an opportunity for our economy. Europe must therefore opt for eco-innovation and cutting-edge technologies in order to meet a demand for high added value products that our competitors cannot satisfy.

Thanks to its high environmental standards, the European Union stimulates innovation and increases the competitive ability of European industry. I have in mind the development of renewable energy sources, including solar and wind power, of biofuels and of clean forms of transport – all sectors that offer our industries a real opportunity in terms of employment and exports. We note your proposals in this area with interest, particularly the regulation on the measures to be taken to combat forms of air pollution.

Viable economic development and renewed growth depend above all upon both the health of our companies and the health of the men and women who make our economy work. We value that part of your programme concerning health and consumer policy. Europe must also anticipate the possible threats from major scourges and combat the new epidemics and resistance to antibiotics. It is therefore with great interest that we await the proposal for a directive aimed at putting Community measures in place to combat avian influenza. We shall have to act quickly and effectively.

Regarding demographic development in Europe, the Green Paper must quickly be followed up by practical measures involving, for example, lifelong learning, health systems that can be relied upon over time and research into neurodegenerative diseases. As far as solidarity policy is concerned, it is only right that the new Member States should benefit from these programmes, but do not forget that the funds in question also convey the image of the European Union across all the Member States. It is therefore vital for all the countries to have access to these forms of structural aid.

We also call for greater efficiency in the way in which Member States follow up each other's judicial decisions, although, on this subject, we were still awaiting the results of the codecision provided for by the Constitution. We know that all this should help improve Europeans' mobility. In particular, we must also improve young people's mobility by facilitating university exchanges and having people benefit from the terrific experience constituted by career routes to the professions.

We are ambitious, and so are you. We wish to develop and improve working conditions with a view to putting practical measures in place and improving work-life balance. That is how we shall be able to fulfil the objective that the EU must pursue, so enhancing the whole of European society. The European Commission must be visionary in its initiating role.

In the field of policy, we would emphasise Euro-Mediterranean relations. Euro-Mediterranean policy must be much stronger and be accorded priority. In the same way, we must turn our attention to our European borders.

In conclusion, I should like to say to you that political will must be reflected in a Financial Perspective that is evaluated for what it really is. The Member States cannot ask more of Europe while giving less. What, therefore, we now need is political energy for kick-starting the engine that drives our efforts – efforts that are the basis of our work. You have that energy. We shall be at your side in that spirit of constructive rapport you mentioned.

IN THE CHAIR: MRS KAUFMANN

Vice-President

Schulz (PSE), *on behalf of the PSE Group.* – (DE) Madam President, ladies and gentlemen, the speech we have just heard was not a speech from the European People's Party, but from the French Gaullists. Mrs Grossetête, given the substance of your speech, I cordially invite you to join us, and we shall quickly secure majorities for socially responsible policies in the European Union. I saw the profound shock in the eyes of my fellow Member, Mr Poettering, and it was a real treat to observe his reaction.

President Barroso, I am delighted that you have managed to be with us in spite of the present demands on your time. I want to make that very clear. We are all aware of the problems you experienced in London with your flight. Your presence here augurs well for cooperation between the Commission and the European Parliament. Let me emphasise that. But enough of these pleasantries, for I also have one or two remarks to make that I believe you will be less happy to hear.

I do not wish to return to the issue of whether it was right or wrong for you to appear in an advert for the PSD in Portugal. That is in the past now. I would like to make a serious proposal, however, with regard to the negotiations on the framework agreement. We must make a decision. There is a provision in the framework agreement between Parliament and the Commission which clearly states that Commissioners are not forbidden to engage in political activities in their home countries, provided they discuss the activity beforehand with the President of the Commission, who either gives his consent to whatever is necessary for the performance of the activity or expresses his misgivings.

There is no rule, however, for the President, although his conduct should, of course, be exemplary. I personally have no problem whatsoever with the principle that the Commissioners, or you as President of the Commission, have a set of political views and can air those views in public. I am well aware of where your political affiliation lies. It goes without saying that you are not required to go around hypocritically pretending that your election to the presidency of the Commission has made you politically neutral. I believe it is only right that you should continue to uphold your views, but the same rule must apply to the President and the Commissioners alike, whether it authorises or forbids all of you to engage in national politics. Saying 'yes' to some and 'no' to others is unacceptable. This is why I suggest that we clarify this matter in the framework agreement.

A second remark, Mr President; in our most recent discussion of your work programme, I said on behalf of our group that we saw the glass as half full. I said this because we had seen encouraging signs that you were heeding the appeals which we Socialists had been making to you and your Commission.

Then, a few days later, I found an interview with you in the *Financial Times* in which you took a completely different line from the one you had presented when you addressed this Parliament. 'Economy is in the front seat', you were now saying. No! Social coherence is in the front seat – at least for us Socialists, Mr President – and we shall not release you from your obligations on this score. You presented a work programme with Socialist elements but then gave an interview in the *Financial Times* which went in the very opposite direction. Later, Mr Špidla presented a paper to which we Socialists can heartily subscribe, but this was followed by comments in the press by Mrs Hübner which we find absolutely impossible to accept.

You made it to the Berlaymont building, Mr President, but I have the impression that, whenever you arrive at the Schuman roundabout, you are no longer sure which exit to take. For this reason, let me suggest that you follow our Socialist proposals, because the problem with the European Union is this: if we do not make it clear to the public that this Union of ours offers them social security, and allow them to carry on thinking that Brussels is out to destroy their social security, the risks we incur will outweigh the opportunities we create. Until we stop conveying that impression, citizens will continue to turn their backs on Europe.

This has to do with the fact that the neo-liberal approach is presented – perhaps not by you, Mr Barroso, but by many of your Commissioners and, what is far worse, by a great many of your officials within the Commission as a fact of everyday life; all will be well with Europe, so the theory goes, when it is deregulated,

made more flexible, and locked into a downward social spiral. As long as this is the main thrust of your Commission's policies, the climate will never change in favour of the EU. We Socialists have not been elected to support the sort of neo-liberal policies that are enshrined in the Bolkestein directive, but to guarantee both sides of the coin on which our discussions have long been focused. On the one hand, we need competition and flexibility, but this increase in competition and flexibility must serve to promote the achievement of the other goal, namely social stability.

For this reason, I ask you to stand by what you said in your strategic guidelines and what you presented to us, together with Mrs Wallström and Mr Verheugen, in the Lisbon strategy, which formulates these very principles: greater flexibility and more competition, certainly, but also an enduring commitment to the social structures that are Europe's greatest achievement. If you read our resolution, you will see that we are willing to engage in constructive cooperation with you, but only if you, along with your Commission, are willing to build a social Europe. Then we shall gladly give you our backing.

(Applause)

Duff (ALDE), on behalf of the ALDE Group. – Mr President, it is bizarre that socialists believe that there can be social progress without economic growth and structural reform. It is also incredibly naive of Martin Schulz to criticise the President of the Commission for playing a part in domestic politics: we are not served by the *apatrides* – political people divorced from their political roots. My only criticism of the article that I saw in the *Financial Times* was President Barroso's swipe at 'naive federalists'. I have no idea what he had in mind there.

My group welcomes the sharper focus of the work programme and its grounding within a clear political strategy. However, I am also struck by the great size of the programme. Clearly, a greater sense of priorities will be required. For my own group, our priority is to complete the single market, especially in the area of financial services.

This will require a review and, perhaps, stronger scrutiny of the legacy of the Prodi Commission than the programme has presently enjoyed, certainly with respect to software patenting, but also access to port services. We place great emphasis not only upon the improvement of the quality of drafting, but also upon reducing somewhat the quantity.

I finish with a plea for a focus upon a programme that has begun but is far from finished, especially as regards the financial and trade regulations concerning Northern Cyprus. We have to bring the Turkish Cypriots in from the cold.

Beer (Verts/ALE), on behalf of the Verts/ALE Group. – (DE) Madam President, President Barroso has just proposed complicity in a good cause between the Commission and Parliament. On behalf of my group, the Group of the Greens/European Free Alliance, I should like to refer to two possible areas of complicity in the light of current events. You mentioned the most relevant event yourself, Mr Barroso, namely the forthcoming talks in Brussels with the President of the United States.

I believe that, following Condoleezza Rice's charm offensive in Europe, it must and it will emerge in the coming days and weeks – and the Iran issue will be the acid test – whether we have only one common goal and continue to go our own separate ways, or whether we manage to develop multilateral measures and avert the danger of unilateralism, which we saw during the preventive war against Iraq.

On behalf of my group, may I warmly encourage you and strongly urge the Commission to make every effort in the forthcoming talks to persuade the US Administration to lend its active support to the negotiating strategy of the three EU representatives.

Let me reiterate the common aims of both the American and the European negotiators and the EU Member States. Our aim is complete consensus. We must prevent the further proliferation of weapons of mass destruction in the wider Middle East. We must press on with the development of a political strategy for the wider Middle East on the basis of the European security strategy. We must succeed in enshrining a binding commitment by Iran to refrain from military use of the potential created by its nuclear programme, and we need unlimited access for the International Atomic Energy Agency to enable it to inspect all of Iran's nuclear facilities. These are the prerequisites for the creation of a ring of security around every country in the region, including Israel.

I am convinced that the European negotiations are the right way forward and are far more likely to succeed if we can persuade President Bush not merely to wait in the wings, not to engage in verbal sabre-rattling and

not to keep open the option of a preventive attack, but to put on the agenda an active review of the current economic sanctions against Iran, as well as discussing security guarantees for Iran.

I believe we shall advance in this area if we also remain true to our principle of safeguarding human rights. I appeal specifically to the Commission not to shelve the dialogue on human rights for the duration of the negotiations, but to intensify it. I very much regret having to say this, but I have learned that the German Government, the selfsame Government which is actively supporting our negotiations on the EU side, has instituted deportation proceedings against a 26-year-old woman who obtained a divorce from her Iranian husband and converted to Christianity. Deportation to Iran in these circumstances – and we have opposed it in two previous resolutions – exposes a woman to the danger of stoning, persecution or even death.

I believe that such a bipolar policy makes it difficult, but we must manage to rally a majority in Europe behind a coherent human rights policy. That will establish our credibility on the Iran issue. I have no wish to see Iran succeed in playing off the Europeans against the Americans, because we both have the same objectives. I must re-emphasise that point.

Let me also refer at this juncture to another issue where my group is in agreement with the President of the United States, namely the continuation of the embargo against China. If we say that the criterion of respect for human rights is fundamental to our European foreign policy, we must acknowledge that the human rights situation in China remains appalling, and it was for this reason that the House adopted a resolution only a few weeks ago in which it rejected the initiative launched by President Chirac and Chancellor Schröder. We expect this embargo to be maintained and reaffirm that economic interests must not take precedence over human rights.

Markov (GUE/NGL), *on behalf of the GUE/NGL Group.* – (DE) Madam President, Mr President of the Commission, ladies and gentlemen, even though the subject of this debate is the Commission's legislative and work programme for 2005, it must, of course, be seen in the wider strategic framework, which is strongly influenced by the Lisbon strategy and, regrettably, is designed primarily to intensify competition. To make matters worse, I believe it is also using the wrong means to pursue that goal.

The operating profits of the large conglomerates in the European Union increased by 78% in 2004. The ratio of profits to GDP is at what is nearly its highest level in the last 25 years. Over the past 12 months, another substantial surplus has been registered in the balance of trade and the balance of payments.

Even in the Federal Republic of Germany, where the large companies are constantly bleating about being shackled by an uncompetitive location, 46 of the 50 companies listed in the Dax index clocked up staggering increases in their profits over the first three quarters.

At the same time, unemployment is rising. There are more and more debates on the introduction of longer working hours in various different forms. Employees are expected to practise wage restraint, which effectively amounts to a drop in real incomes. Welfare benefits are being cut or recipients' contributions drastically increased, and schemes based on solidarity are increasingly being shunted towards dependence on private funding.

These actions are weakening demand instead of strengthening it. We regard this as a pernicious trend. Of course we need competition, but it must be compatible with the Gothenburg criteria, so as to minimise unemployment, maximise consumer protection and guarantee social security within a healthy environment, and so as to achieve social cohesion through solidarity and sustainable development.

Accordingly, we must make the following pleas to the Commission: abandon your neo-liberal economic policies and scrap your directives on service provision in the single market as well as the Working Time Directive and present replacements in the form of directives on improved health and safety at work or on the harmonisation of welfare standards. Protect small and medium-sized enterprises by using the directives adopted by the last Parliament, such as the directive on software patents, as the basis for a new proposal. Together with the Council, amend the Stability Pact to make expenditure on education and training count as investment, thereby eliminating it from the calculation of the debt ratio. Strive for democratic and socially just world trade by trying to reform the WTO, and do not go to Hong Kong with the same ideas that the old Commission took to Cancún.

Do not argue for more effective military options, but only for peaceful solutions. Campaign for better protection of the environment, and remember that there is certainly still work to be done here in the European Union in fields such as biodiversity, the avoidance and recycling of waste and the sustainable use of resources.

Exert more influence in the struggle to protect the global climate, because not only the United States but also China, India and Brazil must be motivated to commit themselves more firmly to this effort.

This would be the right course for the European Union; it would promote sustainable development and create jobs. It is wrong to perpetuate and even intensify the pursuit of the old roads to nowhere that have long been discredited.

Batten (IND/DEM), *on behalf of the IND/DEM Group*. – Madam President, I should like to bid Mr Barroso good evening, but oh dear, oh dear! Here we go again! This legislative programme has been shaped largely by the annual policy strategy, which was published by the last Commission in February 2004. The European Commission is the unelected government of the EU, but what other government anywhere in the world would have its legislative programme set out by its predecessor? The UK Independence Party has complained before that the Commission is unaccountable, but this demonstrates just how undemocratic things are. We will be lumbered with policies framed by people who are not even in office any more!

On 26 January Mr Barroso spoke to Parliament in Brussels about this programme, but Mr Prodi and his team put it together. The new Commission's central policy objective is economic growth. This was also the central objective of the old Commission's document, drawn up last February. Indeed, Mr Prodi made it one of his key objectives when he first came to office in 1999. A fat lot of good it did, as EU growth is lower now than it was then. Fortunately for Mr Prodi, he is safely back in Rome and is no longer answerable for his failures.

The document states that, due to the institutional changeover in 2004, a lighter procedure than usual was adopted for the European Parliament to consider the policy strategy. That procedure was concluded last April – in other words, even before the election of the present European Parliament. We all know this is a phoney parliament, but this demonstrates just how pointless it is.

Europhiles have been complaining that the British people will not be properly informed about the EU Constitution. The Spaniards have just voted on the Constitution, but the fact is that 90% of Spaniards – whom the Europhiles think were well informed about the Constitution – told Spain's state polling organisation that they had little or no knowledge of it, and less than half of them bothered to vote.

What the citizens of Europe should be informed about is not the impenetrable Constitution, but the mountain of EU legislation which will pass through the EU's institutions this year – legislation dreamt up by a defunct Commission and approved by an expired Parliament, both of whom are no longer accountable to the people this programme will affect. However, the citizens of Europe – especially those in Britain – are waking up to what is going on. Soon, not only will the last Commission and the last Parliament be defunct and expired, but so will the whole EU project – and the sooner the better!

Ryan (UEN), *on behalf of the UEN Group*. – Madam President, the key challenge facing the European Union at this time is an economic one. The European Parliament, the European Commission and the EU governments are going to have to work together closely if the objectives of the Lisbon strategy are to be met. This will not be an easy task – we must not underestimate the challenges that lie ahead of us.

One of the issues that must be looked at most carefully relates to the regulatory framework in Europe – we need less regulation in Europe, not more. This was outlined very clearly in a report in today's *Financial Times* on a study by the Centre for the Study of Financial Innovation, which stated clearly that most people involved in banking and financial services believe that we have far too much regulation and that we need to tackle it so that business can become more competitive.

The key priorities for the European Union at this time include: the completion of the Financial Services Action Plan so as to guarantee a greater level of competition amongst the financial institutions operating within the 25 Member States of the EU, which includes ensuring that retail banking services are available to all EU citizens in the 25 Member States; facilitating the merging of European banks and the updating of asset management legislation so as to guarantee that fund managers can operate asset funds on a cross-border basis; the introduction of new legislation to reduce the costs of clearing and settling trading security transactions; and the introduction of greater competition in the insurance sector.

The European Union must promote a greater level of dialogue with America to streamline the rules governing the operating of the accountancy industry. The European Union operates under a system known as IAS, which is the International Accounting Standards system. Meanwhile, the American business community operates under the GAAP accountancy structure. This year, 8 000 companies will be listed on European stock exchanges, operating under the IAS system. It is simply wrong that America and Europe operate under

two different accountancy models. A greater level of dialogue will have to take place to hammer out these issues.

The European Union must implement the new Services Directive. It must guarantee that the benefits of all technologies are available to communities in Europe, both urban and rural.

Mr Barroso, your recent statements on the Lisbon strategy and the economic way forward for Europe have been very positive, and I wish you well. I hope that you are successful – Europe needs you to be successful.

Kirkhope (PPE-DE). – Mr President, this programme offers real hope for the revitalisation and refocusing of the Lisbon Agenda. However, as we approach the Spring Council next month, it is vital that national governments get a grip and push ahead with the economic reforms that are vital to the future prosperity envisaged in the programme.

In recent weeks, I have been impressed by the statements by the President of the Commission and his clear aim of putting growth and prosperity at the heart of his strategy for the period ahead. Similarly, I am unimpressed by the rantings of Socialists, like Mr Schulz, on refocusing priorities within the Lisbon process. The left in Europe remain wedded to the old ways of inflexible labour markets, high non-wage labour costs and other barriers to growth.

Can they not see that it is precisely because of the old social model that Europe is today in relative economic decline? Can they not understand that the high unemployment in so many parts of Europe is caused by the very outmoded proposals that they cling on to in economic terms? Nothing Mr Schulz has just said would help any of the five million presently unemployed in his country. Therefore we continue to urge the Commission President to keep up the pace on reform, and we urge the governments to take heed of the reasons for the failure of the Lisbon Agenda in the first five years.

We want to see a renewed commitment to the completion of the single market. Mr Barroso sensibly understands that many remedies for the lack of economic dynamism lie in the hands of Member States themselves. However, in addition to the lead he has taken, I would encourage him to put real effort into reducing the legislative output from the Commission itself.

The Commission must be as efficient as it is requiring our businesses and citizens to be. He rightly talks about better regulation, but the priority must be less regulation and, crucially, that legislation must be subject to full impact assessment. British Conservative MEPs have been at the forefront of campaigning for less regulation and enforcing such impact assessments. I look forward to, and am confident that I will see, some progress soon on all these issues in relation to the Services Directive, which I am so pleased he supports.

Swoboda (PSE). – (DE) Madam President, Mr President of the Commission, ladies and gentlemen, I believe that you in the Commission and we in Parliament – or at least the vast majority of Members of this House – want to win hearts and minds for the project of European integration. If that is what we want, we must offer citizens real substance, and explain the importance of that substance.

In our view, a social Europe should be the priority. In order to achieve a social Europe, however, we need jobs. For jobs we need growth, and for growth we need both investment and, first and foremost, education, training and lifelong learning, and – yes, Mr Kirkhope – we need greater flexibility too. Anyone calling for flexibility, however, must know that flexibility and social security are not mutually exclusive; as the Nordic model has shown, the public is in fact willing to accept a greater degree of flexibility if a social safety net is in place and if there are also, for example, extensive opportunities for further training to enable people to cope with the implications of this flexibility, including its social implications.

We also need effective public services. Your statement, Mr President, did not entirely satisfy me, because the question of services cannot be reduced to market economics. Our public services are part of our own identity; whether they be postal services or local transport, they are part of the European identity, which the people of Europe rightly want to see defended. This is therefore not a purely economic matter, but a profoundly emotive issue too.

One final point: what Vice-President Wallström did very recently with regard to the rights of air passengers was a very positive step, in my opinion. The fact is that we must go public and tell people what we have achieved in this Parliament, including our responses to proposals from the Commission. We must tell them that we are here for them, which is why I ask you not to approach legislative measures from an exclusively technical perspective as a means of creating better regulations, but always to think of the people for whom we make these laws and to whom we wish to communicate them. If the Commission and the European

Parliament can pursue this approach together in future, we shall win many, many hearts and minds for this European Union of ours.

