



Strasbourg plenary session 22-25 November 2010

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- EU budget impasse set to be debated
 - New rules for electrical appliances being considered
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The week ahead sees the European Parliament convene for its monthly session in Strasbourg, eastern France. The EU budget impasse is likely to figure as MEPs debate the situation with the head of the European Commission José Manuel Barroso. In addition legislation aiming to provide people with information about the risks and benefits of prescription drugs will be discussed.

MEPs will also vote on proposed new safety rules for electrical appliances that are sold throughout the European Union. President of the European Central Bank Jean-Claude Trichet will also be at the Parliament Monday to discuss the ECB's 2009 report and the latest developments on the international currency exchanges.

You can follow all the week's developments here on the Parliament's website.

Strasbourg plenary session

- EU budget impasse: debate with Barroso and Belgian presidency
 - Prescription drugs
-

EU budget impasse: debate with Barroso and Belgian presidency

MEPs will debate the deadlock over the 2011 EU budget with Commission President José Manuel Barroso and the Belgian Council presidency, and will vote on a resolution drawn up by the political group leaders.

Prescription drugs

MEPs ban disguised advertising Patients must have better access to high quality and non-promotional information about the risks and benefits of prescription drugs according to draft legislation. The EP Environment Committee has proposed amendments to ensure a better distinction between advertising and information on prescription drugs in order to avoid disguised advertising. But pharmaceutical companies must provide reliable and non-commercial information when asked.

Keeping toxic substances out of electrical goods

Parliament is set to vote on Tuesday on improving safety rules for the many electronic gadgets and electrical appliances sold in the EU. The new rules will mean blacklisted substances will be banned from a wider range of these goods.

Trichet on the ECB's 2009 work and on currency war

As the debt crisis continues to pressure some Eurozone countries, European Central Bank president Jean-Claude Trichet will participate in Monday's plenary joint debate on the work of the ECB in 2009 and latest developments on the international currency exchanges.

MEPs debate Commission's strategic priorities MEPs will debate the Commission work programme for 2011 with Commission President José Manuel Barroso.

2010 EP Cinema Prize to be awarded on Wednesday

On Wednesday at 11.45am Parliament's President Jerzy Buzek will award this year's LUX Cinema Prize to the winning film, as selected by MEPs.

Georgia's President Saakashvili to address Parliament Georgia's relations with the EU will come under the spotlight when President Mikheil Saakashvili addresses a formal sitting of MEPs on Tuesday. Mr Saakashvili is also due to meet Foreign Affairs Committee MEPs.

Also on the agenda this week:

Long-term plan for anchovy stocks in the Bay of Biscay

State aid to coal mines must be halted more gradually

Climate: MEPs urge can-do attitude in Cancun

EU aid for unemployed in Netherlands and flood victims in Ireland

Democracy in Ukraine back on the agenda

Anti-counterfeiting accord: MEPs to set conditions

Definitive minimum VAT rate by 2015

Green light for Moldova to take part in EU programmes

EP verdict on Ombudsman's 2009 activities

Removing legal barriers facing individuals and businesses

Haiti cholera outbreak: MEPs to debate need for urgent aid

Bees and CAP reform

EU energy strategy: MEPs to debate priorities

Western Sahara: MEPs to look at alleged human rights abuses

Public service broadcasters need more money and less political interference

Annual review of ACP-EU Joint Parliamentary Assembly

Economic governance and outcome of EU and G20 summits

Closer ties between EU and African countries

Agenda for new skills and jobs

Floods in Europe and Chinese Nobel Peace Prize

MEPs debate aid to unprofitable coal mines Tuesday

- Some MEPs want aid to mines until 2014
- Estimates say that 100,000 direct and indirect jobs dependent on these mines.

The future of up to 100,000 jobs in Europe's coalmining industry will be debated Tuesday (23 November) when MEPs consider plans authorising state aid to unprofitable mines. Existing rules run out in December and MEPs on the Industry and Energy and Regional Development Committees have backed Commission plans to extend funding until at least 2014.

If approved, governments would be able to provide financial support to mines and for re-training and to alleviate the social consequences of the closure of mines.

However, MEPs have diverged strongly from the European Commission in specifically saying only that mines may be closed in 2014 whereas the Commission wants unprofitable mines closed and the workers retrained. In reports by the relevant Committees, MEPs have left the door open for the mines to continue.