Brok (PPE-DE). – *(DE)* Madam President, I believe the President-in-Office of the Council has already made the point that this is a good day. We have now seen the results from Spain, which put us all in a better position, not only as regards the referendum campaign but also by making it clear that a great nation has decided by a large majority in favour of this political project. We also have something to show tomorrow, when you see President Bush. It has become clear to all of us – and this must be reflected in our policies – that only joint action makes us a significant factor, and this action pays off, because I can find no other explanation for Condoleezza Rice's comment that the European Constitution should be adopted. US policy, indeed, is sounding an entirely new note here. Allow me also to express my thanks to you, President Barroso, for your own particular role in enabling the President of this House to take part in tomorrow's meeting.

I should like to refer to another related point, namely our neighbourhood policy. I do not believe we have made enough progress in this direction, and President Yushchenko will be here in Parliament on Wednesday so that we can seek a new way to address the formidable challenge of cementing democracy in Eastern Europe, so that closer links can be forged between Eastern Europe and the European Union. This implies an urgent need for something more than the neighbourhood policy, because the alternative is increased pressure to narrow the focus of discussions prematurely onto full membership, which we could not deliver immediately, because it would overstretch the integrative capacity of the European Union.

We must offer a vision to the people of these countries, and so it is certainly worth considering whether there should perhaps be another option besides full membership, an option that does not close the door on full membership but holds out that prospect as a long-term goal. At the same time, such an option can bring immediate gains, as happened in the past with the European Economic Area, from which Austria, Finland and Sweden entered the European Union.

I ask the Commission to give this serious thought, because I fear that we shall otherwise become embroiled very soon in a difficult situation. It has been made very clear this afternoon that we are providing these countries, which were victims not only of the Second World War but also of the dictatorship that followed it, with a prospect that enables them to build democracy while strengthening this European Union of ours without impairing its ability to act.

Goebbels (PSE). – *(FR)* Mr President, President Barroso, ladies and gentlemen, allow me to make a few personal observations on the Commission's Work Programme. This is a splendid inventory of the kind once drawn up by the poet Jacques Prévert, but it reminds one of what Wim Kok used to say about the Lisbon Process, 'Lisbon is about everything and thus about nothing'. The Commission's Work Programme is a rather similar case, where one cannot see the wood for the trees. Each Commissioner has done his or her best to decorate their own Christmas tree by hanging a few bits of tinsel of their own upon it.

I am not criticising you, Mr President. If you had confined yourself to what was essential, the Members of this House would have been the first to say that you had forgotten this or that issue they considered more important. Nonetheless, I would ask you to devote your energies to what is essential. Europe must defend its social and environmental models. We all agree that Europe must carry out reforms and be more flexible in certain areas. You will not, however, win the support of Europeans by voting in favour of what the right is preparing to vote in favour of tomorrow when I present my report, that is to say less tax for the rich and more labour for the workers. That will not work.

In its 2005 annual report, the Economic Policy Committee said that Europe needs a macroeconomic framework supportive of stability and growth and that such a framework is indispensable, but that governments will reap the full benefits of structural reforms in terms of growth and employment only in an appropriate macroeconomic environment. We have stability, Mr Barroso; what we now need is growth.

Roure (PSE). – *(FR)* Mr President, Mr President of the Commission, as we know, it is the Commission's legislative programme that enables us to translate the Council's political priorities into practical actions. We are therefore pleased to note that priority has been given to the implementation of European legislation, but we want firm commitments for future years.

The strengthening of security in Europe does indeed remain a priority, yet it must not on any account be strengthened at the expense of civil liberties. The proposals that have been put forward on improving the exchange of information and strengthening operational cooperation are a step forward in the fight against terrorism and organised crime, but Europeans' feelings of insecurity, which we acknowledge, must above

all be combated through an active policy of protecting and promoting fundamental rights. That is how our democracies must defend themselves, and that is how they will win the day.

We want initiatives to be taken with a view to combating racism, xenophobia and forms of discrimination. The strengthening of judicial cooperation remains one of the priority measures to be taken in order to ensure that Europeans have the same rights and the same access to justice everywhere in Europe. We therefore welcome plans to extend judicial cooperation to include certain aspects of family law. We call upon the Commission to maintain this commitment and to present proposals based on the principle of mutual recognition in the areas of the evaluation and use of evidence and procedural guarantees. We wish to see a fairer approach adopted to asylum and immigration issues, namely one that will above all enable rights to be respected and burdens and responsibilities to be shared. We want to see legal immigration channels opened whereby migrants' basic needs and rights are respected. Finally, we ask that significant progress be made on the matter of defining minimum standards for granting and withdrawing refugee status.

Lehne (PPE-DE). – (DE) Madam President, ladies and gentlemen, allow me to begin with a brief comment on the political content of the speeches we have heard today, particularly that by Mr Schulz.

I believe – and our current debate on the Lisbon strategy bears this out – that the Lisbon strategy has several pillars. There is absolutely no doubt that all the pillars are, in principle, equally important components of the strategy. On the other hand, it is a truism that proper social and environmental policies cannot be pursued without a functioning economy. The economy is, as it were, the key to the realisation of all our other good political intentions. Priorities must therefore be set accordingly, although the pillar structure must not be forgotten. I should perhaps mention in passing that there is no better social policy than the creation of jobs. That may be another truism, but it still needs to be said.

Another gentle reminder might be in order, because the President of the Commission is constantly being taken to task over this matter. Both of the competent Vice-Presidents of the European Commission – the one who signed the paper in Lisbon and the one who signed the programme we are discussing today – are Socialists. It is perhaps appropriate to reiterate that in passing. This should mean that the dossier is in the best hands within the Commission, and I fail to see the point of forever dredging up this discussion on alleged differences that do not even exist.

I also have a particular appeal to make in this matter, which is that the Commission must attach high priority in the framework of this legislative programme, as in other areas, to the implementation of its interinstitutional agreement with the Council and Parliament. This is vitally important. Among the reasons why things have not worked as well as they should in the past have been the lack of impact assessments of legislative proposals and the inadequate way in which the consultation of stakeholders has been conducted.

I urge the President and Vice-President of the Commission, particularly in the course of their work over the coming months, to ensure that the interinstitutional agreement is consistently implemented in this context. In many areas, this will be the key to the success to which they and all of us aspire.

(Applause)

Gebhardt (PSE). – (DE) Madam President, may I say to Mr Barroso that he devoted his speech today to three splendid aims: prosperity, solidarity and security. That naturally arouses great expectations among us Members, and I have to say, Mr Barroso, that my reaction was similar to that of Mr Swoboda, for what you went on to say about the directive on services under these headings actually turned out to be rather insubstantial. If you really want us to achieve prosperity, solidarity and security for our citizens, you will have to deal a great deal more thoroughly with this directive on services than you seemed to indicate today.

If you are serious about your partnership with us, and indeed with all the institutions, you will have to go much further yet. Moreover, we must not forget something that is even more important, Mr Barroso, and that is our partnership with the people of the European Union, with all of its 450 million inhabitants. It is for them, and for no one else, that we make our policies.

Silva Penada (PPE-DE). – (PT) In recent weeks, the Commission has taken decisions on two key themes: the strategic guidelines for its mandate and the reform of the Lisbon Strategy. Both decisions emphasise the fact that the highest priorities for the EU, in the current circumstances, are reinvigorating economic growth and creating jobs.

Frankly, I do not understand the argument over which comes first, economic growth or jobs. For me it is simple. Jobs are created in companies. Well, companies only grow and develop when there is a climate of confidence and a widespread desire to create an investment-friendly atmosphere.

This approach to life, this culture, will become a reality if the capacity is there to carry out the right economic policies. The greater the commitment among the Member States to implement the necessary reforms, the more quickly such a culture can be introduced. That is the only way in which we can maintain, and indeed develop, the European social model. Economic dynamism must not be seen as the enemy of social protection; it is, in fact, its staunchest ally.

I have a different concern, however, which relates to the definition of priorities and the clear allocation of responsibilities. It was precisely because of the absence of these elements that reform of the Lisbon Strategy was needed. It is now the duty of the Member States to display the reforming spirit proposed by the Commission through practical political action.

There is a pressing need to carry out reforms, which, for the most part, are not popular with the public, but which Europe needs. These reforms will only succeed if they are explained, exhaustively if necessary. That is the only way in which they will be understood and accepted.

I shall finish by saying that, to my mind, it is worthwhile looking into the benefits of escaping from the office environment and going out onto the street, and, as Members of the European Parliament, we should be the first to do this.

Grabowska, Genowefa (PSE). *(PL)* Madam President, Mr President of the Commission, we should welcome the fact that the European Commission intends to focus its efforts on three issues, namely economic growth, social welfare and environmental protection. Only time will tell, however, whether and how these laudable plans will actually be put into practice. Any kind of imbalance, in particular one favouring economic growth at the expense of social welfare and environmental protection, would pose a threat to Europe and its citizens, and in particular to the citizens of the new Member States.

Yet the European Commission is also the guardian of the Treaties, and as such it monitors the Member States' application of legislation. I would therefore call on the Commission to monitor such application on a regular basis, in particular with regard to compliance with the principle of non-discrimination. This principle, the implementation of which is mandatory, has already given rise to concerns relating to the provisions of the REACH Regulation and the services directive. Is the European Commission not worried that attempts to exclude building services from this directive will be viewed as discriminatory by the new Member States? There are other examples of such practices, and I would therefore call on Mr Barroso to ensure that the Commission monitors the application of legislation very closely as far as the principle of non-discrimination is concerned.

Karas (PPE-DE). *– (DE)* Mr President of the Commission, ladies and gentlemen, having listened to this debate, I cannot but repeat that we need to think more like Europeans and stop engaging in national and party politics. We need more optimism and confidence, more serious intent, more clarity and scrutiny and the political will to honour the pledges we make from our soap boxes. We need more leadership – more leadership from political circles, more leadership from those in government and more leadership from the Commission.

I should also like to appeal to everyone here to reflect a little. All of us are here to make the four freedoms a reality in law and in fact, and everything that serves this purpose is good politics. We must reflect on what we have enshrined in the Constitution. I really do not understand why we are arguing about these things today. In the Constitution, we proclaim the principle of a social market economy. In so doing, we are clearly stating that the market is not an end in itself but a means to an end, that we need an efficient market which fulfils its social and environmental responsibilities. We have set ourselves the aim of full employment, and we have set ourselves the aim of sustainability. Why do we keep conveying the impression to the general public that we are playing off these aims against each other?

We do not need any more short-sighted populism; what we want is greater responsibility for the future. May I therefore make this request to the President of the Commission: apply a subsidiarity test before the presentation of proposals. Explain to the public what there is to be gained by legislating at EU level. Define the benefits in terms of growth, competition and employment. Define the target group. Define clearly the motives, aims and effects and say who has to do what by when, so that we can exercise our parliamentary right of scrutiny.

IN THE CHAIR: MR OUZKÝ*Vice-President*

Brejc, Mihael (PPE-DE). *(SL)* Thank you, Mr President. The Commission has drawn up an extensive and ambitious programme. It has drawn up priority tasks which I agree with and support. I am also pleased by the ambition, energy and of course the enthusiasm of the Commission President. Yet if we want Europe to be effective, if we want Europe to be closer to its citizens and if we wish to achieve the objectives, then we must act much more effectively than hitherto ourselves. An important part of the European Union's effectiveness is its administrative systems, its public administration. You mention them in the strategic objectives on page four, Mr President. This is very pleasing. Yet at the same time I recall that the Prodi Commission began the reform of public administration in the European Union. Former Commissioner Kinnock was responsible for this. While I am unaware of how the whole thing ended, if indeed it was ever started, the fact remains that the citizens of the European Union see this as a great bureaucratic apparatus, removed from the people, an apparatus which costs a great deal and which requires an extremely large amount of administration for every trifling thing, not to mention major projects. So all of us together, not just those of us here in the European Parliament, but also our electorates, justifiably expect the new Commission to find, within the framework of the priority tasks you have set out, the energy, time and will to deal with its own administrative system, with its own bureaucracy. In this regard I anticipate very clear answers. And one more thing! Good legislation is fine, but what is more important is that we actually put good legislation into practice. Thank you very much!

Zaleski (PPE-DE). *(PL)* Mr President, Mr President of the Commission, Mr Vice-President of the Commission, ladies and gentlemen, my comments will be addressed primarily to Mr Schulz.

(DE) Mr Schulz, following our conversation about the resolution on Auschwitz, you have completely altered your views and have thereby won my utmost respect. Thank you. Now, however, I should like to respond to your critical comments regarding the Pope.

(PL) Ladies and gentlemen, with regard to the matter of the budget and the funding earmarked for the meeting of young people with the Pope in Cologne, I should like to make it clear that if anyone else managed to bring together so many young people for a good cause, I would certainly vote in favour of providing funding for the meeting. I would do so whether the person in question was Mr Schulz or the chairman of any group or party, and I would do so regardless of whether that person was a Socialist, a Green, a Catholic or an adherent of any other political movement or religion. If the event concerned promoted social and psychological unity and the creation of a common Europe, then it would deserve genuine respect. I believe that Mr Schulz will acknowledge that this is the case, and indeed I can see him nodding in agreement. I should like to thank him for that.

I should also like to remind Members from the ten new Member States, and not only those from the Group of the European People's Party (Christian Democrats) and European Democrats, but also those who are Socialists, Greens, Communists or non-attached Members, that it is thanks to the Pope and his actions that we are able to discuss a common Europe together today. If it were not for him, we would still be unable to hold such a meeting, and I should like to remind Mr Schulz that this was mainly the Pope's doing, and that Mr Kovács only played a small part at most. If Members are not aware of this fact, or have forgotten it, I should like to remind them most strongly of it, and encourage them to vote in favour of this grant, which will allow the meeting to be held in an appropriate fashion and ensure it will be a great success. I thank you.

Casa (PPE-DE). *(MT)* Mr President, allow me to congratulate Mr Barroso, the President of the Commission, on the legislative programme of the Commission and on the programme he has presented. Europe today has grown to consist of 25 Member States, and I am one of those Members who come from one of the countries most recently added to it by enlargement. Europe is what it rightly should be; a Europe with a significant voice in global decision-making processes, and we must maintain this role by continuing to reinforce the foundations once laid by Schuman, De Gasperi and Monnet, based on principles that have enabled the European Union to come as far as it has today. The work that the European Union performs must constantly reflect the principles of subsidiarity and solidarity.

It is vitally important that economic growth be equally spread around all European regions. Europe is obliged to help those who for some reason have lagged behind to catch up and expand their economies. A strong economy can be created by closer cooperation between the Member States, and this is where I would like to congratulate the Commission on the implementation of a new economic strategy that aims to create over

six million jobs. The Lisbon Strategy must be an absolute priority for all of us who work in the European institutions.

We must be able to translate this strategy into work and prosperity, a goal that can be achieved only if we manage to eliminate excess bureaucracy and create a strong business environment. We in this House must encourage initiatives that will create work across our continent. Europe's citizens expect us to improve Europe's standard of living, and so we must do our best. The legislative and work programme that was presented gives a clear indication of the Commission's vision for the coming years and, if it cooperates closely with Parliament, I think we can translate this new programme into benefits for all European citizens.

Barroso, President of the Commission. (FR) Mr President, I will try to reply to some specific questions and then I would like to deal with a more general issue of policy, which I believe to be important in terms of our future work.

With regard to the specific issues, first of all, Mr Duff, you told me that you had not properly understood, or not appreciated, a comment apparently attributed to me concerning naïve federalism. I would very much like to clarify what I said, because it may not have been clear in the context. When I criticise naïve federalism, it is not in fact federalism itself that I am criticising; quite the opposite. I have great respect for all the federalists, all the men and women who founded our great European project. I still believe, moreover, that the federal method is essential to this Europe of ours. Furthermore, the community method, or at least the method we generally describe as such, is a kind of federal method. So, in reality, I criticised naïve federalism as contrasted with what I might consider to be a more sophisticated and more intelligent form of federalism, that is to say, an approach that does not seek to build our European Union – an increasingly close union between all Europeans, at the expense of the legitimacy of the democratic states. Our countries are, in fact, democratic states with democratic governments and democratic parliaments. I have had the honour of working in Geneva with a great federalist, Denis de Rougemont, who sometimes blamed the state for all evils, as if the state were not also a democratic institution. I am in favour of an increasingly strong Union, but that strengthening should not jeopardise the legitimacy of the democratic states. I very much wish to offer that clarification because I have heard criticisms of my comment, which gave a distorted view of my thoughts and feelings on the subject of Europe.

The second issue relates to security and justice. We have talked a lot about the economy, but we must not forget that we have a programme – and a very ambitious one at that – in the field of security and justice – a programme that will be implemented by Vice-President Frattini. That, specifically, was the subject of one of the questions raised. Security, justice and the protection of fundamental rights will be one of the Commission's priorities. We need to offer a practical response to people's demands in terms of security. That is why, in 2005, we are, in particular, going to present Parliament with the action plan aimed at implementing the strategy adopted in The Hague, in the form of proposals concerning the protection of the victims of organised crime, women and children in particular. I would draw your attention to the fact that this is a new dimension to the action described in our programme: placing more emphasis on the protection of children. We believe – and I also very much want to stress this – that this is a field in which it is possible to strengthen action at European level. Proposals can thus be presented with a view to strengthening mutual recognition and trust between the judicial authorities, and a proposal concerning a European strategy in relation to legal immigration and to the fight against people traffickers can be drawn up. Security, justice and the protection of human rights are a genuine priority, and I would like you to know that the Commission is going to do everything possible to respond to those demands.

Certain Members, including Mr Karas, Mr Kirkhope, and Mr Lehne, and also Mr Goebbels to a certain degree, have raised the issue of how to focus legislation and of whether it should be strengthened or restricted. I am delighted, moreover, that the European Parliament, the Commission and the Council are fully aware of this concern. When I talk about 'better legislation', I do not always mean that we need less legislation. In certain cases, precisely because we are a Union, we need a degree of harmonisation or more legislation, sometimes in order to harmonise or simplify the existing legislation. I would, however, like to stress that we do share this concern about the quality of legislation, and we have introduced it into our programme. Throughout all of the action we take, we shall, therefore, be weighing up the factors of cost, proportionality and subsidiarity that we shall be using for the purposes of impact assessment.

This is why – and I say this partly in response to Mr Goebbels – we have of course had to draw up a list of our main objectives. This is an implementation programme for this year. You would no doubt criticise us if I only presented four or five priorities. The political line is one dimension and, in this regard, we are talking about very clear and well-focussed priorities, defined when we presented the strategic objectives. The specific,

legislative and implementation programme is another dimension, and one of which you should be aware so that you can monitor our activities, the Commission being answerable to this Parliament.

With regard to another specific question, namely climate change, I would like very much to say to Mrs Beer, who I am sure will put this question to President Bush tomorrow, that one of the subjects on our agenda is the possibility of cooperation with the Americans, partly in a post-Kyoto spirit. That is a sensitive subject. We are aware of the positions taken by the American administration to date, but I believe we should embark upon a dialogue on this issue with the United States of America. I shall probably have the opportunity to raise this issue with the President of the United States.

With regard, now, to the issue of the Directive on Services, I would very much like to say, in response specifically to Mr Swoboda, that I agree with your concerns about services of general interest. I have already said this on many occasions: services of general interest, or certain public services, are part of what might be called the tradition, or organisational culture, of certain states. We are therefore seeking specifically to ensure that these concerns are taken into account, since we believe them to be legitimate.

That is why my Commission has taken the initiative to review certain aspects of the Directive on Services, and I was expecting a word of congratulation from yourselves. It is exactly the opposite that I hear from you when you describe this Commission as neoliberal even though it was not this Commission that presented the directive in question. In fact, we are seeking a balance while maintaining the objective, which is to create a genuine internal market in services, since that is essential to the creation of jobs in Europe. This is an objective we cannot abandon and on which, furthermore, there is consensus until 2010, but it must be pursued in a balanced manner. That is the fundamental political question I would like to put to our friends in the Socialist Party in the European Parliament, and in particular to Mr Schultz, who raised this question.

You must choose: either you want to oppose the Commission or you want to work with it. I have already said that the Commission wants to work in a spirit of cooperation and constructive rapport with Parliament and, in particular, with all those Members who truly want to move Europe forward. This is no neoliberal proposal on our part.

The proposals I have put forward in this House are the result of a consensus. The Commission includes Christian Democrats, Socialists and Liberals. The Lisbon Agenda was presented to the Commission by myself and Vice-President Verheugen, who is a member of your political grouping. The programme I have just presented today has been presented by myself and Vice-President Wallström, who is also a member of your political grouping.

We do not want to engage in dogmatism; we want to unite those Europeans who want reforms for Europe, but we do not want to abandon the reforms. If it has been possible for the Commission to take all these decisions unanimously, although there may have been expressed differences; if Christian Democrats, Socialists, Liberals and Independents have reached a consensus, why might we not also achieve that here in the European Parliament and unite around an ambitious programme of reform for this Europe of ours, which takes account of social and environmental concerns? Do not present a caricature of our Commission. That is not fair.

(Applause)

If you look at the list of our objectives, you will find that it contains a series of specific proposals in the social and environmental fields. We are well aware that, today, it is impossible to create growth without an environmental dimension. On the contrary, we believe that the environment contributes to growth and increased competitiveness in Europe. We agree on this point, so please do not see obstacles where there are, in fact, none. What we want is to make it clear that the status quo is no longer an option today, that Europe has serious competitiveness problems when compared to other regions of the world and that we intend to put this right by adapting and renewing our social model. That is why the Commission has a President who wants reform, but also Socialist, Liberal, Christian Democrat and Independent members who all also want this reform to be carried out in a spirit of balance and proportion.

I would therefore like to ask the PSE Group not to set itself up in opposition to the Commission: on the contrary, I would ask it to cooperate, though not in an uncritical way, with us, just as all the other groups do. Mrs Grossetête, who is a member of the largest political grouping in the European Parliament, has also expressed to us certain demands and requirements, and I thank her for that.

I would now like to draw your attention, as fellow Europeans, to the fact that this is not just any moment in the history of Europe. Yesterday, we learned the result of the referendum in Spain, and we are delighted about this, but we shall also have a referendum in France. We shall have a referendum in the United Kingdom; I

talked about it today with Prime Minister Blair in London. What do you believe Europeans expect now? They want the institutions to work together; they do not have a very good understanding of the fine details of the debate or of the policies of the political groups. They want to know whether the European Commission, the European Parliament and the Council are working along the same lines and whether or not they are genuinely concerned about their problems.

I believe it would be highly inappropriate, at a time like this when very important referendums are taking place, for people to look at Europe and see, on the one hand, the Commission and, on the other, a number of large groups such as your great European Socialist grouping, and thus to be presented with an image of division. I have already addressed this very sincere appeal to some of you personally and I would like to repeat it. We should not abandon our ideas, of course, since we are all very attached to them, but it is possible to look beyond these ideas and reach a dynamic consensus in favour of the reforms Europe needs. I believe that this is genuinely possible.

(Applause)

The last issue relates to the criticism you expressed, Mr Schultz, of the statement I made about my country. As, moreover, you acknowledged, I did not, where this matter was concerned, fail to honour any obligation, because the Commission's code of conduct clearly allows Commissioners to be active members of political parties and unions. There was therefore no failure to honour obligations. All I did was express my solidarity with the party of which I was President for several years. What would have been a real political event in my country is if I had kept quiet! I would therefore thank you for not putting the question in the form of an attack against me personally for the position I took, because it was perfectly permissible for me to take that position.

You raised the possibility of the code of conduct's being revised in terms of the interinstitutional agreement. I would very much like to say that I am completely opposed to this idea, since our code of conduct stipulates that the members of the Commission may participate in an election campaign if they request authorisation to do so from the President of the Commission. The question you raised is therefore about what happens in the case of the President of the Commission. I must state that if the President of the Commission has the power to decide whether or not Commissioners can participate, then he also has that power in relation to himself. This is clearly laid down in the Treaty, Article 217 of which states, and I shall read it in English:

The members of the Commission shall carry out duties devolved upon them by the President under his authority.

(FR) The Treaty therefore clearly establishes the principle of the President's political leadership of the College and the principle of the President's authority. So to accept, by means of an interinstitutional agreement, a reduction in the authority of the President would be contrary to the Treaty as it stands, and to weaken the President of the Commission's authority would mean weakening the authority of the Commission itself.

We need a strong Commission. That is why I believe that your proposal is not a good one. I would draw the attention of all the political families to the fact that we, the European Parliament and the Commission, must strengthen each other on a mutual basis. We are the European institutions *par excellence*. We can do extraordinary things together, and we must therefore enhance each other's status. Personally, I try to enhance the status of the European Parliament in all my public statements, and not just in my statements. I would expect you to do the same, since we have great challenges to face together, and together we can win the day. However, we cannot do so by reducing the importance of the Commission and by asking the Commissioners to be civil servants. Instead, we must ask them to assume their political responsibilities, to exercise their citizenship and to express their preferences, always while working in a European spirit of course. As a citizen, I have the right to express my point of view about my own country. I have the right, like all European citizens, to vote in accordance with my opinions.

As President of the Commission, I will not discriminate. In fact, at your request, I received the leader of the opposition, who will become the Prime Minister of my country. I received him a few days before the beginning of the election campaign, because, as President of the Commission, I do not use my post to oppose any particular government and I do not distinguish between governments of the left and of the right. In fact, I believe that the Commission should represent the general European interest.

Having said that, the members of the Commission are political men and women. Perhaps some Members of this House do not like that. As citizens, we have rights, however. We have the right to express ourselves, and that is a fundamental right. That is why I do not accept your criticism in this regard. I would like to point

out that we all need strong European institutions. This institution – the Commission – must be strong and must work with a strong Parliament, firmly committed to change and reforms and with the sense of balance that is at the heart of our Europe.

(Applause)

President. I have received six motions for resolutions to wind up the debate pursuant to Rule 103 of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday at 12 noon.

14. World Social Forum, World Economic Forum

President. The next item is the Commission statement on the World Social Forum and the World Economic Forum.

Barroso, President of the Commission. Mr President, perhaps I am breaching the working time directive this evening!

Over the coming years we will do much together that could help shape the world in which we live. This is a unique chance to address a unique phenomenon. Managing the impact of globalisation, both at home and across the world, represents an unprecedented challenge. If we get it right, we can offer billions of people a decent chance in life, tackling extreme poverty, fighting disease and hunger, promoting good governance and supporting development and inclusion, with the structures and financial means to bring them about. If we fail, we will sow the seeds of continuing injustice, division and instability. That is why this Commission has proposed a programme which is as relevant to Europe as it is to our partners around the world. It is designed to spread prosperity, strengthen solidarity and offer security.

We must offer an internal and an external response. Inside the Union, we must boost cohesion and deliver the full potential of our recent and future enlargements. Through our social agenda we must continue to fight exclusion and poverty; we must help more people find work in a dynamic and growing economy; and we must change attitudes and behaviour, supporting our goal of sustainable development by taking ambitious action. Outside the Union, we must pursue the Millennium Development Goals with renewed energy and imagination. Creating this fresh momentum is a key goal of our ongoing review of sustainable development, ensuring that our internal and external actions are better coordinated.

As Europeans, our shared values and experience can be a major force for improving the quality of life of billions of people around the globe. Our unique model of cooperation is inspiring regional cooperation, for example the development of the African Union. It ensures that our voice is listened to when it comes to reforming international institutions.

Last week, the Kyoto Protocol entered into force. Kyoto is a good example of our ability to bring a European perspective to helping shape developments at a global level. Kyoto and the Millennium Development Goals also highlight the dilemma we face. We must deliver effective action at a global level, but we must also drum up wide support for our proposed action among countries and civil society.

That is the new reality of global governance that is taking shape. It is defined as much by our formal gatherings in the WTO, the World Bank, the G8 as by the more informal settings provided by the World Social Forum or the World Economic Forum. That is why I welcome our debate today.

Both Porto Alegre and Davos stand as symbols of one real benefit of globalisation: our ability to engage in continued dialogue at an international level with regard to the type of society we want. This possibility is giving more people a voice in shaping our future. While such meetings do not necessarily set a political agenda, they act as a sounding board for a broad spectrum of public opinion.

Let me elaborate on the events in Davos and Porto Alegre. This year, I participated in the event at Davos; next year I hope the Commission will be able to join the 150 000 people attending the World Social Forum. Fortunately, in Davos I was able to talk about Porto Alegre in detail with President Lula of Brazil, a good friend of mine. I have great respect for his vision and commitment to making globalisation work and reducing global disparities. Our discussions gave me a sense of the mood in Porto Alegre. One thing which struck me

above all else is how the agenda of both gatherings are tending to converge. Davos was not a hotbed of neo-liberalism, nor was Porto Alegre simply an anti-Davos demonstration.

Among other issues, the discussions focused on the fight against poverty, the situation in Africa, the role of trade and economic dynamism in spreading prosperity and opportunity, the need for a sustainable path for global development and the challenges of global security. I could draw a number of lessons from what I heard.

First, we should not deny that, while the agenda are converging, the two audiences are looking at the issues involved from different angles. Nevertheless, the representation of civil society is increasing in the World Economic Forum, and there is a broadening range of participants in the World Social Forum.

I took two key messages away with me from Davos. First, we must act together to solve global problems ranging from poverty and development to climate change. I was proud to see that European leaders such as Jacques Chirac, Tony Blair and Gerhard Schröder were ready to set the pace. They took the initiative to propose some important ideas.

Second, we need to light the flame of economic dynamism to stimulate reform around the world, not as a goal in itself, but as the best means of offering more people the chance of a decent life. We can turn globalisation into an advantage. European leadership is required to face the challenges arising from globalisation.

Finally, Europe can do a lot, but we can certainly achieve more if we are able to act together with other partners to address global challenges. This is the message that I will pass on to President George Bush tomorrow.

(FR) Mr President, ladies and gentlemen, we must find the means to ensure that the commitment of the participants in the World Economic Forum and the World Social Forum bears fruit. Europe must provide a link between the very different perceptions of the possible consequences of globalisation. In this regard, I would like to respond in several ways.

First of all, the European Union is, and must remain, an ambitious player on the world stage. It is the largest integrated market. Its gross domestic product is the largest in the world and it is the world's top player in international trade. We, the European Union, are the largest provider of international aid and, as the tsunami tragedy has demonstrated, we are prepared to show solidarity. Thanks to the euro in particular, we are a key partner in the field of international financial relations. We must use our network of bilateral relations to move things forward, to encourage change and to promote respect for fundamental rights and freedoms.

Furthermore, if we acknowledge that we are a world player and that our ambition is to play a decisive role, we must champion an effective form of multilateralism. We must continue to promote the development of a world order founded upon the rule of law, but that rule of law must not just serve the interests of the rich western countries. We must demonstrate solidarity.

This is why we are expressing our commitment to the United Nations, our determination to seek creative international solutions in order to improve prospects in Africa – as I have said, Africa will be our priority – and our desire to promote the quick completion of the Doha development round.

Finally, the European Union must mobilise a wide range of political instruments aimed at improving the fate of our neighbours in the world. We must take the best advantage of the new possibilities offered to us by the Constitution thanks to the creation of the post of foreign affairs minister and of a European foreign action service.

We must, however, also focus our attention on the priorities and achieve concrete results. These objectives will be reflected in the initiatives we take, such as reviewing the European Union's approaches to sustainable development and preparing the review of the Millennium development objectives. They are objectives that already form an integral part of the European Union's partnership for growth and employment, which I launched at the beginning of this month.

I shall conclude now. The European Union is a world player. We must accept that responsibility. We must contribute actively to defining the new world order and enhance international governance founded upon the rule of law. Europe has a very specific contribution to make. We must strengthen the European Union as a civil power. We must ensure that the ideas of peace and democracy and the principles of the market

economy are disseminated throughout the world: the principles of open societies. We have the instruments needed to make a real difference.

The European Union must, therefore, respond to the hopes placed in us both by our citizens and by our international partners, whether it be in Davos or in Porto Alegre.

Deva (PPE-DE), on behalf of the PPE-DE Group. – Mr President, earlier we heard an excellent speech from the President of the Commission on how we need to work together and cooperate to make Europe the most competitive and economically prosperous entity on the globe. We are facing challenges from China, India, Brazil and other countries. We have heard a clarion call from the President asking us to throw out the old models and to create new ones in order to compete.

In that context I want to say that we agree that the World Economic Forum was a tremendous success, as global representatives from governments, businesses and civil society managed to agree on a coherent set of principles for action: matching global trade with sustainable development. Many of these – such as concrete measures to liberalise trade and accelerate aid to the poorest countries – will be of great benefit in helping to achieve the Millennium Development Goals. I wish to take this opportunity to congratulate all those involved in the World Economic Forum.

At this point, however, and less diplomatically than the President of the Commission, I must also make some remarks about the World Social Forum, which proved to be something of a disappointment by comparison. Poverty reduction is the largest of the Millennium Development Goals and, as one main aim of the World Social Forum's participants, one would have expected the Forum to produce some concrete recommendations as to how this might be achieved.

Yet even journalists who were generally in favour of the World Social Forum had to admit that its basic objective was not to produce a unified document suggesting concrete ideas for fear of spoiling the diversity of opinions, and that the resulting proposals contain many contradictions. We in the European Parliament respect diversity and want to hear the views of world social experts as part of our commitment to achieving the Millennium Development Goals. But, logically, we cannot do both simultaneously – one thing and its opposite. I would, therefore, call for more unified proposals from the World Social Forum in the hope of achieving those goals more rapidly and without wasting further time.

In this regard I was also disappointed that, as the President of the Commission said, although we are the largest economy there were very few people from the European Parliament in the World Economic Forum. Do the people who are arranging these matters consider that the elected representatives of the people of Europe are also important in the decision-making process of the World Economic Forum?

Désir (PSE), on behalf of the PSE Group. – (FR) Mr President, I would first of all like to say how delighted I am that a debate with the Commission, represented by yourself, Mr President of the Commission, can take place in this Parliament the day after the World Social Forum and the World Economic Forum. I believe that it is a sign of recognition by this House of the World Social Forum which, when it was created in 2001, was portrayed by many as an ineffective gathering for challenging globalisation.

In reality, social forums and the movements that promote them have revolutionised the debate on globalisation. They have popularised many issues and positive proposals which are now debated in all international bodies including, increasingly, within the World Economic Forum in Davos. When I say that, I am thinking about access to global public assets, the creation of global taxes, the cancellation of debt, the reform of the international financial institutions and the latter's need for transparency.

I believe that one of the other important contributions of the social forums has been to root the challenge to liberal globalisation, to the economic and social injustices it creates and to its often destructive consequences for the ecological balance of the planet, not in the false belief that national or sovereigntist solutions had to be found, and not in a rejection of the very idea of globalisation, but in the view that globalisation and its rules and institutions must be transformed, in order to allow for a different kind of globalisation, a globalisation of solidarity, of democratic triumphs and of human rights, a globalisation that guarantees the right of all peoples to development, justice and peace.

For the European Union, this new world civil society is a source of support, because its aspirations coincide with objectives that the Union has established for itself at international level. However, it is not enough to take pleasure in its emergence. Our policies and decisions should reflect its demands and its aspirations in practical ways. So we must demonstrate that Europe can make a difference, as you have said. We must

demonstrate – and we are doing so in certain fields, such as with the Kyoto Protocol, which you have mentioned – that we really are able to transform international policies.

In the social field, as in other fields, such as those we have just been talking about, declarations of love are not enough; we also need demonstrations of love. Today, 21 Member States have not yet fulfilled their promise to provide 0.7% of gross domestic product in development aid. A global tax is today being discussed. I am pleased about that, and many Member States have signed the New York declaration of September 2004, but unfortunately the reticence of some nations is being used as an excuse not to take any decision.

I would, therefore, like to make the following proposal: that the Union, by means of the Commission, should help those Member States that wish to commit themselves by means, if necessary, of enhanced cooperation, so that they do not remain blocked by the reticence of some nations to implement, from now on, a tax dedicated to international development funding. It could be used in the fight against AIDS, because a recent Council document indicates that, if nothing is done between now and 2010, a fifth of the active population in five of the developing countries most affected is going to disappear. Take the initiative, Mr President of the Commission. Show that Europe can indeed move on from statements to actions.

Koch-Mehrin (ALDE), on behalf of the ALDE Group. – (DE) Ladies and gentlemen, the meeting of the World Economic Forum in Davos was a resounding success. The global elite from the business, political and academic communities made it clear that they are fully aware of their responsibility for the problems in the world and that they are willing to act. Bono, the lead singer of the Irish band U2, summed this up very succinctly: if you want money and if you want help, he said, you must talk to those who can give money and provide help. What makes the Davos meeting so important and so useful is that it brings these very people together. The same cannot necessarily be said of the World Social Forum, and the outcome of the latter, I believe, is also far more open to criticism.

It may have surprised the critics to learn that the main topics in Davos were Africa, problems relating to the worldwide growth of poverty, how to shape the globalisation process in such a way that everyone derives some benefit from it and how to bring about fair world trade. We in the Group of the Alliance of Liberals and Democrats for Europe are convinced that free trade is the best development aid. Free trade is what helps countries that want to develop, and free trade is also what motivates developing countries to become increasingly competitive.

The EU should lead the way here. In particular, it should put free trade on the agenda, especially in areas where trade barriers still exist, namely areas covered by its agricultural policy. We in the Group of the Alliance of Liberals and Democrats for Europe are also vehemently opposed to the introduction of any global tax on financial transactions. Making ourselves poorer in this way would not help the poor to become richer. It is also illusory to believe that solidarity is fostered by introducing new taxes, in other words by imposing what is tantamount to a financial penalty on those who are actually supposed to help.

No, the real way to create solidarity is through a worldwide change in people's perceptions and, quite simply, through willingness to adopt other measures of assistance. We therefore support the priority given to the issue of debt cancellation and find it an eminently sensible course of action, and we believe that those countries which are moving towards democratisation and which are committed to the introduction of sustainable and free economies should be eligible for full debt cancellation.

Such forms of aid, however, will have no long-term impact if they are only one-off gestures. For this reason, let me repeat that free trade is what both the developing and the developed countries need most and what will enable us to progress. If we want world trade to be fairer, our foremost aim should be to make it freer.

Aubert (Verts/ALE), on behalf of the Verts/ALE Group. – (FR) Mr President, it goes without saying that I agree with practically nothing the previous Member said and, like many Members of this House, I attended the World Social Forum in Porto Alegre. At this point, it is not a question of competing to see who is in the best position to combat poverty, but of seeing things as they are.

On the one hand, the World Social Forum was an enormous success this year – 155 000 participants, 135 countries; that is considerable – and it has taken on a new tone since, on a certain number of issues – social, environmental, economic, financial – many networks have continued to be put in place and have done extremely serious work, in an extremely concrete manner, in order, specifically, to produce a number of proposals which have yet to be developed, but which are very real.

On the other hand, the World Social Forum does not just consist of NGOs, it also includes parliamentarians – the Parliamentarians' Forum – and local elected representatives, of which there were also many this year, who have discussed district and local authority policies in response to the challenges we are facing. Very dynamic, enthusiastic and hard-working young people are also extremely well represented, and I do not believe we can casually sweep aside such dynamism and vitality.

In reality, the World Social Forum has two aims. Firstly, to explain that free trade cannot provide a response to the increasing social inequalities. They are not increasing because of a scourge which has merely come out of the blue, but rather because the policies being implemented over recent years in the fields of structural adjustment and of reducing public spending have led to increasing inequalities and poverty and to increased deterioration of the environment and of the planet as a whole.

The second aim is to propose an alternative to the current development model and reject the presentation of world free trade as a panacea and a miracle cure for everything. It is clearly not these things. All the bodies of the United Nations indicate that the situation is deteriorating today.

Finally, whether we are talking about Porto Alegre or Davos, what we need is practical action. We must no longer be content with words, images and positions adopted. We need very practical and precise commitments, a work plan. Mr President of the Commission, that is something else we expect from you who are, together with the Commission – and with us all – in a position to take decisions: not just good intentions or Millennium objectives, but also extremely specific proposals.

Pflüger (GUE/NGL), on behalf of the GUE/NGL Group. – (DE) I should like to start by saying that I am delighted that this debate is taking place, as it is one that I think is urgently needed. Although there has been a great deal of empty talk – particularly on the part of Mr Barroso – it is fashionable nowadays to use impressive-sounding phrases while continuing to pursue the same policies as before. This sort of behaviour is quite typical of the World Economic Forum in Davos, and, indeed, the phrase I would use to describe this Forum was coined by the well-known academic, Elmar Altvater; he described it as a big show, and, unfortunately, a rather unproductive one.

Yet it is interesting to note that there has been a change in the terminology used at the Forum and in the issues with which it deals. It would be no exaggeration to say that it is increasingly the critics of the World Economic Forum who are setting its agenda; these critics met at the World Social Forum in Porto Alegre, where 150 000 people held debates and protested against neo-liberal and neo-imperial policies.

The Social Forum movement is of crucial importance in terms of opposition to both globalisation and war. The World Social Forum saw a large number of very pragmatic debates held on issues ranging from human rights for all – not only for people in Western countries – to the protection of public property, as well as debates held in protest at cuts in social services, in protest at the war, in protest at debt – with particular reference to the question of when the debts of the countries affected by the tsunami will finally be cancelled – and in protest at poverty. Environmental issues also featured heavily on the agenda, and I took part in a forum on water, for example.