The mines account for 5.1% of Europe's electricity and are particularly found in the Ruhrgebiet in Germany, the north-west of Spain and the Jiu Valley in Romania. It is estimated that 100,000 direct and indirect jobs are dependent on these mines.

Poland, the Czech Republic and the UK also have mining industries but these mines are profitable and unaffected.

The European Parliament has just consultation powers over the Commission regulation although many MEPs believe a powerful signal sent to the EU's executive on this issue would lead to extending the legality of state aid. Under the EU's Internal Market rules governments are not allowed to subsidise unprofitable industry as it gives them an unfair competitive advantage over unsubsidised companies. However, exceptions are allowed and the small scale nature of this aid is likely to be accepted.

German MEP Bernhard Rapkay (S&D) is the member steering this report through Parliament and he will introduce it in the House when it is debated Tuesday 23 November.

On 9 November at a hearing on "the role of coal in the future energy mix" Jacek Piekacz (CEO of Vattenfall Poland and Chair of Polish Clean Coal Technologies Platform) told those present that "the problem for the environment is not coal per se but the release of CO₂ - emissions must be curbed through the mixing of biomass with coal, cogeneration or CCS (Carbon Capture and Sequestration) technology".

Isaac Pola (Director General of Mines and Energy in the regional Ministry of Industry, Principality of Asturias) stressed the "socioeconomic and territorial arguments: coal is very important for mining areas". She went on to say that "coal needs to maintain a relevant albeit decreasing role in the future of our energy mix".

Coal worldwide

- Worldwide coal reserves for 200 years
- US, China, India depend largely on coal for their energy needs
- About 40% of world energy produced from coal

MEPs to debate clearer rules for information on Prescription drugs

- Attempt to separate information and advertising claims
 - Information on conditions that can be treated with a particular medicine
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Amid all the competing claims made about prescription drugs people are often confused about how effective medicines can be and which the correct one to take is. New legislation being debated Monday (22 November) by the European Parliament aims to force pharmaceutical companies to ensure that their customers have access to "unbiased information" about their products.

The aim of the proposed EU wide legislation is to make a much clearer distinction between factual information and advertising claims.

In addition, MEPs on the Environment, Public Health and Food Safety Committee also want the following to be publicly available - probably by electronic means;

- a summary of a product's characteristics, a labelling and package leaflet and a publicly accessible
- version of the assessment report of the product;
- the diseases and health conditions which are to be treated with the medicinal product;
- Information on how to prevent such diseases and conditions.

Swedish centre right MEP Christofer Fjellner (EPP) is steering the measures through Parliament and is confident that in the debate on Monday and vote on Wednesday fellow MEPs will back his position.

"Oblige companies to give unbiased information"

As he explained to us ahead of the debate: "Today there is a lot of uncontrolled, biased and often false information on the internet. This report will oblige companies to give unbiased information to patients whenever they want it".

In Fjellner's view the greatest achievement of the report is the change of perspective. "Now the report focuses on the patient's rights to get information, not about the rights of the companies to spread information. It also establishes a clear difference between information and advertisement and strengthens the ban on advertisement."

Opening of Strasbourg plenary session: support for Aung San Suu Kyi and for the elimination of violence against women

- Buzek welcomes Aung San Suu Kyi release
 - Also supports International Day for the Elimination of Violence
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At the opening of this week's plenary session in Strasbourg, Parliament's President Jerzy Buzek welcomed the release from house arrest of Burmese opposition leader Aung San Suu Kyi, and voiced support for the 25 November UN International Day for the Elimination of Violence against Women.

Aung San Suu Kyi had been one of the first winners of Parliament's Sakharov Prize for freedom of thought, but had been prevented from attending the award ceremony 20 years before, in 1990, noted Mr Buzek, adding that that he had invited her to attend a forthcoming session of the European Parliament.

The President also voiced support for the 25 November UN International Day for the Elimination of Violence against Women, stressing that women everywhere suffer violence, rape and humiliation, and adding that female genital mutilation is still inflicted on 8,000 girls every day. He reiterated that Parliament had for many years advocated action to prevent such abuses, and urged MEPs to wear rose petals to show their support for it.