I should like to make it quite clear – and this is a point that must be stressed – that the participants of the World Social Forum levelled their criticism and protests not only at US policy, but also at the policies of the European Commission and the European Council. By following a similar path to that of the United States – or in other words following in the wrong footsteps – the European Union is losing ever more credibility in these circles. The participants of the World Social Forum did not wish to play the game that we see the European Council, the Commission and a great many Members of this House playing time and time again; looking askance at the USA whilst talking up their own policies. Can something along the lines of the Bolkestein directive be a genuine alternative to US policies? The answer to this must be 'no', as it is a neo-liberal programme. Can it be a genuine alternative to enshrine, as has been done in the EU Constitutional Treaty, a commitment to armament or an open market economy with free competition? The answer to this must also be 'no'.

Mr Barroso, you said that the EU is a global player, but the key question that needs to be asked is what kind of a global player it is. It must be made quite clear that free trade is not a foolproof way of reacting appropriately to the kind of policies that are currently being pursued. Instead, real debt relief must be provided; there must be a move away from neo-liberal and economically liberal policies, and the whole process must not go hand in hand with the militarisation of the European Union.

I should like to close with a quote from a declaration adopted at the Forum, one that calls for an immediate withdrawal of troops from Iraq and expresses support for all efforts to bring them home. 'We support efforts to organise soldiers, conscientious objectors and military families against the war. We support the counter-recruitment campaign and demand political asylum for deserters.' The message could not be clearer.

Mann, Thomas (PPE-DE). – (DE) Mr President, globalisation would, in an ideal world, be the key to greater competitiveness, growth and improved living conditions. It is not only in recent times, though, that reality has had a different tale to tell, and this makes it even more important that the World Economic Forum in Davos and the World Social Forum in Porto Alegre should examine, on a regular basis, the methods employed by globalisation and the effects resulting from it. The recent World Social Forum drew up over 350 proposals on globalisation, although I hope that these will be pruned down so that we are left with fewer, but more meaningful recommendations. If action is to be effective, principles must be thought through with crystalline clarity.

Three priorities were proposed by the World Economic Forum; the reduction of greenhouse gases, more money for the poorest countries and the abolition of trade barriers through the WTO. What is missing from this list is corporate social responsibility, for which businesses themselves should be accountable. It is not only the economic weight of businesses that matters, but also the extent of their social activities. The turnover of the top multinational corporations is higher than the combined total of the budgets of the UN Member States.

It is safe to say that if Mr Ackermann of Deutsche Bank – a company that can certainly be considered a global player – had read this recommendation, he would not have announced a return on capital of 16% in the same breath as the loss of over 6 000 jobs. Those affected by his 'smart sourcing' method, view it as nothing but a combination of compulsive profit making and irresponsibility. 'Smart sourcing' has every chance of becoming 2005's least popular new phrase.

On a more positive note again, both the World Social Forum and the World Economic Forum are important platforms for inspiring debates. I therefore believe it to be necessary that both the President of the European Parliament and representatives from our specialist committees should participate in these forums in future. More than ever before, global elites need representatives of the people.

De Rossa (PSE). – Mr President, I was dismayed by President Barroso's contribution at the end of the debate on the presidency's programme – particularly his defence of his intervention in Portuguese politics. Mr Barroso, you are no longer a Portuguese politician: you are a European politician, selected by this Parliament and by the Council of all of the Member States to represent Europe. You cannot intervene in domestic politics as a Portuguese politician; that is not acceptable. Unless you understand that, you will weaken the Commission. Criticism of that position will not weaken the Commission but your actions will.

That is not unrelated to the issue that we are currently discussing in connection with the World Social Forum. An awful lot of people right round the world look to Europe as the only transnational, democratic institution that has the capacity to try to rein in the forces that they see destroying the world. If you cannot see the role of the Commission as a body that can transcend national politics and parties in a way that will give a lead to the hope expressed in the World Social Forum, then we are wasting our time here. I appeal to you to bear in mind that you represent Europe, not Portugal.

To take the example of the Services Directive – you say that you are committed to the European social model. We take your words at face value, but we will not accept them forever. We need to have a concrete example of your commitment. The only way, in my view, in which you can demonstrate your commitment is to extract the 'country of origin' principle, which directly attacks the European social model and which directly attacks the solidarity and *communautaire* approach to the development of a European single market.

I want a single market in services, but I will not accept the 'country of origin' principle, which will give us a lower level of social services and will undermine the faith that millions of people outside Europe place in us to lead the way in creating a better world.

Kuřakowski (ALDE). (PL) Mr President, ladies and gentlemen, I should like to thank Mr Barroso for his speech before this House. I do not want to go into detail, but I should like to focus on an issue that I believe to be of great significance, and perhaps even the greatest significance, in political terms.

Two fora have been held, an economic forum in the wealthy city of Davos, and a social forum in the poor city of Porto Alegre. What is worrying is that not enough attention was paid to social issues at the economic

forum, and that the 'social' forum is turning into a vehicle for questioning, and even challenging, the economic forum. Two approaches are emerging in the search for solutions to modern-day problems. The first of these involves looking for ways to develop the economy, whereas the second involves looking for ways to ensure social goals are attained, despite the fact that the two issues are intimately linked. Discussing economic and social issues separately amounts to a grave misunderstanding. I therefore believe that in future, instead of two global initiatives competing with each other, there should be a single economic and social world forum. This is where the European Union, and in particular the European Parliament and the European Commission, can play a role by pushing for such a forum in the future. I thank you for your attention.

Schlyter (Verts/ALE). (SV) Mr President, President Barroso, if you have to contravene the Working Time Directives, you can comfort yourself with the thought that it is, in any case, with the best of intentions, namely that of discussing global justice and the role of civil society.

In Porto Alegre, I was one of 155 000 delegates from 135 countries. At the same time, 20 Heads of State and 70 ministers met in Davos. Was any listening done in Davos, however? Perhaps from a theoretical European perspective it is possible to believe that free trade, capitalism and liberalisation constitute the solution to development problems.

The theory is not, however, consistent with the everyday lives of millions of people, and it is time that we began to adjust the theories to the reality, and not the other way around. It is time that trade became a tool for human beings, and not vice versa. We must stop demanding the liberalisation of water and other sensitive sectors in return for countries' being well treated.

President Barroso, when you meet President Bush and the EU Heads of Government, you can remind them of their 30 year-old promise to give 0.7% in aid. That aid would not even be needed if more of the profits from production in the developing countries were to stay in those countries.

You are sincerely welcome to attend the next World Social Forum, to be held somewhere in Africa. I can lend you a few fair-trade clothes made from environmentally friendly materials so that, one day, you can take part incognito, as an ordinary delegate, and genuinely experience the atmosphere there, without the interference of security guards. It is precisely that joy and that spirit of cooperation, without hierarchical structures, which exist between everyone in the World Social Forum, that offer hope for the future.

Karas (PPE-DE). – (DE) Mr President of the Commission, ladies and gentlemen, it is an unfortunate fact that what both our first debate today and the one we are now holding have in common is that they appear to be dominated by confrontation rather than cooperation. I would like to see the World Economic Forum and the World Social Forum merge, thus enabling us to talk to each other, rather than about each other.

Although you said, Mr President of the Commission, that the EU is a global player, I do believe that we have yet to become a global player rather than a global payer. Tomorrow will be an important step in this process, and I wish you the best of luck in this respect. The EU is needed, and it bears responsibility. We share responsibility, while yet being reliant on others; we both shape events and are affected by them. Our understanding of fundamental freedoms and human rights, our rejection of the death penalty, of child labour and of discrimination of any kind, our concept of what it means to be human; all these things know no borders, whether these be borders of countries or of continents, and it is in this sense that we also bear responsibility for what happens in the rest of the world.

The answer to globalisation must not come from Europe alone; what is needed is a debate on a model world order. We need a global code of ethics and global principles of action, in spite of the fact that different cultures exist. I therefore believe that we should speak up in favour of multilateralism, that we should support the initiative for a global Marshall Plan and that the EU should hold a UN conference, and that this House should call on churches throughout the world to convene an international ecumenical conference and to agree common principles of action. I believe that the European model of an environmentally friendly social market economy could become a worldwide hallmark of the EU, and that this would allow us to help change the unfair rules that currently govern the global economy.

(Applause)

Ford (PSE). – Mr President, the World Social Forum was originally initiated as a counterpoint to the World Economic Forum in Davos with the intention of trying to force social issues onto the globalisation agenda. At this, its fifth meeting, there are over 150 000 participants from 150 countries and, amongst the hundreds of meetings, representatives of the IMF and the World Bank face their critics for the first time.

These two institutions stand accused of imposing neo-conservative economic fundamentalism on the poorest countries in the world. Aid carries with it the poison pill of conditionality that forces the opening of the markets to privatisation of state assets, and the straitjacket of monetarist policies. This approach flies in the face of reality. The challenge to them is to name a country with a weak economy that has opened up and succeeded in developing its economy.

The two latest much-lauded success stories are India and China, neither of which has followed their prescriptions. Both protected their young, growing industries until they were capable of entering the global market. But even India has its downside. Its economy is booming but it is a pity about the poor. In 2003, 11 000 new millionaires were created in India, while 8 million people were unemployed and 50 million lived on less than a dollar a day.

What is to be done? In the next ten years 45 million children will die of poverty-related diseases, 12 million AIDS orphans will be produced in Africa, and 100 million children will remain totally illiterate. The World Bank claims it is merely carrying out the wishes of the 147 states which own it – a verbal sleight of hand. African countries do not impose conditionality on themselves, nor do the Latin-Americans. It is the G8 industrialised countries that make decisions, often led by their own self-serving agenda.

Yet the fact that the IMF and the World Bank are now 'talking the talk, but not walking the walk' suggests that pressure from civic society can have an impact. The World Bank is including poverty reduction programmes in its plans, and is expressing concern about countries such as Tanzania which spend more on debt servicing than either health or education.

China and India can force these issues onto the agenda and the fact that the European Union has more votes in the IMF than the United States suggests that the World Social Forum slogan 'Another world is possible' is achievable: with sufficient willpower and political commitment. It is for the NGOs and civic society to give Europe's politicians the necessary backbone.

Maaten (ALDE). – (NL) Mr President, whether gathered against the backdrop of the Swiss mountains or the Brazilian coast, I am convinced that all participants in the Davos and Porto Alegre conferences were united in the one goal of tackling poverty and economic development. It is therefore particularly pleasing to see that in Davos and in Porto Alegre, the crucial importance of liberalising world trade was recognised. Economic growth is the cornerstone of development in developing countries, whether we are dealing with climate change or guaranteeing good education. It follows on from this that I cannot emphasise strongly enough the need for the forthcoming Doha round to be a success, and the crucial role that the Commission and the Member States have to play in this. Whoever is serious about aid to the developing countries should not be blind to what goes wrong at home. Europe's tariff barriers are, to my mind, an example of how things should not be done. Alongside positive points, there are also a few negative points to be identified. The pleas for extra tax on international financial transactions, the famous Tobin tax, strike me as eccentric, as does the extra tax for multinational companies. I see no good in such measures. They put the cart before the horse. Those who strive towards freer world trade should not impose new rules at the same time.

Finally, I am surprised at those who promote unconditional debt cancellation for the developing countries. My group finds it simply unacceptable that this should be done without conditions being imposed. We believe that countries actively and successfully pursuing democracy and good governance should be able to count on support, but debt relief should not be granted without a commitment to that. The liberal priorities are freer world trade and the emphasis on economic development. That is the way to fight poverty and is, at the same time, the basis for an effective and affordable social safety net. It also allows us to pursue a more environmentally-friendly policy as a result. The question is: will we all go down together in apathetic solidarity, or will we opt for dynamism, innovation and progress? I welcome the leadership of the Commission President to opt for the latter. That, President Barroso, is a political role and we specifically want you to act politically. I consider your position in the Portuguese elections to be very justifiable, and your absence would, moreover, have been construed as complete disloyalty to your Portuguese heritage. I find your involvement very valid and I only regret that it did not benefit your Party more.

Kauppi (PPE-DE). – (FI) Mr President, President of the Commission, ladies and gentlemen, I had the honour of participating in the meeting of the World Economic Forum as part of the Young Global Leaders programme. I know that you, Mr Barroso, were 'Global Leader of Tomorrow' at one time, and now several Members of the European Parliament are involved in this programme for the young.

The Economic Forum was an excellent indication that world business wants to take responsibility for the global challenges facing us. On the opening day of the Forum, an interactive Global Town Hall discussion

was held. This was a seminar in which 700 decision-makers at Davos set priorities for the world's problems using Gallup polls, and discussed the challenges they presented.

When we consider the age, sex, places of residence and range of occupations of the participants, the results are quite astonishing. What, for example, would we imagine that men between the ages of 40 and 60, mainly from the EU or North America, and half of whom are business executives, think are the greatest challenges posed by globalisation? Would they be profitability in business, flexibility in employment, increased turnover, or the China phenomenon? Not at all. The greatest challenges, as proposed by this group, were the elimination of poverty, the establishment of equitable globalisation and the management of climate change.

Global responsibility has progressed a great deal when leading businessmen say that to eliminate poverty people have to go beyond their normal way of thinking, extend the benefits of globalisation to the poorest regions and create global leadership to combat climate change. It is also worth noting that there is genuine convergence between the views expressed in Europe and North America.

Globalisation does not appear in the end to be the sort of divisive factor that the left-hand side of this Chamber believes it to be. These issues would be at the top of the agenda if the Friends of the Earth organised a similar meeting. The World Economic Forum has also proposed concrete action and a timetable to respond to the challenges. I am certain that there are also initiatives connected with the World Social Forum on which we have the same views. As the objectives are common to both, it would be more sensible to aspire to them together rather than separately. We give you in the Commission our full support in this.

Arif (PSE). – (FR) Mr President, Commission President, ladies and gentlemen, some of us were in Porto Alegre a few days ago, either as part of our national responsibilities or, in my opinion more importantly, as part of the World Parliamentary Forum. I would therefore firstly like to thank my fellow Members who were in Porto Alegre, and in particular my colleague Harlem Désir, for the work they have done over many years to enable Europe to take part in this large-scale civic meeting.

Many commentators and participants shared the fear that this movement would run out of steam, but that has not been the case. The anti-globalisation movement has been able to redirect its activities and to define a new organisational method that has resulted in the World Social Forum being no longer just a platform for demands but also a platform for proposals. Moreover, the fact that the Davos Economic Forum discussed some of the subjects brought up in the world social forums proves that the questions asked there are ones that ask us all what sort of world we want.

Neither the World Social Forum nor the World Economic Forum in Davos, however, is a political actor that can, on its own, turn demands into political decisions. That is why a body like the European Parliament is duty-bound to pass on and lend powerful support to a number of initiatives, such as cancelling the debt of poor countries, increasing and improving public development aid, instituting a global tax, reforming international trade rules, combating tax evasion and tax havens and defending public services.

A number of Heads of State or Government have already taken initiatives, and other proposals will need to be put forward at the G8 summit. In this year, 2005, in which we will make an interim assessment of the implementation of the Millennium Objectives launched by the United Nations, these are all positive moves, provided they are not just more empty promises. That is why more than 100 organisations, NGOs, associations and trade unions will run a mobilisation and questioning campaign at global and European level this year. This campaign will speak out on the subjects of trade and poverty, in particular, and one of the first of its many initiatives will be a global action week for fairer trade next April.

We already know that, at the rate things are going, the Millennium Goals will not be achieved. It is therefore down to us to keep the promises made by others a long time ago, by supporting these initiatives and this global anti-poverty campaign in order to emphasise and demonstrate our desire for a better distribution of wealth, in a democratic and peaceful world. Politicians have let people down in the past. They may well do so in the future, but under no circumstances must they abandon the idea that they themselves have to fight for a fairer world, and translate this idea into action.

Barroso, President of the Commission. (PT) Mr President, I feel that this has been a very interesting debate on issues that are important to our common future. Your speeches, ladies and gentlemen, have confirmed the richness of the debate and have demonstrated the wide range of viewpoints on the subject of globalisation.

At this stage, I should like to highlight a point that I believe was also aired during Mr Désir's speech, concerning a degree of convergence that, despite everything, is becoming apparent – I mean regarding globalisation. At

first it appeared that there were two extreme positions: one consisting of seeing only the negative side of globalisation and the other, initially expressed in Porto Alegre, something of an all-out rejection of globalisation.

What we are seeing today – what is clearly visible – is that, at the Davos Forum, a certain effort at corporate social responsibility is being made and an increasingly strong emphasis is being placed on a programme for global government or governance. There is also an interest in taking on board some of the concerns expressed by so many non-governmental organisations and by so many protagonists of the movement that initially saw itself even as an anti-globalisation movement.

Many of those people originally in the anti-globalisation movement quickly realised that globalisation was inevitable. Today's globalisation is not the result of a decision made by any one country or group of countries, and nor is it a conspiracy on the part of a group of companies. Today's globalisation has much more to do with the trends of international trade and, in particular, the technological revolution, which no government really controls. Consequently, instead of just protesting against globalisation, many of these actors and protagonists have chosen, rightly in my view, to seek an alternative form of globalisation, and to try to incorporate some of their concerns into globalisation. That is our position. I welcome this because I feel that we can learn from both Davos and Porto Alegre, although proposals have been made in both places that cannot be taken very seriously. There are lessons to be learnt, however, from both processes.

With regard to Europe and the Commission, what can I tell you? We must, I feel, work on practical issues, from both an internal and an external perspective. From an internal perspective, are we in favour of cohesion or not? I am in favour of cohesion and the Commission is in favour of cohesion – economic, social and territorial – and I therefore appeal to you today, ladies and gentlemen, to help me and to help the Commission ensure that all EU governments are also in favour of cohesion and ready to offer their help with, for example, the financial perspective that we have been debating, because poverty does not only affect countries of the Southern Hemisphere, it also affects Europe. Europe now has greater disparities than ever before – and this is especially true of post-enlargement Europe. We need more advanced programmes in Europe to fight social exclusion. Accordingly, if we wish to conduct a coherent debate on the issue of cohesion, we must begin by seeking to implement cohesion – economic, social and territorial cohesion – here in Europe. This forms part of a fast-track approach that is vital for the Union.

Then there is the external perspective: what can the Commission and the EU do on the external stage? In this context, two areas that I think should not be seen as mutually incompatible or contradictory are those of international trade and development aid. Some remarks that I heard were against international trade on the grounds that international trade is, to some extent, the embodiment of the neoliberal model. Let me tell you once again that, in my conversations with the leaders of developing countries, the first request that almost all of them make is in the area of trade – they want greater access to the markets of more developed countries – and so we must also help these countries with regard to trade. It cannot therefore be said that trade and aid are irreconcilably incompatible. It is clear to me that we can and must do more for developing countries, in both of these areas. Yet we can also ask more of them, because when the EU and the EU Member States give considerable amounts of aid, as we do – worldwide, the EU is the biggest donor of development aid – we also have the right to demand good governance on the part of those countries and we want to know if the money given to them is being used properly and above board and if in fact the reforms aimed at better integrating those countries into international trade are being carried out. This is also a shared responsibility.

Let me tell you that the Commission wants to go further. We want to make a more ambitious contribution towards achieving the Millennium Objectives. As things stand, it is clear that we are only limited by the resources available. We therefore intend to continue to work with the Member States and with Parliament in order to set a more ambitious agenda in the area of development aid, above all by placing Africa at the forefront of our priorities, because Africa has structural problems that other regions have, to some degree, already overcome, particularly because of their more successful integration into international trade. I should like to assure you that the Commission and I would like to see an attitude of greater decisiveness and greater commitment to the aims of a global world, a fairer global world in which the EU must play a leading role in encouraging more responsible governance of our planet's resources and creating a fairer society on a global scale.

These are our values, and we are ready to fight for them.

President. I have received six motions for resolutions to wind up the debate pursuant to Rule 103 of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday at 12 noon.

15. Criminal record/Criminal justice

President. The next item is the joint debate on the following reports:

– (A6-0020/2005) by Antonio Di Pietro, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on the proposal for a Council decision on the exchange of information extracted from the criminal record [COM(2004)0664 – C6-0163/2004 – 2004/0238(CNS)];

– (A6-0036/2005) by António Costa, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, with a proposal for a European Parliament recommendation to the Council on the quality of criminal justice and the harmonisation of criminal law in the Member States [2005/2003(INI)].

Frattini, Vice-President of the Commission. – (IT) Mr President, ladies and gentlemen, on behalf of the Commission I should like to make some comments on both reports: the one tabled by Mr Costa and the one tabled by Mr Di Pietro. There are some important links between the two reports and the two initiatives. The first concerns the quality of criminal justice and the harmonisation of criminal legislation; the second, tabled by Mr Di Pietro, concerns a proposal regarding the exchange of information extracted from the criminal record.

It is my personal conviction, and one shared by the Commission as a whole, that the quality of justice is a fundamental element in the great project – now enshrined in the European Constitution – of creating a real European area of justice and freedom. It is obvious that the quality of justice is based on the principle whereby a Europe in which internal borders are disappearing has to ensure that the decisions made by its courts are, above all, enforced quickly and simply, because the response that people are awaiting depends on the credibility of the legal systems.

That principle obviously presupposes another, that is to say the principle upheld by those working on ‘mutual recognition’: a decision by a judge in one Member State can and must be recognised by the legal system of another Member State. That is the essential condition for establishing a European area of justice. Implementing such a principle of mutual recognition, however, requires a high level of mutual trust: there can be no mutual recognition without mutual trust among the judiciaries, the courts and the legal systems of the Member States. That is why the programme that the Commission is committed to carrying out contains a specific reference – requested by the European Council, by the way – to the quality of justice, which means decisions being enforced quickly and smoothly and implies a high level of mutual trust among the legal systems and judiciaries.

The rapporteur, Mr Costa, proposes creating a European mechanism for the evaluation of the quality of justice, a mechanism based on a Quality Charter for criminal justice. I think that is an interesting idea, since we know that in other, less sensitive areas, a mechanism for parallel evaluation and for monitoring the results of measures has worked and has helped to establish the principle of mutual trust. Thus the rapporteur’s proposal is an interesting one.

Besides, the Commission believes that on such a sensitive subject, which *inter alia* touches on Member States’ competences, it is necessary to set up an extensive consultation exercise and, above all, to listen to those involved. The Commission is working hard and will continue to work hard on both aspects, first of all by listening to the categories involved, that is to say the judges, the associations and the bodies representing the judiciary in the Member States. By the end of 2005 we intend to issue a preliminary communication on judicial training – that is, the training of judges – and then, in 2006, a communication on the evaluation of the quality of justice. We therefore intend to work along the lines suggested in Mr Costa’s report.

My final thought on this topic is that no mechanism for evaluating the quality of justice should bear upon or have a detrimental effect on the independence of the judiciary, either directly or indirectly. It would be a dreadful result if the principle of evaluating the quality of justice – which is a public service – should indirectly harm the independence of the judiciary, which is an essential requirement for providing the public with a quality service. A judiciary that is not independent certainly cannot be top quality. That, then, is why our aim will be to achieve high quality in justice while holding to the premise I have just mentioned: respect for the independence of our judicial systems and judiciaries.

With regard to Mr Di Pietro's report, mutual trust, as I have already said, is clearly an essential element in the quality of justice and is vital in making the mutual recognition of decisions and procedures work properly. It is clear, then, that the proposal for a decision on the exchange of information extracted from the criminal record – a Commission proposal made last October – is a good example, in my opinion, of the real importance of applying the principle of mutual trust.

You will all recall the Fourniret affair, the tragic case of paedophilia that was instrumental in making Europe respond more swiftly. That case showed how poorly the exchange of information between Member States on people's criminal records was working. We need strong measures. I am convinced that the text currently being examined, to which Mr Di Pietro has referred and will refer again, is just a first step. It is an urgent first step, for the short term. Clearly, the next step that the Commission is considering is to have a faster, computerised system for exchanging information, which, of course, must fully comply with personal data protection rules. Parliament will obviously have further opportunities to give its views on this more advanced proposal in the near future.

Clearly, in any case, we must now ensure that the register of criminal records in a person's Member State of origin works as well as possible so that, when it receives a request for information, the register in that Member State of origin can supply all the necessary answers about the situation without delay.

Better relations among the national authorities responsible for criminal records must therefore be established and, clearly, the Commission expects to achieve further improvements in the longer term. As you all know, we have adopted a White Paper which proposes a rather more effective information exchange mechanism. We will be listening to the responses to the questions raised in the White Paper.

To conclude, the Commission will work closely with Parliament in permanent collaboration, because in exchanging information we have to find the right balance between the need for security, the need to protect people's right to be safe, and people's fundamental rights. In that respect I should like to refer once again to personal data protection, because such a balance will need to be debated very thoroughly here in Parliament.

Di Pietro (ALDE), rapporteur. – (IT) Mr President, Commissioner, ladies and gentlemen, I am called upon to explain my report on the proposal for a Council decision on the exchange of information extracted from the criminal record. This proposal – as Mr Frattini has rightly stated – constitutes just a first step, which needs to be taken urgently.

The aim of this proposal for a decision will obviously be supported by everybody; the Group of the Alliance of Liberals and Democrats for Europe – to which I have the honour of belonging – certainly supports it fully, as does the Committee on Civil Liberties, Justice and Home Affairs, which gave the Council proposal in question its almost unanimous approval.

The aim is to improve the quality of justice in Italy, in Europe and in all the Member States. The tangible measure put forward in the proposal for a decision is to share the information contained in criminal records. In fact, such sharing was already provided for in the 1959 Convention. Technically, however, it is difficult to make such an exchange of information work and to keep it up to date, since at present, under the 1959 Convention, information is only networked once a year and requests are made without a pre-established time limit. The Council proposal thus has the benefit of making information available more promptly, until, of course, the computerised system that the Commissioner mentioned can provide the information even more quickly, virtually on line.

I should like to clear up a misunderstanding on the part of those who see a problem in the relationship between data checking and privacy. Criminal record data are for criminals as medical records are for the sick: they are factual data. The problem is who uses such data and how they use them. To that end we ask that the data should only be used by judicial authorities and with other judicial authorities, and only in relation to unappealable convictions. That is why the Council was right to include the concepts of 'criminal record' and 'unappealable conviction' among the terms to be defined prior to such decisions.

I therefore agree with this work in progress, which is to be put into effect while we await the decisions that will be coming in the White Paper, just as I also agree with the principles that you have just enumerated, Commissioner. You said that these decisions and, more generally, the recommendations that Parliament is preparing to make should depend on two principles, which I believe we can all subscribe to and which I certainly subscribe to, as you do. The first is that the decisions of the courts should be enforced quickly. The second principle – as you said – is that there should be mutual recognition of and mutual trust in the decisions

made by courts in each individual country. Thirdly, you said that any evaluation of the quality of the work done by the courts must not affect the independence of the judiciary.

I fully agree with that view, Commissioner, and I would therefore ask you to have the Commission move on to more concrete measures relating to such issues. In particular, as well as listening, I would ask you to state what you will do if a Member State shows that it has no confidence in the courts so that, for instance, there is a Member State which has not yet implemented the European arrest warrant.

We therefore explicitly request that, when similar topics are debated, the Commission should put pressure on Member States that have not yet implemented them, otherwise it might be thought that those Member States have no confidence in the decisions of other courts and other Member States and that they do not intend to implement the courts' decisions straight away at all.

Similarly, we believe you are right to say that the independence of the judiciary must be respected, but we would also like to know what the Commission proposes to do when even members of the government in a particular Member State do not respect the judiciary and go so far as to make a mockery of it in the courts themselves. I believe, then, that the Commission also has the duty to issue directives and recommendations, so that the efforts we are making to improve the quality of justice in Europe and in the Member States are not derailed by a particular Member State for its own very special reasons.

Costa, António (PSE), rapporteur. – (PT) Mr President, Mr Frattini, ladies and gentlemen, implementing the area of freedom, security and justice is one of the most stimulating challenges facing the EU, of which the most important element, as we proposed in the Hague Programme, is the need to ensure high quality justice throughout Union territory, without prejudice to the plurality of the existing judicial systems in the 25 Member States.

In accordance with the Hague Programme, as is already the case with Tampere, the cornerstone in building the area of freedom, security and justice is mutual recognition, as Mr Frattini has just reminded us. In order for mutual recognition to exist, however, there must also be mutual trust, and, as Mr Di Pietro highlighted just now, mutual trust is not a matter of faith. Mutual trust must be built up and must work effectively. We must acknowledge that among our 25 Member States – among the judicial authorities of our 25 Member States – such mutual trust does not exist to a satisfactory degree. Mutual trust must be stepped up. I therefore begin this initiative report by proposing that there should be a mutual evaluation mechanism among the various Member States. Clearly, such a mechanism will respect the independence of judicial authority, and will involve the national parliaments and the judiciary's governing bodies. Accordingly, our evaluation will be the result of a broad range of views on the quality of criminal justice in each of the Member States.

Secondly, I feel that it is crucial that this evaluation should be an objective evaluation, and in order for this to be the case I propose that a Quality Charter for Criminal Justice should be created. The Charter should be created on the basis of the interpretation of the right to a judge in the European Declaration of Human Rights, on the Charter of Fundamental Rights, in accordance with the case law of the European Court of Human Rights and the Court of Justice of the European Communities, and on the basis of both United Nations and Council of Europe recommendations. This Quality Charter must act as an objective reference framework enabling evaluation of the different criminal justice systems in the different Member States. In this way, we can spread best practice, we can have benchmarking exercises and we can ensure that all European citizens, wherever they may be in EU territory, enjoy high standards of quality.

We are all aware, however, that in addition to mutual recognition, there must also be a minimum level of harmonisation. The Council has set out the criterion for the harmonisation of material criminal law, and our report proposes that we endorse the Council's proposal. The Council has called on the Commission to prepare for harmonisation of the list of offences referred to in the Constitutional Treaty at the earliest opportunity, so that by the time the Constitutional Treaty enters into force the preparatory work will have been completed and the Council can quickly, in conjunction with Parliament, adopt the harmonisation standards called for in the new Treaty.

With regard to procedural law, we feel that we must be selective, yet ambitious as to the scope of our action. We therefore propose four key areas: firstly, the harmonisation of standards relating to the gathering and assessment of key evidence, an issue that the Commission has said it is already working on; secondly, harmonisation enabling sentences to be served, and ensuring that any preventative measures applied are executed; thirdly, the minimum rights of detainees in any Member State; and, finally, the consideration of further conviction in respect of acts already subject to harmonisation measures.

With this report Parliament calls on the Council and the Commission to speed up their work so that all of us, working together, can make a contribution to an area of freedom, security and justice with higher quality criminal justice in Europe.

Brejc, Mihael (PPE-DE). (SL) Thank you, Mr President. In the political documents of the Group of the European People's Party (Christian Democrats) and European Democrats, for example the documents from the congress and other documents of our party in the European Parliament, we stress the importance of the security of people and their property; after all, we promised this to our electorate. On the other hand we are faced with a growth in increasingly serious forms of crime and terrorist acts.

It is entirely clear that no individual Member State of the European Union can alone ensure its own security any longer. We need cooperation and joint action, and we need to seek out and promote all those activities that enhance our security. In this sense my group supports the proposed Council decision on the exchange of data generated from criminal records, as well as the report of rapporteur Mr di Pietro.

We are somewhat surprised, however, that the Commission only intends to establish a new computer system for data exchange between 2008 and 2010. I have the feeling that the exchange of data is more a political than a technical question, for if serious political will exists, then the Commission should speed up the construction of an adequate information technology system, since it is clear to anyone that we are in the information age and that construction of an adequate information technology system cannot be such a complicated issue. Obviously this is being impeded by some other, weightier issues, such as trust or the quality of individual branches of power. In this regard I propose to the Commission that it does indeed speed up the construction of the information technology system. Thank you.

Roure (PSE). – (FR) Mr President, Commissioner, ladies and gentlemen, the main concern of European citizens is that the European Union should guarantee them a high standard of living and protect their rights. We must therefore ensure that all European citizens benefit from the same rights, the same quality of justice and the same access to justice, wherever they are in Europe. In this context, it is vital to improve judicial cooperation in criminal and civil matters. In addition, freedom of movement in Europe enables criminal networks to profit from the opening up of the European Union's internal borders while at the same time exploiting the lack of European coordination with regard to justice and thus evading capture. We must therefore now adopt the necessary mechanisms to meet the new challenges now facing European judicial cooperation.

The exchange of information extracted from the criminal record provides European magistrates with specific mechanisms making it possible to speed up proceedings so that criminals do not go unpunished. For example, it will be possible, as you say, to put an end to known cases of paedophilia more quickly. Such mechanisms and practical measures must be put in place in order to improve mutual trust in Europe's judicial systems, which is an absolute necessity. This is because the current lack of trust constitutes a major barrier to achieving mutual recognition of current practices and to reaching an appropriate level of approximation of judicial systems. I also join with António Costa in calling on the Commission to put forward proposals based on the principles of mutual recognition of decisions and of minimum harmonisation.

Finally, I would like to take this opportunity to express my pleasure at the proposal to extend judicial cooperation to certain aspects of family law, which is included in the legislative programme for 2005. I very much hope that we will continue working along these lines.

IN THE CHAIR: MR FRIEDRICH

Vice-President

Duquesne (ALDE). – (FR) Mr President, Commissioner, ladies and gentlemen, I would like to begin by congratulating the rapporteur, Mr Costa, on his report and on the excellent conclusions that he set out, which, by the way, have been approved almost unanimously by the Committee on Civil Liberties, Justice and Home Affairs.

In my opinion, this report sends a strong signal from Parliament to the Commission and the Council. It bears witness to our desire to ensure a higher quality of justice for all European citizens, I would even say for anyone within the territory of the European Union, thanks in particular to the Quality Charter for criminal justice and to the proposed evaluation system. Mutual recognition of decisions taken in criminal matters in the various Member States assumes that all the States have confidence in each other's judicial systems. That is

why we need to define common basic standards that are better harmonised whilst maintaining justified diversity, as Mr Costa has reiterated.

This is more than just procedure, however. Ensuring and checking that judges are properly trained, open-minded, level-headed, alert, efficient, conscientious and able to manage the existing means as well as possible clearly does not run counter to the essential independence they must have. We need to increase the transparency of the justice system and improve people's perception of the working methods of judges, who sometimes suffer from a lack of credibility and trust.

Finally, I believe it is essential for us to ensure that our recommendations are followed up. We need action, not just intentions, Commissioner. That is why it is important to set up a follow-up committee made up of experts, magistrates, lawyers, users of the justice system and representatives of national parliaments with the task of assessing and evaluating the way in which our recommendations are put into effect. If we manage to implement these recommendations, we shall genuinely succeed in making the European Union a State under the rule of law. These are issues that are essential to the functioning of our democracies, respect for the law and respect for citizens' rights.

With regard to Mr Di Pietro's excellent report, I completely agree with the analysis and proposals that it contains, but I would like to stress the fact that the proposal put forward is modest, is limited to the current legal framework, which dates back to 1959, and therefore does not meet the need for the provision of information regarding criminal records. I think there was a desire to respond to the emotions aroused by the Fourniret case. We will wait impatiently, as Mr Frattini announced, for more general proposals, which are essential if we are to combat terrorism, serious crime and crime in general more effectively. The small step we have taken does not release us from moving rapidly on.

Buitenweg (Verts/ALE). – (NL) Mr President, this evening, we are once again discussing the magic word 'mutual recognition' as the cornerstone of European judicial cooperation. It does, of course, presuppose that the Member States work together effectively, that they can look beyond their own borders and know how things are done elsewhere, that they are also agreed on a number of basic standards, for example in terms of law of criminal procedure and, above all, build on the trust in each other and on the reasons why they can indeed trust in each other. Mr Costa's proposal is of particular importance for building confidence in efficiency and sound administration of justice, whereas the main thrust of Mr Di Pietro's report is to improve cooperation in terms of information. My group gives its wholehearted support to both reports and I would like to thank you warmly for all the work you have done on these and the pleasant cooperation, but much more is needed than these small steps forward. There is a host of new proposals in the making, and they all constitute small steps forward, on paper anyway, for in my experience, Member States very often put the brakes on. To them, the idea of mutual recognition mainly appears to be a way of not having to change anything at national level. We all tend to be interested only in our own patch, and others have to respect the decisions that are made about it. I can tell you that my group is not afraid of looking further afield, although we are a little hesitant about this enormous host of new rules, for such quantities often affect transparency, the defences of people who are forever being faced with changes, and also the clarity of what we are doing here. I can say that my group is in favour of a European Public Prosecutor's office; we are in favour of a European criminal code, of Europe-wide rights for suspects and for victims, of the sharing of information and, above all, in favour of a hefty investment in the in-depth training of all police and judicial officers in European cooperation. The fact is that, ultimately, it is on the workforce, rather than here, that this will need to be put into practice. I hope that we can all join forces in a major effort, including a financial injection, in order to ensure that everyone is well-informed about this.

Krarup (GUE/NGL). – (DA) Mr President, both reports are expressions of the well-known ambition to extend the power of the EU institutions at the expense both of the Member States and ultimately, therefore, of democracy

Of Mr Di Pietro's report, I can only say that it concerns a matter belonging within the remit of the Council of Europe and not of the EU.

Mr Costa's report is full of fine-sounding idealism, but the ideals and the good intentions suffer from the unfortunate defect of generally lacking a basis in reality. I would first of all point to the fact that, in a number of Member States, criminal procedure and the prison systems contain numerous gross infringements of fundamental human rights. Should not reality be cultivated over and above airy ideals? The report's single ambition is to cultivate mutual trust in the principle of mutual recognition of the other Member States' legal decisions. Yes, but what if the Polish, Greek or Italian judge, counsel for the prosecution or prison authority

does not deserve to be trusted? What matters is surely what happens in reality. The report's second objective is to force the Member States to punish specific acts, as per Article 271 of the Constitution. If reality had had a role to play and if the criminologists had been asked, a clear answer would have been received. What we have here is, at worst, barbarism and, at best, arbitrariness.

Borghesio (IND/DEM). – (IT) Mr President, ladies and gentlemen, we have talked about the quality of justice and we have examined the report, which seems to be based on an attempt to bring forward the Treaty provisions, particularly Article III-271 on the assessment of particularly serious criminal acts, such as those connected with terrorism.

It is fair to ask, then, whether we are not pushing ahead too far with this rather optimistic vision of the quality of justice and mutual recognition of judiciaries. Indeed, precisely on the sensitive subject of terrorism, some very serious things are happening, such as decision number 2849104 by the judge for pre-trial hearings in Milan, Dr Forleo, on the subject of terrorism. The decision, concerning the activities of some people charged with terrorism (whose names were placed on both the United Nations and the European Union lists), makes a strange distinction, invented by the judge herself, between terrorists and guerrillas. The judge in question specifically writes that 'violent or guerrilla activities, even if carried out by armed forces other than regular forces, cannot be prosecuted even under international law, provided there is no breach of international humanitarian law'.

We are faced with Community laws on terrorism that have been stripped of meaning. We are faced with the betrayal of the civilised stand against terrorism adopted by Europe – including in this Chamber. It is a very serious matter, and I feel it is my duty to condemn it.

Libicki (UEN). (PL) Many thanks, Mr President. Mr President, ladies and gentlemen, when debates on accession to the European Union were held in the new Member States, including my country, Poland, the key arguments we put forward related not only to economic growth and national security, but also to personal security. This issue is all the more important because crime is rising throughout Europe, unfortunately also in the new Member States, and radical measures must be taken to stem this constant rise. A great many new types of crime have appeared, for example the well-publicised problem of Internet crime, and all these developments mean that new regulations are required. They also mean that there is a need for harmonisation, and this is why we welcome both Mr Di Pietro's report on the exchange of information from the criminal register and Mr Costa's report on the quality of criminal justice in the European Union.

It should not be forgotten, however, that the harmonisation of criminal law, or indeed of any other kind of law, must not merely mean that everyone is brought down to the same level, or that differences are eradicated to the detriment of national traditions, customs and needs. The latter are the basis upon which national legislation has been established, and if harmonisation were to take place in too mechanical a fashion, local traditions could be harmed. Most importantly, countries should not have to bring their legislation into line with laws and customs in other countries where criminals are treated with particular care, where they are gradually transformed into victims while the victims are forgotten, and where criminals can in fact expect greater protection than victims.

This relates in particular to the issue of whether detainees should be granted the right to be seen by a psychiatrist, who would have the task of immediately assessing the detainee's behaviour, and potentially absolving him or her of guilt. It may well be appropriate for this to happen at a later stage in the judicial procedure, but it need not occur at the very beginning. It must not result in criminals enjoying greater rights than victims, even though this is something that is unfortunately becoming increasingly common in modern legislation and judicial practice. It is unacceptable for the victim to be viewed as already having irrevocably become a victim, while at the same time the criminal is considered to be some sort of new victim who must be rescued, as this is quite simply untrue. The criminal should always remain a criminal and the victim a victim.