Agenda changes

The report by Italian MEP Luigi Berlinguer (S&D) on Civil law, commercial law, family law and private international law aspects of the Action plan implementing the Stockholm Programme will not be debated on Monday, but will nonetheless be put to a vote on Tuesday.

A resolution on developments in the Western Sahara will be put to a vote on Thursday.

MEPs call for solidarity fund to help flood victims

- Belgium, the Netherlands, France, Italy and the UK hit by floods
 - Farms and small companies hardest hit
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EP President Jerzy Buzek opened Tuesday's plenary session by offering his condolences to all those affected by the recent floods that have hit Belgium, the Netherlands, France, Italy and the UK and have caused fatalities and millions of euros of losses.

Many of the MEPs speaking during the short debate represent areas that have been affected, and all those who spoke called for the solidarity fund, set up 8 years ago to help EU countries hit by natural disasters, to be mobilised quickly.

MEPs noted that farms and small companies have been particularly hard hit and there were calls for investigation into the reasons behind the higher rainfall and investment into prevention measures.

ECB must go on participating actively in tackling the economic crisis

- Resolution encourages the ECB to purchase government debt
 - MEPs call for a robust economic governance system
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Following on from Monday's debate with ECB President Jean-Claude Trichet, MEPs on Tuesday adopted a resolution, by a show of hands, gauging the ECB's performance in 2009 and suggesting actions to be taken in view of the economic situation.

In the light of the persistent problem of indebtedness, the resolution encourages the ECB to purchase government debt in a similar way to what is happening in the UK and the US. It also highlights the problems caused by credit rating agencies judging Member State indebtedness and calls on the Commission to be more ambitious with its proposal for controlling how these agencies operate.

The resolution also stresses that a robust economic governance system is essential for true economic and monetary union and that the emphasis has until now been too focused on the monetary aspects. It highlights the urgent need to address imbalances between Member States' economies and calls for the urgent setting up of a permanent crisis management framework.

Finally, the resolution urges care when implementing the austerity packages around the EU to ensure that economic recovery is not seriously hindered.

The debate with Mr Trichet on Monday evening centred on the need to address the real and everyday worries of citizens with regard to the crisis, the problem of not addressing tax competition between Member States, the imperative of global coordination of financial regulation, and the potential benefits of Eurobonds.

In the debate, around ECB activities in 2009, Mr Trichet detailed how the ECB had radically lowered its lending rates in 2009 to 1% and had elaborated credit support measures to shore up banks. Mr Trichet also explained how the ECB was intervening in the debt security markets of the Eurozone in order to address the problems in the bond markets.

Speaking after Mr Trichet, Olli Rehn, commissioner for economic and monetary affairs, said that the assistance soon to be released to Ireland would provide stability to the whole Eurozone, concluding that the negotiations on the mechanism with the Irish authorities should be closed by the end of November.

The E in the EMU

Burkhard Balz (EPP, DE), EP rapporteur on the ECB 2009 report, stressed the importance of focusing on economic coordination among Eurozone Members to equip the EU to react properly to future problems, rather than to deal only with monetary issues.

Address the grass-root worries

"We need to think about our citizens", said French Member Jean Paul Gauzes (EPP). "We have to communicate all the needed changes better" he went on to say adding that citizens' worries cannot be addressed by the actions of the ECB alone but by bolder action at policy-maker level.

French MEP Sylvie Goulard (ALDE) stressed that thanks to the Lisbon Treaty there will be a public debate on the reform of economic governance. She stressed that the current debt crisis should "push us even further than what the Commission proposed for economic governance", with an oversight role for the EP.

A well-defended Eurozone

Romanian MEP George Sabin Cutas (S&D) pleaded for a "permanent mechanism to defend the Eurozone from speculative attacks", managed by the ECB and "possibly think about a European credit rating agency". He also stressed the need to add job creation to fiscal consolidation as parameter for policy decisions so as not to have austerity measures which hinder long-term economic growth potentials.

Tax competition and surplus countries

German Member Sven Giegold (Greens/EFA) touched on important details necessary for effective economic coordination. "We need to tackle imbalances by also addressing surplus countries not only those running deficits", he said. He also called for "a framework to deal with tax competition in the EU", pointing at Ireland's low corporation tax.

Global coordination

British MEP Kay Swinburne (ECR) stressed that international coordination was key: policy decisions have to be taken together with all "large players" around the world and warned about the threat of national interests kicking in. Ms Swinburne also stressed the "difficult job" performed by the ECB, hoping for its success to enhance the EU role at global level.

Time for Eurobonds

Jurgen Klute (GUE/NGL) of Germany criticised the ECB for not having issued Eurobonds to finance the Member States in difficulties, so to "avoid the casino approach". The consequence is, according to him, that "workers are left at loss".

The wrong angle

John Bufton (EFD) of the UK claimed that striving for more economic coordination was not the medicine for the current difficulties since it was further integration itself which led Europe into the crisis. "A single currency can only work in a federalist environment", he said, wondering whether a federalist state is the ultimate aim of the Commission's proposals.

"Like a fire brigade"

"We need to act like a fire brigade, putting out fire in Europe" said Commissioner Rehn when replying to MEPs. Referring to the situation in Ireland, he said: "When someone is in trouble, you need to help him, (...) also in the interests of Europe wider stability". "All Members States would have been in much more difficulties without the EU shield", he added.

Instability caused by poor economic governance

"We have sentiment for the Economic Union, but we are only responsible for the Monetary one", said ECB President, criticising "the tendency to use the EU as scapegoat" and blame the Euro, "a robust and solid currency", for economic difficulties. "It is not the Euro that is at stake" continued Trichet "but financial instability driven by bad behaviour of fiscal policies" and "poor governance of economy" by certain Member States. Finally, he asked MEPs to work hard to ensure "a very strong surveillance and governance" of EU economy.

Georgia's Saakashvili pledges peaceful solution to dispute with Russia

- Georgia's President addresses EP and pledges dialogue with Russia
- Calls for Georgia to be given a European future

Georgia's President was at the European Parliament Tuesday (23 November) to appeal for his country to be granted the possibility of a future in Europe. He also said that Georgia would not use force to settle the dispute with Russia over South Ossetia and Abkhazia which led to war between the two countries in 2008.

Welcoming Mr Saakashvili, Parliament's President **Jerzy Buzek** said "the last seven years have not been easy for Georgia". He reminded MEPs that last June the Parliament backed the conclusions of the last EU/Russia summit which called on the Russian authorities "to honour its commitment in the Ceasefire Agreement with Georgia, stop the harassment of Georgian citizens on the borders of occupied territories and cease blocking the EU's Monitoring Mission in Georgia (EUMM) access to South Ossetia and Abkhazia".

"Georgia...a European democracy"

Mr Saakashvili told the House that "Georgian citizens have stopped thinking of their country as a post-Soviet state. They see it, judge it, and often criticise it as a European democracy".

He went on to say, "the EP is a symbol of hope, the striking proof that even the cruellest of conflicts can be overcome".

He went on to call for Georgia to be offered a European future: "It is high time for the European peace to be extended to the Caucasus". At the end of his speech he said that Georgia will "do whatever we can to achieve our European destiny".

During his speech, Mr Saakashvili spoke of how since the "Rose Revolution" in 2003, Georgia has tried to put democratic standards in place, noting "free elections, decentralization, opening of the economy and education". He added, "Georgia is trying to turn its back to the communist past and move towards democracy".

"Russia as a partner and not as an enemy"

Turning to the 2008 war between Russia and Georgia (he noted that 20% of Georgia territory was still controlled by Russian forces) he said that "Georgia will never use force to restore its territorial integrity and sovereignty and that it will only resort to peaceful means in its quest for de-occupation and reunification".

He went on to say that "we all want - and what I personally want is Russia as a partner and not as an enemy". He said that Russians "will always be welcome in Georgia, as partners, as tourists, as students, as businessmen, as journalists or simply as friends. Not as occupation forces". "Cooperation must replace rivalry", he added, asking the EU to support this initiative.

Mikheil Saakashvili

- Born 1967
- Studied in Europe (Strasbourg, where he met his wife) and in the US
- Elected president of Georgian in 2004, re-elected beginning of 2008

Parliament stands united in 2011 budget deadlock

- Joseph Daul: present budget does not take into account the EU's new competences
- Martin Schulz MEP: he discussion is not about money but about the direction of EU

The European Parliament is holding to a firm, united position in the deadlock over the EU budget for 2011. This was confirmed in Tuesday's plenary debate on the 2011 budget negotiations with Commission President Barroso, Belgian Presidency representative Melchior Wathelet and Budgets Commissioner Lewandowski.