The exchange of information from the criminal register is another issue worth considering. It should not be forgotten that the lengths of time after which criminal convictions are deemed spent vary between the different Member States, and steps should be taken to avoid situations in which someone is regarded as having a criminal conviction in one Member State, although this is no longer the case in another Member State.

Many thanks, Mr President. I have finished, and there is no need for you to use your gavel.

Claeys (NI). – (NL) Mr President, in the explanatory note to its proposal, the Commission states that recent tragic paedophile cases have brought to light major dysfunctions in the exchange of information about convictions among the Member States. Commissioner Frattini mentioned the Fourniret case a moment ago. A French paedophile, having been convicted in his own country, was able to go about his business undisturbed in Belgium, because the French authorities had not thought it necessary to provide the relevant authorities with information about him. The proposal that is now being debated is far too long in coming. It is, after all, a supplement to the Convention on Mutual Assistance in Criminal Matters, which dates back to 1959. Moreover, the proposal is inadequate and does not offer an answer to a large number of problems. The Member States must update their criminal records and make them available more quickly. They must also provide information requested by other Member States more promptly and use standard forms to do it. Those are a few steps in the right direction, but this is all, of course, in anticipation of the introduction of a fully-fledged, automated system of data exchange. The Commission must set about this at the earliest opportunity, certainly when it claims that the system will not be in place for another few years – itself a bad omen. There are, of course, a huge number of legal implications, and these will need to be discussed at length. Once this House has voted on the present proposal, we must certainly not create the impression that the problems relating to the exchange of information have been resolved. The Commission has used an apt example to illustrate that this is clearly not the case. Member States are not required to inform the state where convicts live when that is not the state of their nationality. In other words, these measures will enable Fourniret, whom I have already mentioned, to slip through the net once again.

Kudrycka (PPE-DE). (PL) Mr President, both the Tampere Programme, and later the Hague Programme, identified the mutual recognition of judgments in criminal cases as one of the European Union's goals in the field of criminal law. Effective judicial cooperation based on mutual trust is required to achieve this goal, as a lack of such cooperation can mean that criminals hide in other countries in order to evade responsibility for their crimes. This in turn leads to a rise in feelings of impunity, which results in increased crime levels in Europe. It is for this reason that my political group welcomes the Costa report, which contains recommendations to the European Commission relating to the establishment of a quality charter for criminal justice, as the fundamental rights granted to defendants, victims and barristers by the proposed charter may at the same time be used as criteria for a mutual assessment of the quality of justice. Although a specific legal basis for such an assessment will not be provided until the Constitutional Treaty is in force, I believe that a general legal basis can already be found in the Treaty of Maastricht. In my opinion, it would therefore be a good idea for the European Commission to comply with the report's recommendations by starting to develop the criteria and methods to be used in carrying out such assessments. This task will be complicated somewhat by the fact that allowance must be made for the varying legal systems which are in place in the different Member States and which are based on different legal traditions and cultures, as well as for the different judicial systems. The methods for carrying out such assessments should also ensure that credible conclusions are reached based on reliable analyses. It is worth noting that mutual assessments of justice should also be backed up by other measures, such as those that ensure the independence of the judiciary from political influence is not only respected, but also enhanced. I thank you.

Lambrinidis (PSE). – (EL) Mr President, criminal justice in Europe needs to be independent but not beyond evaluation and beyond examination. European citizens need to have confidence in the criminal justice system, they need to be confident that their fundamental rights will be respected, they need to be confident that transparency and quality will be present in any court in the European Union.

We recently had a very bad experience in Greece: the discovery of bribery and corruption in the judicial system. It is a discovery which has severely shaken the confidence of Greek citizens in their judicial system. Although the Greek judicial system is now putting its house in order, that is not enough. As other countries in Europe which have faced similar corruption in their judicial system know, this is very, very difficult. We are therefore being called upon to bring in European support. How can Europe provide support? By evaluating special procedures and best practices. And where does the problem lie? Anyone who contests the importance of evaluation is being conniving. Even if a Member State believes that its criminal justice system is so exceptional that it has nothing to learn from the others, it should at least help the others to learn from it and, as judges themselves are involved in the quality map, there is no problem about their independence with this proposal.

Drčar Murko (ALDE). (SL) Thank you. In view of the extensive range of the provisions in the Constitutional Treaty for Europe regarding the convergence of national legislations in the area of criminal, material and procedural law, we may conclude that the plan for a single criminal law area is taking on an increasingly clear outline. Setting it down in the Constitutional Treaty is the result of legislative development since 1990,

and not its beginning, and it relies in particular on the principle of mutual trust. In view of the different constitutional orders and criminal law traditions, this trust must be based on specific, comparable, minimum criteria.

We support this orientation, but parliamentarians also have a duty to monitor closely the methods of unifying legislations, especially in terms of the urgent need to strengthen the protection of basic human rights. If we were not attentive to the balance between these two elements, criminal law would be effectively unified, but it would not necessarily be democratically legitimised. Criminal law is also an identity card for the quality of democracy. Thank you.

Allister (NI). – Mr President, I have no difficulty with the sensible exchange of information about criminal convictions between Member States, but only the politically blind could fail to recognise the proposals in the Costa report as part of the harmonisation process that is under way in the criminal justice system across Europe. That, of course, is in anticipation of the EU Constitution, within which that harmonisation has a key role to play.

I for one am opposed to a criminal justice system established on the continental model, with its inherent assault upon the essential building blocks of our distinctive and historic British common law system, which include not least trial by jury, habeas corpus, and the separation of the judiciary from the investigative process.

This Costa report, despite its plausible verbiage, is part of that process of harmonisation aimed at creating a single criminal justice system. That is not serving the interests of the British nation in my view and therefore I will oppose that report.

Wieland (PPE-DE). – (DE) Mr President, ladies and gentlemen, it is sometimes the case that the Commission, the Council or Parliament – or two of these institutions, or all three of them – are too many steps ahead of the public or a particular group; in such cases we act with too much haste and too much ambition, and are then forced to carry the weary upon our shoulders. The issue we are debating tonight is one for which we all bear responsibility, because what is of vital importance is the results we achieve – or rather, those we do not achieve. Commissioner, it is not merely that we are struggling to keep up with the real nature of crime today, given that for many years now organised crime has no longer been the only kind of crime that crosses borders; we are also struggling to keep up with individual crime.

In both cases we are also struggling to give the public what it wants. The public has a right, and indeed the political will, to ensure that twenty-first century crime is not fought with nineteenth century methods. Unfortunately, the impression is sometimes given that information is requested and delivered by telegram, and it therefore needs to flow better. Despite the numerous fears that have been expressed, this would not mean any reduction in the level of data protection; after all, information relating to certain types of specialised crime committed in Kehl is just as important in Offenburg as in Strasbourg. Our priority in exchanging of information of this kind is the public's right to protection, and not the criminal's right to privacy.

Nor is the issue at stake here that of trust between Member States; it is quite simply a matter of whether the public trusts Europe, and the extent to which it trusts us to do a good job of handling this issue. If there is a conclusion to be drawn from all of this, then it is that we are actually asking – as a leading German newspaper has done – whether the public wants a single criminal code, and the answer to that question is 'yes'.

The conclusion that should be drawn from this report is that everyone should state clearly whether they want genuine improvements to be made or not, and that in any case software problems should not be used as a smokescreen.

Fava (PSE). – (IT) Mr President, Mr Frattini, ladies and gentlemen, I do not wish to add anything to the reports by Mr Di Pietro and Mr Costa, with which I am in absolute agreement. I should like, instead, to reflect on a contradiction that we are being called upon to face this evening.

Everyone knows that only a strengthening of judicial cooperation can make a significant contribution to the fight against terrorism and organised crime, and that implies mutual recognition of judicial decisions, exchange of information and harmonisation of guarantees relating to legal procedure. We also know, however, that many Member States do all they can to hinder such judicial cooperation in every way. Your mandate, therefore, in our opinion, also consists in standing up to the Council and making sure that all the European institutions firmly adhere to that objective.

Greater political will is needed to enable us to carry out what the European Constitution provides for and prescribes, which we do not want to remain unfulfilled. Precisely for the sake of consultation and judicial

cooperation, Mr Frattini, we urge you to intervene respectfully but firmly with the Italian Parliament and the Italian Government, partly because you used to be a minister in that government yourself. Italy is the only country not to have implemented the European arrest warrant. Something that might have been just serious until yesterday is, you will agree, an absolute paradox today.

Ek (ALDE). (SV) Mr President, this debate is about confidence and trust. In every Member State, every prison and every detention centre, there are nonetheless people who feel they were given unfair trials due to the fact that they did not know the language, that the evidence was not evaluated correctly or that they were brutally treated by the police or while they were in custody. This is in spite of the fact that we have rules in place in Articles 6 and 13 of the European Convention on Human Rights and Fundamental Freedoms and, above all perhaps, in rules forming part of Community law within the EU.

If people are to dare to make use of the four freedoms, we must also have rules governing the security not only of goods and capital but also of individuals. For people to be able to assert their rights, current rules require national legal remedies to have been exhausted. A court can request an advisory opinion during a trial, but an individual cannot. We must, then, introduce the opportunity for individuals to request personal enquiries or special representatives so that they are given the same rights as courts. Only then shall we be able to talk about confidence and trust.

Coelho (PPE-DE). – (PT) Mr President, Mr Frattini, ladies and gentlemen, there is work for us to do together if we are to improve the standards of quality and efficiency of justice. We must be mindful that the cornerstone of our European themes is the independence of the judicial system and the protection of citizens' fundamental rights, at both substantial and procedural level. In case there is any doubt – and I am happy to say this again – I wish to compliment Mr Costa on his excellent report, which states that European citizens must be guaranteed the right to justice, both by the Union, whereby they are guaranteed comparable treatment, regardless of the Member State in which they happen to be, and by the Member States, depending on their respective powers, whilst ensuring that the differences between the various judicial systems do not stand in the way of attaining high quality justice and protection in the area of freedom, security and justice.

I agree with the rapporteur that mutual trust must be strengthened in order that there can be mutual recognition of judicial decisions, thereby contributing towards the gradual development of a European judicial culture. I endorse the idea of adopting a European Criminal Justice Charter, which would be the basis for evaluating how well the judicial systems in the Union work. I also support the idea of setting up an objective and impartial system for mutually evaluating the quality of justice, based on comparable statistical data, which should be put into practice at the earliest opportunity and should involve both the European Parliament and national parliaments.

I should also like to commend Mr Di Pietro for his work and for the proposals that he is putting forward on the reduction of time-limits and the conditions for access to personal data. In other words, the current system of exchanging criminal record information is not effective. It is essential that a computerised system be created for Member States to exchange information, offering quick access to this kind of information throughout EU territory, and I welcome Mr Frattini's new ideas on the subject.

Moraes (PSE). – Mr President, this is an important report because it emphasises two key areas which have not been emphasised enough previously. Mr António Costa has taken an important step forward in signalling that it is the quality of justice, and not just mutual recognition, which is key. If anyone in this House doubts this issue, they should look at the 'Copenhagen criteria'. The quality of justice in many of the accession states and the need for improvements was an essential part of joining the European Union.

Nor should any of the existing 15 Member States be complacent that they have all the right answers and the highest quality of justice. Look at how we deal with minorities and vulnerable people. That is where this issue will be tested.

The Quality Charter for Criminal Justice in Europe should not be something that Member States fear. They should welcome it, because this is one of the most visible areas of cooperation in the European Union that our citizens recognise. They see it in the media, they want to see solutions at a European level, they want to feel safe in a European Union which delivers swift justice and protection for the innocent.

Varvitsiotis (PPE-DE). – (EL) Mr President, I shall confine myself to a few thoughts on Mr Di Pietro's report, which I fully support.

The rapporteur's report contains positive elements because, on the one hand, it specifies the dates and, on the other hand, it highlights the need to speed up procedure, in the event of urgent cases, to 48 hours.

However, the Commissioner's attention should be drawn to the fact that the issues addressed in the reports by both Mr Di Pietro and Mr Costa may be a step in the right direction but they cannot be seen as a daring step.

I believe, for example, that the application of the principle of mutual recognition in the field of criminal convictions must be an immediate priority. Also, the terms 'conviction' and 'criminal record' need to be clearly defined and the terms 'offence' and 'punishment' need to be harmonized.

I truly believe that the integration of the European Union cannot come about if we do not proceed rapidly to unify rules relating to justice. However, the Commissioner's intervention today did not convince me that the Commission will proceed at such a rapid pace in this direction and that is a pity.

Cederschiöld (PPE-DE). (SV) Mr President, the common legal area is based upon mutual recognition. In recognising each other's judgments, we must be able to rely upon the quality of the legal systems, rely upon equal treatment, rely upon effective due process and rely upon fair trials with counsel and, if need be, interpretation. Let us compete on an upward trajectory where legal quality is concerned. Thank you, Mr Costa, for a constructive report.

I turn now to the exchange of information, which is a more sensitive area. Mr Di Pietro has improved the proposal, but I should like to emphasise three points. Firstly, data protection will have to be of the same quality within the sphere of combating crime as it is within the internal market before data is exchanged. Secondly, the European Data Protection Supervisor must express his or her opinions on sensitive issues. Thirdly: in addition to the Member States' being informed of how the information is used, the individual too must be told what information has been given out.

We have been given a Commissioner who, I know, listens and who understands these issues. I hope that Commissioner Frattini will include these three elements in the future when it comes to increasing data protection in order to ensure that we obtain the same quality of data protection in the sphere of combating crime as we already have in the internal market. In this connection, I really pin a lot of hope on Commissioner Frattini's further efforts. I wish to thank him for the efforts he has already made in the area of data storage and believe that these will also bear fruit in the area of data exchange.

Esteves (PPE-DE). – (PT) Mr President, Commissioner, ladies and gentlemen, the issue of the quality of criminal justice and the harmonisation of criminal legislation is a core theme in the EU's global justice project. Criminal justice is the most hotly debated area of human rights – its reciprocal nature, its conflicts and the fact that it is based on a principle of essential dignity. The criminal justice issue therefore goes to the moral core of European political culture. It is therefore of pressing importance that we pursue an active policy aimed at enhancing the quality of criminal justice and at harmonising Member State legislation.

The emergence of a European Constitution, which incorporates a binding Charter of Fundamental Rights and constitutes a system of values characterised by unity and integration, demands higher quality justice and the harmonisation of criminal legislation. Criminal law is in fact material constitutional law and synthesises all fundamental constitutional values. The absence of harmonisation in this area will imply non-compliance with the principle of equality among citizens, and, by extension, non-compliance with the Constitution. The harmonisation of the criminal justice system must not therefore be done half-heartedly, nor must it be merely the basis for mutual recognition of judicial decisions; it should be an end in itself. A concerted policy, by virtue of the very fact that it is a concerted policy, does not jeopardise the Member States' decision-making powers in this area.

The European Constitution's system of values also implies that the harmonisation of legislation must cut across the entire criminal justice system. It should not solely consider the main strands of the process and the serving of sentences, but should be extended to cover the substantive rules, the politics of defining offences and to the criteria for setting sentences. Security should not be the sole concern; we should also be concerned with humanising criminal justice.

If Europe does not embrace this scheme, its Constitution's justice system will be, to quote Kafka's satirical metaphor, a system of open doors through which nobody can enter.

Frattini, *Vice-President of the Commission*. – (IT) Mr President, I am grateful to the rapporteurs and the Members who have spoken, even for calling on the Commission to act and to act quickly. I shall try to give not exhaustive answers – clearly I will not have time for that – but some information that may be useful to Parliament.

By the end of April, the Commission will present a communication on mutual recognition and the development of the principle of mutual trust. This communication will include and touch on most of the issues covered by the two reports that we are examining today, and will deal with the evaluation of justice, training for judges and the harmonisation of a number of procedural rules. In that respect, I would also add that by the end of the year we will be putting out a Green Paper on the presumption of innocence: many Members of this Parliament have highlighted the need to reconcile the right to safety, and hence the right to have crime brought under control, with legal guarantees for the accused.

In early 2006 we will be publishing a second Green Paper dealing with the gathering of evidence, which will certainly be followed by more complete initiatives on the implementation of alternative sentences as well as an interesting – and, I hope, extremely useful – initiative: a framework decision, which we expect to draw up during 2005, on alternative control measures to temporary custody. You are aware that the subject of temporary custody, or detention prior to conviction, is one in which people's rights to freedom have to be weighed against the state's right to prosecute criminals. These, then, are just a few examples of initiatives – but ones I believe to be important – which the Commission will be putting forward over the coming months.

Ladies and gentlemen, I will be happy if the Member States in the Council are as bold as you have been today regarding the exchange of information on criminal records. The Commission would certainly like to move faster on the computerised information exchange system. We started a debate last month at the Luxembourg Council of Ministers and we intend to continue it. There are technical problems, however, as well as the political ones which someone pointed out. We still lack that degree of mutual trust that we need to allow data on past convictions to be entered into an electronic search engine, which in technical terms could be set up very quickly. As Mr Di Pietro rightly said, it is not a question of new data but of data on convictions, which can be used by judges. We will therefore be very careful to prevent any use of such data that falls outside the rationale given by the judicial authority – which we obviously have to trust – when it asks to see the information.

To conclude, I believe that this subject needs a more united Europe. It needs a more united Europe because we have to harmonise our criminal justice systems, which are unfortunately highly diverse, and we have to be sure of the legal positions when – and let us emphasise this – we respect the independence of the judiciary. Perhaps we should worry about harmonising the rules: the rules about what a criminal association is and how and why the head of a criminal organisation can be punished vary too much from one country to another. That, then, is what we should worry about: harmonising the criminal law systems a little more. That is a job that we will do wholeheartedly. In the end, we will carefully monitor how well the Member States adhere to these principles.

In three days' time, I will be presenting the Commission communication on the European arrest warrant to the Council meeting of Justice Ministers, and I will take the opportunity to say quite clearly that unfortunately – and much to my regret – Italy is the only country in Europe that has not yet adopted the necessary national legislation, and that there are also a few countries that have adopted national legislation but, as one of you pointed out, have tried to reintroduce filters that are not in keeping with the European spirit. The arrest warrant legislation serves to speed up the implementation of certain procedures; if we want to speed it up in the case of terrorism and organised crime, all Member States must have confidence in the system, and we will keep a watchful eye open to ensure that Europe's rules are fully observed.

President. The debate is closed.

The vote will take place tomorrow at 12 noon.

16. Competition policy (2003)

President. The next item is the report by Mr Jonathan Evans (A6-24/2005), on behalf of the Committee on Economic and Monetary Affairs, on the Commission's XXXIIIrd Report on Competition Policy – 2003 (2004/2139(INI)).

Evans, Jonathan (PPE-DE), rapporteur. – Mr President, it might seem a little incongruous that we are today, at the beginning of 2005, discussing the European Commission's Report on Competition Policy for 2003. That is just because last year was election year, the debate as such is about very much wider issues.

It is an opportunity for Parliament to place on record, as we should, our enormous respect for the outgoing Commissioner, Mario Monti, who was the Competition Commissioner at the time of this report. It is inevitable that the report itself and Parliament's response draws upon the major programme for the reorganisation of competition policy for which Mr Monti has received so much praise.

This is a debate that had to take place with industry, and not just in relation to the modernisation of the anti-trust rules themselves. Industry had to recognise the purpose of this reform. The aim was to do away with a system that was in itself unnecessarily bureaucratic so as to redirect the resources of the Commission to cracking down properly on hard-core cartels. In addition, we have seen the reform of the Merger Regulation, reorganisation of the merger control task force and the first steps in relation to state-aid reform. I know our new Commissioner also shares this view in relation to the legacy of Mr Monti, because only recently she has been speaking at Bocconi University and making very similar remarks about Mr Monti's contribution.

It is also inevitable that we would direct our attention not just to this programme of work and the lessons to be learned from it, but also to the way in which that programme of work now affects efforts to improve Europe's competitiveness. We are not trying to change the rules about competition policy for the sake of it or as a form of bureaucratic exercise. The purpose here is to act in the interests of consumers to increase Europe's competitiveness and develop growth and jobs. That is what the operation of an effective competition policy is all about.