Discussions ranged over three key issues: the figures for the budget 2011; flexibility within the budget to deal with new priorities or upcoming urgencies; the question of Parliament's involvement in talks on the future Multi-annual Financial Framework and own resources.

Opening the debate, EP President Jerzy Buzek reminded the EP's guests that Parliament was prepared to accept Council's figures, in commitments and payments. "In exchange we wanted agreement on the question of flexibility in the budget and on how the Lisbon Treaty should be implemented with a view to future talks on the MFF and own resources", he said.

The first of the political group speakers, Joseph Daul (EPP), said "The debate is not a battle for power. What it is about is making it possible for the EU to meet its promises... The reality is that the present budget does not take into account the EU's new competences; it does not take into account the budget review Parliament has asked for and contains no funding for the 2020 strategy. Council is adopting programmes but is not providing for their funding."

For the S&D group, Martin Schulz said "Parliament is being tested. The discussion is not about money anymore but about the direction in which the EU is developing. It is about the rights of Parliament as reflected in the Treaty of Lisbon... We are elected to deal with the EU and its budget. Now the national governments want control and monitor us. That is the wrong way around!" On flexibility, he said "it's in the interest of all the institutions to be able to react in a flexible manner if needed."

Liberal leader Guy Verhofstadt (ALDE) then took the floor, saying "On the figures, there is no secret that Parliament is ready to accept the figures, within a global deal of course, but the second part, flexibility, is just as important. Flexibility is not a concession from the Council. It is needed to fund new projects." "The most important thing is that we need to solve the problem of future financing of the EU. In this own resources must be a part of the deal. This is not about changing the treaty, but about applying the treaties!"

Daniel Cohn-Bendit (Greens/EFA), on behalf of his group, argued that the EU had "reached a crossroads". "It is not about the money, it is about the question of furthering the European idea or not. We want the EU to solve problems that cannot be solved nationally. But Member States won't give the EU the means needed to do this. We have tabled three requests. To the Member States I would like to say: Take it or leave it! We are ready to wait as long as it takes. We are not going to stop the debate in the middle."

The ECR group was represented by Lajos Bokros who contended that "500 million tax payers cannot understand why there was no agreement in the first year of Lisbon...But there is a way to agree - if we can agree on flexibility. If we agree on flexibility, Parliament could promise not to force any political declarations on the governments. It would be yet another shame and a bigger shame if we cannot agree this time."

Lothar Bisky of the GUE/NGL group stressed "New tasks cannot, at least not entirely, be financed within the current budget. Member States have to discuss own resources with the Parliament. If we don't talk any more, we are abandoning the idea of European integration." He also warned that "net payers tend to forget what solidarity means".

The final group speaker was Marta Andreasen (EFD), who told the House "Let us be honest. Negotiations on next year's budget collapsed because of this Parliament's ambition to get more powers over the budget. And the idea to have a European tax has always been unacceptable to us."

Replying for the EU Presidency, Belgian state secretary for the budget Melchior Wathelet singled out three issues: the 2011 budget, the question of flexibility and the political declaration regarding Parliament's involvement in discussions about the future MFF and the own resources debate. He believed the political declaration was the real problem in the Council, saying "But we can have this discussion. It is in the Treaty and we will have it, maybe at a later stage."

Lastly, Commission president José Manuel Barroso said to the assembled MEPs "We must show that all stakeholders understand the implications of the Treaty fully, that close cooperation between the institutions at the highest political level is a natural consequence of our joint commitment to adopt the appropriate financial framework for the future".

"We will use our right of initiative to put forward proposals on own resources before the end of next June. Obviously, Parliament has to be consulted for this issue", he added. Mr Barroso also backed Parliament's position on flexibility, saying "We should have a qualified majority on 0.03 % of GNI. I hope to get a positive message about this from Council."

Parliament will vote on a resolution on the budget negotiations on Thursday 25 November.

MEPs look forward to Cancun climate talks

- Wednesday afternoon debate at 3pm ahead of climate talks
 - UN climate scientists have warned of consequences of failure
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So, what are MEPs debating?

Next week world leaders will gather in Cancun Mexico for the latest attempt to find a legally binding deal that could limit greenhouse gas emissions. Several reports by the UN's climate change panel have warned of the consequences of the world's temperature rising by more than 2 degrees Celsius by the end of the next century. The Parliament's Environment Committee has backed the UN and the European Union's commitment to cut greenhouse gas emissions by 20% within a decade.

A group of MEPs led by the chair of the Committee Jo Leinen (S&D) will be in Cancun to press for this. Before they go the whole European Parliament will debate the issues at Cancun this afternoon at 3pm.

What are the main issues, give it to me in a nutshell

The Kyoto protocol, which sets out legally binding measures to reduce greenhouse gas emissions, expires in 2012 and time is running out to find a successor to it. That is the purpose of Cancun. However, agreement between developing and developed countries proved elusive last year as the poorer countries agree they should not have to pay for the pollution of richer, industrialised nations like the US and Europe. They are also concerned that limit to emissions could tie back economic growth - something the Chinese are particularly concerned about. In addition there is the question of money, who will pay for the climate mitigation measures that may be needed?

Insiders use abbreviations for these climate change talks like "COP16" and "CMP 6" What do all these mean? Am guessing this is going to be complicated...?

It is - but keep reading anyway. There are in fact 6 conferences taking place at the same time to discuss climate change and related issues. However, the most important are the "Sixteenth session of the Conference of the Parties" (So COP16 means this is their 16th meeting), and the "Sixth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol" (CMP 6). Most governments are members of the United Nations Framework on Climate Change (UNFCCC) which produced the Kyoto's protocol.

Who will be there?

A lot of people. Every government around the world is expected to send a delegation whilst the EU, various UN bodies and a range of international organisations will also be there, as will NGOs from around the world.

Is this related to the Copenhagen climate conference last year?

Yes, disagreements in Copenhagen left a lot of unfinished business, Cancun hopes to deal with some of it.

Stricter information rules on prescription medicines

- Patients must have better access to high-quality information on prescription medicines
 - MEPs based their changes on principle that patients should have the right to obtain accurate and unbiased information on medicines
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Patients must have better access to high-quality information on prescription medicines in the future, said MEPs voting on draft legislation on Wednesday. This means providing objective information on a drug's characteristics and the treated disease or condition, while preventing unsolicited information or disguised advertising.

MEPs based their changes to the draft legislation on the fundamental principle that patients should have the right to obtain accurate and unbiased information on medicines. They clarify pharmaceutical companies' obligations and possibilities to inform, as well as the role to be played by Member States.

Parliament adopted two legislative reports today at first reading: a regulation relating to EU-level aspects (564 votes in favour, 41 against and 45 abstentions) and a directive on rules for Member States to apply at national level (558 votes in favour, 42 against and 53 abstentions). These will now go for discussion in Council.

Christofer Fjellner (EPP, SE), who drafted the reports for Parliament, said, "The most important thing we did during this process was to change the focus of the whole legislation from the rights of pharmaceutical companies to spread information to patients' right to get the information they need and want. This proposal offers only improvements when it comes to the quality and amount of information available to patients."

Companies must inform, not advertise

With no shortage of unverified information on medicines on the internet, patients need to be able to get informed from those who know the product best. MEPs say that pharmaceutical companies must be able to provide basics, such as product characteristics, labelling and package leaflets and an accessible version of a drug's assessment report. Firms should also be allowed to provide certain other non-promotional information, for example on price or packaging changes, but only with the authorisation of the relevant Member State authorities.

Overt advertising of prescription medicines is already banned across the EU, but Member States' varying interpretation of the rules means there can be a fine line between information and commercial promotion. To help clear this up, MEPs say that information on prescription medicines should be prohibited not only on television and radio, as proposed by the Commission, but also in print media. Health professionals must declare any links to pharmaceutical companies if they give information on medicines at public events or in the media.

Member States to provide online information

MEPs emphasise that Member States are responsible for national rules to ensure "objective, unbiased information" is available to the general public. This includes leaflets in packaging, an assessment report of the product and information on how to prevent such diseases and conditions. Member States should provide dedicated websites for this information, and any material must be in a format accessible for people with disabilities.

State of Europe's economy dominates debates on EU summit

In a dramatic debate on economic governance and the conclusions of the European Council meeting at the end of October, MEPs clashed Wednesday (24 November) over the best way for Europe to resolve the current economic crisis. Fiscal discipline in the EU, the stability of the euro area, sanctions for eurozone countries and the Irish bailout were all discussed.