I want to say a word about the new Commissioner and I hope it does not embarrass her. Many people have asked me my opinion about the change we will have now. I suppose up to four weeks ago we were all asking that, to some extent. The Commissioner has been very active in the course of the last month. On 3 February she spoke to Parliament's Committee on Economic and Monetary Affairs and set on record her agenda in this role. I have already referred to her speech in Milan at Mario Monti's university, and on 17 February Mrs Kroes made another speech in Paris. Taken together, these speeches very clearly set out the progressive agenda that the European Commission intends to take forward.

I commend the Commission for being determined to clarify the rules in relation to state-aid reform. In our report we refer to this as an area where we are seeking further action on the part of the Commission. This does not mean a situation in which the Commission just sits idly by waiting to see whether somebody is going to make a complaint about uncompetitive behaviour in some part of the economy. We want to ensure that the whole way in which business operates within Europe is one that encourages free and fair competition and consequently enhances the competitiveness of Europe.

Finally, a further area for which Mr Monti deserves special praise is his work in relation to international cooperation. We can cooperate even when we are being competitive. I well remember the reaction of some people in America a few years ago to the GE-Honeywell decision that was taken by Mr Monti. Today I had the honour of being present to hear President Bush's speech and afterwards seeing him shake the hand of Alex Schaub, the Director-General of Competition at the time that decision was made. That is an example of international cooperation. I commend the outgoing Commissioner and I look forward to the tenure of the incoming Commissioner, Commissioner Kroes.

Kroes, Member of the Commission. Mr President, it is a great pleasure to be here for my first debate with you in plenary, and the subject could not have been better chosen. It is no coincidence that today's agenda started with the Commission working paper. The President of the Commission underlined how important the work programme is for this term of the Commission. Mr Frattini took the lead by explaining the priority we attach to criminal matters and justice. And now it is for me as Competition Commissioner to explain our position on what is in Mr Jonathan Evans' report.

I welcome the support of the European Parliament, and I acknowledge the support you have given in the past to the European Commission, and especially to Mr Monti, as you rightly emphasise. There is no doubt that I have inherited a great legacy from Mr Monti. The greatest tribute I can pay him is to continue his work and build on it.

Under the leadership of President Barroso, the European Commission has recently proposed a new partnership for growth and jobs. Competition policy, as Mr Evans rightly mentioned, has a crucial role to play here. Competition is the central driving-force for competitiveness and growth, and we badly need that growth.

That was clearly stated this afternoon by speakers from both right and left. If we are to deliver on the fundamental social and environmental objectives which are at the heart of our European values, then economic growth is a must.

There are three ways competition policy can contribute to partnership.

Firstly, later this spring we will launch a debate on reviewing the state aid rules within the overall objective of 'less and better', which here means better focused aid. Aid should be concentrated where it can add most value: for innovation, research and development, risk capital and the development of those regions lagging furthest behind.

Secondly, we will maintain a fair and firm approach to enforcement and will remain tough on cartels. There is no doubt about that. That was also Mr Monti's approach. As the report highlights, it is not acceptable to let the global advantages of the single market be undermined by cartels and other unfair business practices among a handful of undertakings.

Thirdly, we will look at new ways of promoting competition in the internal market, by using sector investigations and competition screening to uncover and tackle the remaining, often hidden, regulatory and private barriers to free competition.

In taking these priorities forward, I will take account of the helpful observations presented in the report before us. I can assure you of my commitment to ensuring an ongoing and constructive dialogue on competition issues with this House.

Hökmark (PPE-DE), on behalf of the PPE-DE Group. (SV) Mr President, first of all, might I be permitted to express my appreciation of Mr Evans's reports and its conclusions? I also wish to express my appreciation of Mrs Kroes's contribution and emphasise that I am among those who look forward with high hopes to possible further contributions of hers.

I believe we have to be aware of the fact that what, right now, is the driving force in the European Union and in the work on developing and modernising our society is competition. We have the pressure of external competition resulting from globalisation and that of internal competition, reinforced by enlargement and the internal market. Such competition releases considerable dynamism and energy into European society, and not only where development, growth and new jobs are concerned. I also believe that it is in practice the most powerful tool for European integration when it comes to the spread of ideas, goods and services across borders. That is what is happening right now, and I believe there is a danger of our underestimating it. I should therefore like to ask the Commissioner to try also to include this dimension of the effects of competition in future competition reports. It is not only a matter of economics, but also of European cooperation in its most practical sense.

I believe we have the task of extending the basic conditions of competition to new areas. What is at issue here is the knowledge-based society, involving research, education and health care. As Mr Evans points out in his report, it is also a question of energy and telecommunications markets. I should also like to draw the Commissioner's attention to that part of the report that deals with the importance of also creating sound conditions for European manufacturers to compete globally and with the importance of the need, when making competition assessments, to consider the whole of the internal market and not only national and local sub-markets. Companies of the future will require a large domestic market. That is what the internal market needs to be for, and it is with this in mind that competition should be developed.

Ferreira, Elisa (PSE), on behalf of the PSE Group. – (PT) Mr President, Commissioner Kroes, Mr Evans's draft report did not give rise to any fundamental disagreements. I should like to begin by thanking the rapporteur for the spirit of cooperation that led to consensus on almost all of the amendments that I tabled as shadow rapporteur and on behalf of the Socialist Group in the European Parliament.

These amendments clarified a range of points, not least that competitiveness is an essential factor in fostering growth in Europe, although this is only one of the objectives of the Lisbon Strategy, equally as important as cohesion and the environment. The next point was that the relationship between competition policy and state aid must be clarified; the third was that the rules regarding technology exchange agreements and research and development aid, particularly in the area of small and medium-sized enterprises, must be clarified; fourthly, that the relationship between the financial instruments linked to the Kyoto Protocol impacting at company level and competition policy must be clarified; fifthly, that the new Member States must adapt quickly to competition policy; and sixthly, that close ties are welcome between competition policy and

international trade policy, both at multilateral level, within the framework of the World Trade Organisation, and at bilateral level with the main partners, including China.

Those are some of the proposals that were accepted. Two proposed amendments did not achieve consensus: one is to be tabled by Mrs Batzeli, and the other concerns the sentence in which the rapporteur proposes, and I quote, that 'Parliament expresses its concern at the continued failure to achieve full liberalisation in the EU gas and electricity markets'.

I feel that liberalisation is not an end in itself. It is a means whereby in this sector, in common with other essential supplies, the consumer enjoys the best possible conditions in terms of price, quality and universality, because those consumers are citizens, first and foremost. Liberalisation must take place within a framework that guarantees the status of gas and electricity as a public good. That is the thrust of the amendment that I had the opportunity to table.

What must be remembered, perhaps today more than ever, is that the EU project is a political one, albeit with an economic foundation. If the supremacy of the market means that the citizens will, on a long-term basis, be prevented from enjoying their fundamental rights ...

(The President cut off the speaker)

Manolakou (GUE/NGL), *on behalf of the GUE/NGL Group.* – (EL) Mr President, the title, which refers to state aid for public services, is a misnomer, because this is aid for companies. As long as the state monopolies existed in public services, they mainly served the interests of the plutocracy. However, today, within the framework of capitalist restructurings, most public services have been given – and others are going to be given – to private capital, so that their profitability can also be reinforced in this way. Consequently, the European Union's main criterion for state aid is not to cover grass-roots needs and resolve grass-roots problems, but to approve it so that big business never loses out and so that there are no repercussions on its profitability.

In addition, the Commission proposal comes within the framework of the capital restructurings promoted by the opening of the markets on which big business will derive even more profit, while the aspects of the proposal about exemption from approval of state aid by the European Union for small services of general interest, airlines and shipping companies, are insignificant. They do not under any circumstances satisfy enhanced grass-roots needs and that is why we MEPs of the Communist Party of Greece shall vote against the proposal.

Whittaker (IND/DEM), *on behalf of the IND/DEM Group.* – Mr President, we all recognise that there is a case for promoting competition in the interests of economic efficiency and Mrs Kroes has promised to continue the work of her predecessor in routing out unfair state aid and cartels wherever she can find them.

I want to suggest how she could do much better than this. Our rapporteur Mr Evans notes that the competitiveness of European business is one of the key objectives of the Lisbon Agenda. Unfortunately, too often competitiveness in the EU is too often taken to mean that every nation and every company has to suffer under the same regulatory burden or the same 'level playing field'. This is not really the same as competition. Dare I extend Mr Hökmark's remarks and suggest that if the Commission is truly interested in promoting competition it should include regulatory competition.

This would be a much richer source of efficiency. Give nations some freedom to determine their own agricultural policies and to decide for themselves how they want to ensure their own health and safety. Allow nations to set their own rules over everything that is not directly concerned with trade or other matters of common interest. A radical suggestion maybe, but it would allow competition from the more lightly regulated economies to provide the spur for lighter regulation elsewhere and we shall all prosper.

For those EU regions that are struggling to converge, relief from over-regulation would surely do much more good than any amount of handouts from the diminishing pool of Structural and Cohesion Funds. Mr Barroso has made some cautious remarks about easing regulation but I fear it is unlikely to occur. If meaningful deregulation could be achieved then all the sorrow about the failure of the Lisbon Agenda could be turned to rejoicing as EU economies really begin to move out of the sick bay.

Rutowicz (NI). (PL) Thank you, Mr President. The basis for measures relating to the market for goods and services is coherent action in the field of competition policy. The report on 2003 shows that good progress has been made in this respect, but that shortcomings remain. Fresh challenges are presented by the accession

to the EU of ten new Member States with varying regulations on competition law. I should therefore like to take this opportunity to highlight several problems.

In a number of Member States, the markets for certain services have been taken over by professional associations or organisations, which create obstacles restricting competitiveness. The directive must also set out the conditions according to which financial assistance may be granted for public services or production, to ensure that such assistance does not end up amounting to long-term subsidies, as this would damage competitiveness. Finally, there should be provisions allowing public services at town or commune level to be exempt from all requirements relating to competitiveness, provided that this would mean better solutions for local problems. I thank you.

Schwab (PPE-DE). – (DE) Mr President, Commissioner, ladies and gentlemen, competition policy is one of the Commission's key tasks in relation to the internal market. To judge by the debate that took place a few hours ago, it is apparent that the European Union really is a global player in this field. It is also apparent that Mrs Kroes is acting as a stand-in as far as this work is concerned, since the report that has been tabled and is being discussed relates to the previous Commission's work, and I should like to wish her the best of luck in this respect.

For as long as the European Communities have existed, the successful work carried out by the Commission has played a significant part in helping to ensure that a characteristic feature of the European market has been fair competition, which has brought the benefits of quality and reasonable prices to all citizens.

It is against this background that Mr Evans' report evaluates the work carried out by the Commission's Competition DG in 2003, even though decisions that were taken during this period were taken under the aegis of the previous Commission. The aim of the debate on this report should therefore be to examine and evaluate the extensive amendments that have been made to European competition law and the major changes that have taken place within the European Commission in terms of their future effectiveness.

There can be no doubt that the aforementioned amendments and changes are, in principle, likely to maintain the high standard of European competition policy. As I mentioned in my question, however, I believe that there are a number of areas where improvements would be useful. These include protection for principal witnesses in competition law cases throughout Europe, the legal status of Internet publications and guaranteed protection against double prosecution under monopoly law.

Irrespective of these concerns, however, the report before us provides an excellent basis for carrying out future work in the usual successful manner. I wish you the best of luck in ensuring that the decisions you take over coming months stand up in court. I also hope that you will be able to follow the previous Commission's example and to take decisions that are in the public's interest, as trust and authority are crucial as far as competition policy is concerned. I hope that you will enjoy both.

Batzeli (PSE). – (EL) Mr President, it is particularly positive that the Commission in its references to sectoral developments highlights, among other things, the need for additional Community efforts in the sector of the mass media, so that their liberalisation can safeguard pluralism and economic development.

Commissioner, Mr Evans, I really wish to congratulate you in person on your work and, more specifically, on your work in this report. I should like at this point to draw your attention to the fact that, because of the cultural peculiarity of the audiovisual sector, which is such that this sector cannot be treated as a normal industry, the Commission must clarify the role which the main shareholders play on the basis of competition policy. We feel that it is important for the Commission to impose pluralism on the media, both at national and at Community level, by consistently safeguarding the free participation of everyone in the audiovisual media sector.

Commissioner, given that the Commission emphasises that competition rules, as you state in your report, are the rules on which the resolution of the problems which derive from the creation or the strengthening of the dominant position on the market will be based in order to address priority agreements, will a policy be approved under which restrictions on the basic shareholder act as a check on the competition policy of the mass media? I should like us to receive a response so that our rapporteur, Mr Evans, can perhaps accept the amendment tabled by the Socialist Group in the European Parliament.

Kroes, Member of the Commission. Mr President, I would like to thank those who gave me positive feedback. I also listened, of course, to those who were more critical. Mr Evans' support for the idea and the faith expressed in his report was a great start.

I set out my own philosophy in my recent speeches at Bocconi and at the OECD in Paris, where all those national authorities from around the world that are active in the competition field were gathered. Those speeches and this report show, I think, that we are on the same track. We are all aware that competition is the instrument for getting our economy in better shape, something that we badly need in Europe. We have both a lack of economic growth and a lack of productivity. We badly need economic growth because we have environmental and social welfare objectives that we rightly believe are essential within our culture.

I found the remarks that honourable Members have made very interesting and stimulating. They mark the start of our dialogue. As I mentioned before, I would be delighted to be invited to EMAC to discuss this item.

Concerning competition in technology transfer, there is indeed a way of developing this within our competition policy. It is not a separate item, it is all combined in one policy.

Regarding Mr Rutowicz's question about a market definition in merger cases, the Commission welcomes, and indeed promotes greater integration of markets. There is no doubt about that. As markets integrate, the relevant anti-trust markets will also become wider. However, for the time being many markets remain national or regional and this must be reflected in competition analysis, including market definition, so that competition and consumers do not suffer.

Mrs Elisa Ferreira asked about gas and electricity liberalisation. I agree that it is important to improve the functioning of the energy market.

In close cooperation with our energy colleagues, we are investigating the current status of the market. We are investigating the conduct of incumbents in certain markets and plan to carry out sector inquiries. The sector inquiries will provide important input as to how the markets function and how they can be improved.

It is important to differentiate between preferences for liberalisation. I could not agree more about having a positive attitude towards liberalisation. However, in some cases where liberalisation has taken place there are still activities within that market that we do not accept. When that happens, one should not say 'I am against liberalisation'. We have a duty to find out what the actual situation is and who is not acting properly and not meeting our expectations.

Mr Rutowicz made a couple of remarks with regard to state aid reform. The conclusion of the Prodi Commission, later repeated by the European Council, was that there should be less aid but better aid. In addition, it was concluded that with enlargement we had a further reason for less and better aid for those areas that had already enjoyed the benefit of such aid. We now have to realise that within the ten new Member States there is a new territory which we have to improve, where aid could be of great help.

With better focus and a better use of tax-payers' money we can concentrate aid where it really generates the greatest value; where it contributes to cohesion; where it boosts innovation, research and development, and risk capital so that small- and medium-sized companies can also play a positive role as an engine of innovation in stimulating the economy. We need to ensure that they have access to risk capital because they need to take their ideas forward. Better focused state aid means better economic results and governance and ultimately, better and more secure jobs and better use of tax-payers' money. In early spring we will have a chance to present the action plan on state aid reform. That action plan will include measures to rationalise the state aid framework.

I want to reduce a lot of the red tape, a lot of the bureaucracy and I think that notification requirements for straightforward low impact aid should be one of those items we can get rid of, thus focussing resources on checking the more problematic high-impact subsidies.

Mrs Ferreira said that the title was misleading. I think that the title of the report just covers what we are really focusing on.

Another question was about audiovisuals. Maintaining and developing media pluralism is a basic public goal of the European Union, together with the preservation of cultural diversity and freedom of access for the Union citizen to all kinds of media platforms.

The application of competition policy instruments in the media sector is limited to addressing the underlying market structure and economic impact of media undertakings' behaviour. Nevertheless competition policy can and does make an essential contribution to the maintenance and development of media pluralism both in traditional television and other broadcasting markets and the new media.

Mr Schwab underlined that the European Union is a global player and that therefore it is essential to look at the price, at the quality, and also at the research possibilities to fall in line with our global competitors. It would be a good idea, to focus especially on increasing efficiency and transparency and to work towards a less bureaucratic one-stop shop for leniency applications. This will be explained in the new paper I am preparing which will also support greater efficiency and transparency.

I have tried to answer the questions that were raised. Again, thanks for the opportunity and thanks again to Mr Evans and all those who have been involved in the preparation of this report. Today's debate is just the start. It is very important to continue the discussion and to feel that you are on the same track as us in the Commission.

President. The debate is closed.

The vote will take place tomorrow at 12 noon.

17. State aid in the form of public service compensation

President. The next item is the report by Mrs in 't Veld on State aid in the form of public service compensation.

In 't Veld (ALDE), rapporteur. – (NL) Mr President, I do not doubt that you will be pleased to hear me say that I will keep it brief and will not inconvenience you with my husky voice for any longer than necessary, because I am afraid that as a Liberal, I have to conclude that there is not exactly a level playing field between myself and the flu virus, but that I simply have not survived the competition. The EU Treaty contains two objectives that are important to this report. The first one is that on the one hand, we have state aid rules which must ensure that the internal market operates effectively, and on the other hand, the Treaty also states that those rules must not hinder the proper functioning of public services. The internal market has brought us many benefits, in the area of public services as elsewhere. We also find that we are all very much attached to the so-called European social economic model with good public services, which has, moreover, provided us with a high level of competitiveness. The Commission's proposals are very welcome and I am pleased to hear that Mrs Kroes' words do no more than underline what we have written in our report, namely that we aim to reduce state aid on the one hand, and do away with unnecessary red tape, on the other, and that we are focusing on those things that really distort the internal market, which are, after all, detrimental to our economy and also, therefore, to the foundation on which public services rest.

I should like to outline a few key points. First of all, I should like to underline once again that the focus must be on the citizen as user of the services and as taxpayer. This may seem a little bit like stating the obvious, but all too often in reality, what takes priority are political interests, corporate interests, institutional interests and all kinds of other interests, to which, quite often, the interests of the individual have to give way.

The second point is the definition of what we term small services of general interest. The Commission has proposed granting those small services exemption from the obligation of prior notification for state aid and has, more or less, suggested that we use the same threshold of EUR 50 million maximum by way of annual turnover as we do for medium and small enterprises. Although the Committee on Economic and Monetary Affairs has, at my proposal, followed this suggestion in the first instance, I do think that we should review the practical implications in a few years' time, because we have no idea of how many businesses, how much state aid in total, and how many applications for state aid are involved. I should therefore like to know the exact impact of that threshold. Another important point for me is evidence-based policy making. For years, we in this House have been waging traditional trench warfare between Left and Right about the liberalisation of public services. I think it is important that we should finally have the facts on the table. In the report, we therefore urge the Commission to present an up-to-date and detailed report on public services every four years, when this regulation is up for renewal.

I should like to finish off with a minor, slightly technical point. One paragraph in the report was included after we had adopted an amendment, and that paragraph seems to suggest that this House proposes that the task of offering a certain service must, in all cases, be assigned via a tendering procedure. That is not, of course, what is intended. I think that there are many people – maybe not all, but many – who will agree with me that that is, in itself, a sound procedure, and one that, in many cases, leads to sound results, but I would like to do away with the misconception that as of today, this House will decide that all services must be assigned via such a procedure. It is unfortunate that no amendments have been tabled to do away with that misconception, but I would in any event like to make this clear to the Commission in today's plenary.

Kroes, *Member of the Commission*. – (NL) Mr President, many thanks for the clear explanation of Mrs in 't Veld's report; the problems that are raised in it are extremely important, because certainly now that we will, based on the state aid review, examine the best way of achieving the most effective result, it is the observations that have been made here that matter and therefore very much apply here.

As I have said before further to the discussion on Mr Jonathan Evans' report, I agree that we must cover all the angles in order to proceed in a more transparent and more effective way, thereby cutting down on bureaucracy and red tape, which does not benefit anybody, is too time-consuming, and, as Mrs in 't Veld put it very graphically, ultimately, what matters is the public, the consumers and taxpayers, who want to know what happens with their money and to what effect.

That is why, when talking about definitions, and particularly about how to define small services of general interest, it is appropriate in any event not to jump the gun and to say that we know what is to be understood by it for all eternity. This is an area in which we have to gain experience, to see how things pan out, what the turnover would be in which situations and where, and what level of state aid would be involved. What is ultimately the extent of state aid that you do not only entertain, but also must take into consideration?

In addition, Mrs in 't Veld stated very clearly that she favours evidence-based policy-making. We must finally put this into practice and ask ourselves whether it would not be a good idea – I, for one, think it is one, and it is one that I am glad to adopt – to submit a report in four years or so to demonstrate the impact of it all, and check whether it has the desired effect or whether there are maybe better methods for achieving our goal.