During the debate eurosceptic MEP Godfrey Bloom was asked to leave the Chamber after describing Socialist and Democrat leader Martin Schulz as a "fascist" and refusing to apologise to the House.

President of the European Council **Herman Van Rompuy** focused in his opening remarks on economic governance measures agreed by the European Council, and the report of his Taskforce on economic governance, which provided a "right balance" as a basis to avoid excessive deficits and strengthen the EU's capacity when a country creates risk for the common stability. "Member states should feel their fiscal decisions affect the whole Union".

He reiterated his support for introducing a reverse majority in votes by the Council of the European Union about sanctions against countries with imprudent fiscal policies. This would mean automatic sanctions unless a majority voted to block them. He said that limited Treaty changes would be required for a permanent stability mechanism.

The President of the European Commission **José Manuel Barroso** talked about the importance of safeguarding the financial stability of Ireland, the euro zone and the EU as a whole. He said that legislative proposals from the Commission will be operational as soon as possible in order to strengthen economic governance in Europe.

He finished by saying that "if the EU wants to play a stronger role in the world, in the benefit of citizens, we need more coherence, more convergence, more common purpose".

"Politicians are using and exploiting this fear"

The leader of the largest bloc in the Parliament, **Joseph Daul** of the centre right EPP said that people in the EU are still afraid of crisis. "But at the same time more and more politicians are using and exploiting this fear...It's up to political leaders and political groups to reject this demagoguery and populism. The solution to the crisis is not in protectionism and looking inwards". There are no easy and rapid solutions, Mr Daul said. "It's not possible to turn back from solidarity. We have to realise that we need our partners in these difficult times."

The leader of the Socialist and Democrats group **Martin Schulz** said the EU is falling apart - into 3 elements: France and Germany, the Eurozone and the rest with the UK in a "special position". "This development will tear the EU apart. The reform of the stability pact depends on a member state that is not even in the Eurozone. Merkel wants revision of the Treaties when nobody in this house knows what's happening in Ireland. Private sector participation is good; we wanted it in the form of a transaction tax. Apparently the UK doesn't want it. Does the UK decide everything in the EU?" he asked "Let's start with the financial transaction tax in the EU - that's a way for the private sector to participate."

"We should back Mr Trichet"

For the Liberals **Guy Verhofstadt** noted that tension prevails in the euro zone and it is currently not possible to strengthen economic governance with so many co-existing systems. "We should back Mr Trichet (Head of the ECB), responsible for the stability of the euro zone. He's asking us to strengthen our system and make sure that sanctions are effectively automatic". He added, "change in the Treaty is an opportunity to change what is necessary for the future. I have more confidence in the EC to apply measures against countries not complying than in the Council," he told the House.

Rebecca Harms for the Greens noted that the tense atmosphere in the Chamber was potentially a harbinger of the situation the EU could find itself if we don't shape it better. Small treaty changes are not a problem, she said, however the problem is that "pro-European spirit of solidarity is lacking". Germany, a country that drew so strong on solidarity, is no longer

able to stick to it. "It's only possible for us to get out the crisis standing together". She went on to say that "the Irish crisis situation is also one for Germany - This needs to be admitted honestly to citizens".

Speaking for the ECR group, **Kay Swinburne** commented on the stalemate over the EU budget situation: "We within the EP need to respect the pressures that member states are under and accept that all non-urgent EU projects should be deferred to allow the setting up of an EU budget that reflects the current troubled economic times".

Punishment threatens EU solidarity

Lothar Bisky for the GUE/NGL group warned against further punishment of indebted countries as it would destroy solidarity between member states. Economic governance and social Europe should be built on the principle of solidarity he said.

Nigel Farage (EFD) said the EU had learned nothing from the crisis. The current bailout mechanism for euro-zone states will not solve the situation, he said. "We had a Greek tragedy early this year and now the Irish crisis. Portugal is next on the list and after that I suspect it is Spain. And a bailout for Spain would be seven times bigger than for Ireland, at a moment when all the bailout money will be gone".

MEPs debate European Commission's 2011 work programme

- Dealing with the economic crisis and creating jobs
 - Strengthening Europe's role in the world
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Dealing with the economic crisis and creating jobs, enhancing the rights and security of European citizens and strengthening Europe's role in the world are the three main priorities of the European Commission next year. Commission President José Manuel Barroso told MEPs Tuesday afternoon (23 November) that he hoped these would steer the EU out of the crisis and beyond".

He said "sustaining economic recovery and securing our societies for the future remains the overarching priority in 2011". He went on to say, "Europe must keep pace, focusing on our comparative advantages in this 21st century of globalisation. When competitors are cheaper, we must be smarter."

For the European People's Party **József Szájer** emphasised job creation: "We have to overcome the crisis in Europe we have to base our economy on work." He also highlighted innovation and research and the quality of imported food.

Hannes Swoboda (Socialist and Democrat) wanted more focus on green growth and the creation of green jobs. About the internal market he said, "we must protect our social standards", adding that tax harmonisation is necessary to a certain degree.

Liberal **Adina-Ioana Vălean** told fellow MEPs, "it seems we have too many strategies and a lack of interest in making them a reality. And this is why I believe it is time to get back to the basics...the single market should be our big scheme".

Rebecca Harms (Greens/EFA) noted that "the fine objectives (of the programme) can't be achieved and implemented without reliable budgetary backing" and emphasised the need to take steps towards economic governance. A "positive way to look beyond the crisis and towards community policies rather than tackle symptoms is missing," she said.

Oldřich Vlasák of the (ECR) told the House that "sometimes less legislation is more" concerning services. "Economic actors find it extremely difficult to respond to continuous changes in the system," he said.

Patrick Le Hyaric (GUE/NGL) said "the EC is always behaving like there is no crisis". He called for implementation of the Lisbon Treaty, the improvement of the social and pension system and a tax on financial transactions and investments.

Niki Tzavela (EFD): drew attention to the emigration of young skilled workers abroad and suggested the creation of a skilled EU labour force market that could operate between member states.

Budget 2011: Parliament reiterates its stand

MEPs are ready for an agreement on the 2011 budget within the limits set by the Council, provided EU governments accept Parliament's request for budget flexibility and an agreement on a future working method for EU funding. This was the message in Parliament's resolution on the on-going negotiations on the 2011 budget, adopted on Thursday.

The resolution was adopted by an overwhelming majority (486 in favour, 64 against and 21 abstentions).

MEPs are ready to "facilitate an agreement on the 2011 Budget and related elements within a very tight timeframe" provided three conditions are met:

Firstly, Parliament wants an agreement on genuine flexibility mechanisms that would be decided by the EP and by qualified majority in the Council. Before the Lisbon Treaty came into force, the budget could be changed by up to 0.03% of the EU's GNI, provided this change was backed by qualified majority in Council and approved by MEPs. This mechanism was used to release funding for the Galileo project and to provide €1bn to the EU food facility for emergency aid to developing countries suffering from rising food prices. What Parliament wants is to keep this flexibility in the future.

Secondly, MEPs want the Commission to present a substantive proposal on new own resources plus a commitment from the Council to discuss these proposals with Parliament within the negotiating process of the next long-term budget framework as envisaged in the 2006 Inter-Institutional Agreement on budgetary matters. Commission President José Manuel Barroso told MEPs during Tuesday's plenary debate on the budget that the Commission would put forward such proposals before the end of June 2011.

Thirdly, the Treaty (Article 312, 5) requires the three institutions to "take any measure necessary" to facilitate the adoption of the next long-term budget framework. The final condition is therefore that the three institutions must agree on a working method, making clear how to put this into effect.

"In order to reach a rapid and good deal for the EU, we need movement from the Council and we are ready to negotiate. We need movement on the European Parliament's role in negotiations about the next Multiannual Financial Framework, a commitment to have a full debate on own resources and on genuine flexibility mechanisms which respect the existing principles for revisions and would help to finance policies agreed in the Lisbon Treaty." said EP President Jerzy Buzek.

The first round of budget negotiations started with a Commission proposal in April and was followed by a Council position in August and a Parliament position in October. The original plan was to agree during the conciliation period, which ended on 15 November. Since the institutions could not agree, the Commission will propose a new draft budget, probably on 1 December. Parliament's Committee on Budgets will discuss this at its meeting of 1-2 December.

The Commission will present a proposal for the next long-term budget framework (also known as the Multiannual Financial Framework, MFF, or the Financial Perspective) in the summer of 2011.