If we talk about state aid, then it is not the intention, certainly in our discussion, for that to be a permanent arrangement. The intention is to use state aid as a way of setting in motion a process that will, eventually, lead to self-sufficiency. To quote a well-known Chinese saying, it is the intention that, eventually, fish are caught with the fishing rod you give, rather than fish only being handed out to those who need them at the time.

I agree that this is a sound, experience-based report and explores whether state aid works, how it works and whether this is the best way of going about things. However, we do come up against the Court ruling in the Altmark case, which brings us to the fourth criterion. I assume that the first three criteria are clear, and with regard to the fourth criterion, we have to establish that tendering is possible in all situations. In those cases where tendering is possible, it is obvious that we need to apply the four criteria, but in other cases, people need to take the best possible decision under the given circumstances, and we have to conclude that we need to gain some experience in that area in order to formulate the best methodology.

I would therefore like to echo the rapporteur in this and say that we can indeed gain the experience together and submit it in a report. Four years are a good timeframe within which we can make some valid statements on this score and hopefully reach some conclusions again in a future debate. Thank you.

Purvis (PPE-DE), *on behalf of the PPE-DE Group*. – Mr President, my group is committed to open markets with free and fair competition as they will provide the best quality products and services at the best price. They will also best produce the economic benefits that we need if we are to reach the Lisbon objectives and if we are to pay for our social and environmental ambitions.

Another important consideration in our Group is subsidiarity: the decision should be taken at a level as close as possible to the citizen, which is compatible with a properly functioning single market. There is no need for Europe to step in where a decision is best taken at national or local level. We are therefore pleased that Mrs in't Veld's excellent report succeeds in accommodating these two priorities.

The overall thrust is to call for fair competition in free markets. Like her, we would always prefer a transparent tendering process. However, if local authorities, in their wisdom, feel they can do better for their citizens, they can so do without having to notify the Commission, as long as they keep within the rules, which ensure that potential competitors are not harmed and, most specifically, that they are small in scale and very local in nature.

A clear decision was achieved in committee that gives the Commission a strong steer. We are happy with this and we will support this same line tomorrow. We wish Mrs in't Veld well with her report.

Muscat (PSE), *on behalf of the PSE group*. – (MT) Thank you Mr President. Let me start by congratulating Mrs in 't Veld on her report, which I see as representing another step towards the abandonment, by the members of this Union, of the attempt at squeezing everyone into one size, which, in the long run, does not fit anyone.

Instead we are moving towards the principle of subsidiarity, which involves us in recognising the needs of the countries and regions and of localities. I think that whoever believes in balance, recognises that the market economy has several advantages, although we must, at the same time, recognise that intolerable shortcomings keep occurring, and those who are entrusted with power and leadership do not budge. Without any doubt, there are cases of abuses, but there are several other cases, where, if properly regulated, State aid will be the social soul that arrives where the cold calculations of the market's reasoning do not. The ultimate success of this Europe and of its Member States cannot be measured only through the economy's statistics. A healthy economy must be the means whereby we are led towards the real ultimate purpose, that of giving our families a decent life and dignified work in a better environment. Obviously, every type of aid that is given must be given within an agreed framework that takes into account the realities of different countries. Planning this framework must involve everyone, and here I emphasise 'everyone' – the social partners, trade unions, the consumers and the private sector, and, while we are on the subject of consumers, it would be appropriate to also remember the minorities among consumers and the taxpayers. I will give an example: an amendment I tabled, and that I am pleased to note was accepted in this report, makes it easier to supply aid from the air, as well through sea routes between islands. Let me give you an example why this is so. Currently, in order for the citizens of the island of Gozo to cross over to the main island of my country, Malta, using a 12-minute helicopter trip, the market economy requires them to pay much more than they would pay for an airline ticket for a trip between London and Brussels. Imagine how such a region can develop without some aid from the State. We must move even further forward than we have done to date. I only have to look at the shipyards in my country, which the government is trying to close down, while blaming European Union regulations for the need to do so. Despite the demonisation of the shipyard workers, these sectors and enterprises have a huge load of work and a large commitment to give in terms of an era of greater technical capacity. Other large countries of the European Union hid behind the military in order to give subsidies to this sector. We cannot do that. There are those who say that these subsidies go against the laws of the European Union. I say: then let us change the laws.

Klinz (ALDE), *on behalf of the ALDE Group.* – (DE) Mr President, Commissioner, ladies and gentlemen, I should like to start by thanking the rapporteur for her outstanding work, as she has brought a great deal of expertise and enthusiasm to bear on an extremely complex issue, and has presented a very lucid report. We in the Group of the Alliance of Liberals and Democrats for Europe regard it as self-evident that the public sector must safeguard the provision of certain services. There is a need, though, for great care to be exercised when using taxpayers' money, and it must be used only in cases where it provides consumers with genuine added value. It is for that reason that clear rules are needed.

In principle we welcome the Commission's attempts to lay down a framework to make sure that funds are used in a transparent, objective and easy-to-understand way. What we want is a solution that ensures that competition is effective and that the rules on services of general interest are not used to distort competition. Completion of the internal market must not be slowed down by an unchecked and indiscriminate distribution of State aid.

What we want is quite the opposite, namely to lend our support to a solution that makes it possible to achieve a number of goals. These include the drawing up by the Member States of a definition of services of general interest; even if these definitions are not identical, they will be comparable, and we do not regard this as violating the principle of subsidiarity. In addition, State aid must be used in a targeted and focused manner in instances where it helps to safeguard the future, with its future use being somewhat more restricted than has been the case to date, and the rules on such aid must not interfere with the further implementation of the internal market. We are opposed to the prevention of a possible liberalisation of services of general interest by means of derogations to the directive on services, such as has been attempted by the Federal Minister for the Economy in Germany.

Finally, I should like to call on the Commission to provide further explanatory documents to ensure that the rules are made easier to apply. It should develop benchmarks and examples of best practice as points of reference, for the best practice approach can act as a source of good ideas, derived from other Member States' successes.

Hudghton (Verts/ALE), *on behalf of the Verts/ALE Group.* – Mr President, my Group has tabled a number of amendments and requested several separate votes on this report. This has been done to give Members the opportunity to ensure that the report clearly favours public service providers, particularly in the fields of health and social housing provision.

The report affirms our belief in the importance of high-quality services of general interest that are accessible to all. It also recognises the right of local authorities to self-government. So far, so good. However, recital E contends that 'the internal market, liberalisation and compliance with the rules on competition have on the whole led to improved access to SGIs, new services with more choice, better quality and lower costs for consumers'. In our view this is questionable to say the least.

The report also asserts that no distinction should be made between public and private enterprises and that all SGIs should be put out to tender. The rapporteur seemed to suggest that there was some misunderstanding about this, but that is how it comes across. This would cause problems for in-house services within public bodies such as local housing authorities and health boards.

My Group cannot accept a lack of clarity on this point. On the contrary, we would support an approach that clearly exempts from the prior notification requirement the kinds of local services that do not affect the development of trade, and do not conflict with the interests of the European Union. State-aid rules have frequently led to difficulties and uncertainty for local authorities and other public service providers. We ought to have certainty, and we hope the House votes in favour of that tomorrow.

Martin, Hans-Peter (NI). – (DE) Mr President, this report highlights the issue of whether it is acceptable for centralised decision-making in Brussels to have an impact on people's lives on an everyday basis. There is a widespread feeling that practices that used to be well-established are being called into question, in particular in the case of services of general interest and possible compensation for the provision of public services, and this has left a great many people fearing that they will be left with nothing at all. I particularly agree with the comments made by the penultimate speaker, Mr Klinz of the Group of the Alliance of Liberals and Democrats for Europe, namely that the priority for Brussels must be greater transparency in order to resolve this problem, and that there is a risk that the smaller Member States will continue to use subsidiarity to their own advantage, either by imposing artificially high prices or by helping their friends. I am also firmly convinced that unless the Commission speeds up the procedures for assessing internationally comparable best practice models, we run the risk of having to submit a negative final or interim report in four years' time.

The one additional point I should like to make is that I cannot understand why such far-reaching exemptions have been granted to public service broadcasters. The latter increasingly resemble private broadcasters in terms of their working methods and the way they market themselves, and I believe that their activities in many fields, for example online services, mean that what we are seeing amounts to additional subsidies.

Hoppenstedt (PPE-DE). – (DE) Mr President, Commissioner, one of the main problems encountered when applying European legislation on State aid to the provision of services of general interest is legal certainty, or rather legal uncertainty. It has not always been obvious to decision-makers in local authorities at city, municipality or district level whether compensation for special expenses connected with these services comes within the scope of State aid regulations.

The dilemma these decision-makers face is whether these payments have to be declared to the Commission or approved by it. There are serious legal consequences if compensation is not declared when it should have been, yet if declarations are submitted unnecessarily in cases of doubt valuable time is lost during this procedure. Steps will now be taken to reduce this legal uncertainty, and this is something I wholeheartedly welcome and support.

As has already been mentioned, the ruling by the European Court of Justice on the Altmark case is the legal basis that the Commission has used to put forward its proposal for an exemption decision. This proposal complies with the demand Parliament made in its resolution of 14 January 2004 on the Green Paper on services of general interest, and it is a sign that support exists for a control policy that focuses on cases that are key to effective competition in the internal market. Under this proposal, compensation that only has a very minor impact on the internal market will be exempt from State aid control procedures, which will mean a great deal more legal certainty for local stakeholders.

Compensation for services of general economic interest that have only a minor impact on the internal market is frequently granted on a strictly limited and local basis, and is therefore a good example of an instance where exemption would be decided on. Provided that other criteria are complied with, such as providing a clear statement of responsibilities and adherence to the principle of transparency, such compensation will also benefit from the planned increase in legal certainty.

The rapporteur has submitted an outstanding report, and ensured that it expressed the majority view by putting it to a vote in the Committee on Economic and Monetary Affairs. I hope that the House as a whole will view it in the same way.

Savary (PSE). – (FR) Mr President, Commissioner, for a long time I was among those who believed that the only type of bureaucracy was state bureaucracy. Now, though, as an MEP, I have discovered an inextricably linked market bureaucracy: State aid. I believe that the proposal put to us today constitutes real progress, namely – as you just said during the previous debate, Commissioner – the exemption from the notification requirement of minor aid that is not considered to have an impact on the single market. In my opinion, this is a considerable step forwards. We need to consolidate this, and it would also be worthwhile to definitively rename it public service compensation, rather than State aid. This is a new legal category that could be created.

With regard to the report that has been presented to us, I am one of those who believe that there are things that need to be stabilised. In particular, I do not think that we can vote again as we did in committee: hospitals and social housing must be clearly integrated in the scope. This, though, is probably not enough. I am one of those who suggest that there should also be autonomous services within local communities, which other texts are in the process of recognising, in particular the regulation on the public service obligation in transport. We will probably have to wait for the Commission's communication on social services in order to be able, maybe tomorrow, to include these in this text.

Finally, I think we need to consider the issue of the fourth criterion from the Altmark ruling. This criterion is so complicated that it would introduce to this document – which is a simplifying document – new complications for local communities. As you know, it involves comparison with the reasonable profit of a comparable undertaking at EU level. This is absolutely impracticable. Consequently, perhaps this fourth criterion could at some point be abandoned, even at the risk of slight overcompensation, so that your aim of simplification can finally be pursued and achieved.

Harkin (ALDE). – Mr President, I wish first of all to congratulate the rapporteur and to say that I welcome this initiative, which clarifies the relationship between, on the one hand, state aid and, on the other hand, the provision by Member States of compensation for the cost of services of general economic interest. Services of general economic interest are essential for improving the quality of life for all citizens, and these services are often central in helping to attract investment to less-favoured areas and rural areas, thus boosting their competitiveness and leading to greater cohesion within the EU.

At a national level within Ireland, the post office network is under threat, particularly the smaller rural post offices that are not computerised and cannot, therefore, offer an adequate level of service to citizens. The post office network will require a public service obligation in order to remain viable, and this proposal to exempt small-scale public funding such as this from the obligation of prior notification to the Commission makes absolute sense in that it allows sufficient flexibility at national and regional level without distorting the internal market. Indeed, as the rapporteur and the Commissioner have both said, it also cuts down on red tape.

De Vits (PSE). – (NL) Mr President, I agree with those who say that the Commission's proposals are a first step and that Mrs in 't Veld's report is a first step as well as a sound report. The legal uncertainty is too great at present for the local players. At the moment, we are leaving it up to the Court of Justice to decide what exactly should be done about state aid. While that is a first step, we see it as too insubstantial. Exempting compensation paid to hospitals and social housing is a first step, but we think that others should be added to the list. Commissioner, we would add care homes and employment agencies, which should be exempt from notification. As for the fourth criterion in the Altmark judgment, that is totally unacceptable to us and also not feasible in practical terms. After all, what is the definition of the average well-run private undertaking? What if there is no private equivalent? Does making reference to the average private undertaking not oversimplify the task assigned to the public service? Pretending to be a well-run private undertaking can also impact on redundancies and cause social upsets. I would therefore ask for this criterion to be deleted.

Hamon (PSE). – (FR) Mr President, Mrs in 't Veld, Commissioner, the Commission is continually telling us that it cannot put forward a framework directive on services of general interest because the issue is apparently too broad and is covered by the subsidiarity principle.

With this 'Monti package' and the proposal for a directive on services, however, the Commission is dealing with the issue of public services. With one small stroke after another, it is painting a sort of Impressionist picture representing its own vision of public services. Unfortunately, Mr Barroso is no Manet or Renoir.

According to this picture, any financing of public services is necessarily State aid, and thus by implication contravenes the principle of free and fair competition, an aberration that must be stamped out. The right of this Parliament goes even further, moreover: Mrs in 't Veld's report rejects the Commission's proposal to exempt the social housing and hospital sectors from the notification requirement.

Similarly, if Parliament assents to the requirement for a tendering process prior to any award of public service compensation, it will weaken all the small local public services that are directly and indirectly managed by the public authorities.

In conclusion, we are observing, following the dismantling of the great national public services, the weakening of local public services. This report is in fact deceptive: it claims to make consumers happier, while eroding their citizen's rights with regard to public services. This weekend, the Portuguese electorate showed their displeasure at this to their former Prime Minister, Mr Barroso.

Van den Burg (PSE). – (NL) Mr President, you were right in saying that there are many ladies present in our group this evening, and I know that will be to the Commissioner's liking. Following the harsh words which have also been spoken from our side of the House, I will also try to congratulate Mrs in 't Veld and look at how we can, after all, reach compromises on this issue. I am told that she has indicated a willingness to take some of our amendments into consideration.

I think that the first point is the in-house provision of services, in which respect, we would like to stand by what we said in last year's Herzog report. Therefore, if she could support amendments in that respect, that would help us a great deal.

The second point is public procurement and transparent tendering, which is covered in a number of amendments tabled by Mr Purvis, and also in an amendment by Mrs Wagenknecht, who states that this tendering should not take place unless required by law. This may be a bridging provision to clarify something that has, as you yourself indicate, not been incorporated well. Based on this, we can subsequently bring the different texts – there are always four different texts – into line with each other.

Lastly, there is the issue about exempting hospitals and social housing, which we, too, regard as a rather random selection. We too would like to see this examined transparently and would like to see what the implications are, but would also like to indicate that much more is yet to be done and much more thought should be given to the way in which the criteria are determined. That is something that we believe should happen, not in four years' time, but now, at a time when the services directive is up for discussion, to enable us to draft clear criteria based on a framework directive and services of general interest, precisely where the combination of private and public tendering is concerned. I would like to continue this discussion with the Commissioner in due course.

Kroes, Member of the Commission. Mr President, I wish to apologise to Mrs in 't Veld for failing to mention at the outset that I was impressed by her report. I know it was a difficult job, but the result has been worth it. The contribution this report has made to the debate is really important, so I congratulate her.

One of the key motives behind the Commission's proposal is to increase legal certainty and predictability. One of the remarks made this evening referred to the need for predictability for those who have to deal with public services and public service financing schemes.

As I have already mentioned, we also want to reduce the administrative burden: to get rid of red tape and a lot of bureaucracy not only at European level but also at national and regional level. That is why timing is so essential.

The question of the efficient functioning of services of general economic interest is of great importance for the Commission, and for Parliament, the Member States and for the consumer – the European Union citizen. Contrary to what is sometimes said, Community competition rules do not hinder the proper functioning of these services. They do not affect the prerogatives and responsibilities of national, regional or local authorities to define, organise, finance and monitor public services.

I very much agree with the idea that we should occasionally review what we are doing. When we consider the Altmark court case, it is not that difficult to make a clear decision on three of the four criteria. Therefore, I do not agree with the Member who said that it is difficult to define a true public service. Nor is it difficult to define a contract or to identify the parameters of compensation. As Mrs van den Burg said, there could be difficulties when tendering is a possibility. When difficulties arise, you need to calculate the costs on the basis of a well-run company. Therefore, as far as the fourth criteria is concerned, having implemented this

court case ruling for four years we can take our experience into account. We know that in reality tenders are not widely used for small services of general economic interest. Under Altmark, the compensation paid is therefore state aid and needs to be notified.

The Commission's established policy is not to restrict the financing of companies in charge of public service obligations. However, we ensure that this financing is really necessary and does not lead to undue distortions of competition. The current proposals respond to the new environment arising from the Altmark case. The Commission's draft decision seeks to reduce the notification burden as concerns small services of general economic interest.

The Treaty establishes that the efficient functioning of services of general interest is a shared responsibility between the Union and Member States. The proposals before you today form a part of the Commission's efforts to play its role in achieving this. I welcome the fact that you support the reduction of unnecessary red tape and I will take that into account.

The draft decision excludes small public services from the notification burden, thereby matching the thresholds set for small- and medium-sized enterprises. As Mrs in 't Veld's report suggests, the Commission considers this to be the most appropriate approach.

The hospital and social housing sectors will also be exempt from notification. This is made quite clear, and is justified by the high amounts of compensation necessitated by the nature of these public services.

I very much agree with the idea that the Commission should review the application of new rules after a certain period, and after carrying out an impact assessment.

In line with other state-aid frameworks, such as the regional aid guidelines and the block exemptions, we suggest that the framework should apply for six years and be renewed, on the basis of a review, for four years in this case. For reasons of legal certainty, the validity of the decision should not be limited in time, but I very much agree with the need to hold a review.

It was also suggested that there is a necessity to consult widely on the definition of the public service obligations, particularly where this concerns users. The Commission agrees in principle, but it is up to Member States and their regional or local authorities to define public services in practice. The Commission can only recommend that Member States consult widely on that matter.

I have consulted my colleague, Mr Barrot, on the suggestion of expanding the scope of the decision concerning transport. There are several sector regulations in this field, which make extending the scope of the current package difficult. However, I understand that a separate package is being prepared, and your comments on land and air transport links certainly constitute interesting input for that package.

A benchmarking exercise, especially the benchmarking of public services and services of general economic interest, would be difficult to carry out. It might not be technically feasible, since public services are structured in different ways in different EU countries. Considering the costs – and, perhaps, the limited usefulness – of such a study, I do not think it is a good idea.

I am aware of the problem involving existing compensation when the conditions applicable are not met. I understand that Member States need a certain period of time to modify their existing schemes. We will consider ways of granting legal certainty for a transitional period. The criteria for the Altmark ruling need further work and clarification. In its White Paper on Services of General Interest, adopted in May 2004, the Commission announced that it would adopt a text on this issue in 2005.

Mrs De Vits asked about social health and care services, and these are already covered by the draft decision. In the light of the amount of public service compensation generally granted to care services, most should fall within the thresholds for compensation defined in the decision and should therefore benefit from the exemption from notification.

On the points raised by Mrs De Vits, the Commission supports the recommendation that tendering processes should be used wherever possible, and in most cases in which the Altmark criteria have been met there will be no state aid. But we know that, in reality, tenders are not widely used, particularly for small services of general economic interest. I agree with Mrs van den Burg that we need to take experience into account. In the light of experience, we will have a better and clearer view of how to handle this. If there is no way of tendering, then the cost basis of a well-run company – in this case, a public service company – should be taken into account.

I thank Mrs in 't Veld again. We will certainly return to these matters once we have had more experience.

President. The debate is closed.

18. Agenda for next sitting: see Minutes

19. Closure of sitting

President. I should like to thank the interpreters for having stayed with us for so long, and also the remaining Members, the majority of whom are women – indeed there are more women in the Chamber than men.

(The sitting was closed at 11.10 p.m.)