



RESPONSE OF THE EUROPEAN AFFAIRS COMMITTEE
TO THE QUESTIONNAIRE OF THE CRIS COMMISSION
REGARDING THE RESOLUTION OF THE EUROPEAN PARLIAMENT

BEARING IN MIND THE RESPONSES OF THE PARLIAMENTARY COMMITTEES FOR
BUDGET AND FINANCE, EUROPEAN AFFIARS, INNOVATION AND ENERGY, AND OF
EMPLOYMENT, SOCIAL SECURITY AND PUBLIC ADMINISTRATION, AND THE
HEARING WITH A DELEGATION OF THE CRIS COMMITTEE ON 12-01-2010

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I - INTRODUCTION

1. First we should note the importance of the exchange of ideas between the European Parliament and the national parliaments regarding matters of common political interest, as is the case with the questions reflected in this questionnaire.
2. We should mention that the Portuguese Parliament has given added attention to the subject of the questionnaire, namely within the context of the regular process of parliamentary scrutiny of European initiatives.
3. In particular, we emphasise the scrutiny of the various initiatives of the European Commission (legislative and non-legislative)¹, regarding which this Assembly has been taking a position through the Reports/Opinions regarding several of the questions in the Questionnaire of the CRIS Committee.
4. We also remember the debate held at the head of office of CEAIE in October of 2010, with the deputy-elect of the EP Diogo Feio², regarding Economic Governance, in the context of the report he had prepared, for the Committee for Economic and Monetary Affairs of the EP, as well as the debate held by the EAC on the initiatives of the "Package on Economic Governance";
5. Furthermore, we should remember the hearing, on 12 January 2001, with a delegation from the CRTIS Committee, held jointly by the European Affairs Committees (EAC), of the Committee on Economic Affairs, Innovation and Energy (CEAIE), and the Committee on Employment, Social Security and Public Administration. At this hearing, the following points, among others, were debated: the October resolution of the European Parliament (based on the interim report of the CRIS Committee); the situation of Portugal, in light of the crisis, the methods under way and to be taken; the policy that the Portuguese Parliament may be considering; the recommendation that the Portuguese Parliament may see as effective and adequate at the European level;
6. Finally, we refer that the EAC, (made up of 21 Deputies, 9 from the PS, 8 from the PSD, 2 from the CDS-PP, 1 from the BE and 1 from the PCP) saw fit to send the CRIS Committee of the EP, both the position resulting from their consideration of the responses approved by the majority in the CEAIE, the BFC and the CESSPA, as well as other positions that express the diversity of political sensitivities, corresponding to the Parliamentary Groups that are based on the EAC.

II – RESPONSES

1. QUESTION 1 OF THE QUESTIONNAIRE OF THE CRIS COMMITTEE

What specific EU projects, actions and legislative proposals would you favour in order to improve the potential of the EU economy in terms of sustainability, competitiveness and employment in a ten-year perspective, taking into account the EU 2020 strategy and the functioning of the Internal Market? How would you like to promote innovation, competitiveness and long term investments particularly for Small and Medium Enterprises (SMEs)?

1.1. Summary of responses from the BFC, CEAIE and CESSPA*

Having as a backdrop EU 2020, it is considered fundamental to continue negotiation of methods to: (1) improve general conditions and the access to financing and innovation; (2) ensure the transformation of innovative ideas into products and services which create growth; (3) contribute to adapting the use of resources to the promotion of economic growth; (4) ensuring the transition to a a low carbon economy; (5) increase the use of sources of renewable energy and promote energy efficiency; (6) improve the entrepreneurial environment, especially for SMEs; and (7) support the development of a strong and sustainable industrial base, able to confront global competition.

Since it is difficult to list all of the projects, some initiatives stand out, which are under way or due to be launched soon, which the EU should broaden:

- Implementation of the emblematic initiatives related to Industrial Policy, the Policy of Innovation, and the Efficiency of Resources, as well as the *Small Business Act* and the *Single Market Act*;
- Promotion of energy efficiency, energy infrastructures and electric mobility, as a way to contribute to a more sustainable economy, with reduced carbon emissions;
- Promotion of methods of support to simplify the regulatory environment of the SME, improvement of access to financing and promotion of internationalisation.
- Defending a more integrated system of normalisation, in order to permit the interoperability and as an incentive to innovation in the rapidly evolving world markets (especially important for the development of electrical mobility).

The National Reform Plan (NRP) is in line with the strategic orientations of EU 2020, with special relevance to the European measures, for Competitiveness, Research and Development of products and markets. Europe should strengthen the inductive methods to reinforce competitiveness and internationalisation of its companies, namely the SME, thus promoting growth and employment.

The general tendency for centralisation of purchases by the States (especially at this time, promoted by the saving of resources) cannot lead to destruction of thousands of micro and small structures in Europe. Thus, without the countries losing their autonomy, the EU

should collaborate in the guarantee of one of the largest supports the SMEs could have, which consists in providing products and services to the national public services.

A very relevant condition for the competitiveness of the companies and, in general, for sustainable growth, is the pursuit of European goals regarding Climate/Energy. The EU should pursue a policy of reducing the use of fossil fuels and take care of the need to maintain a balanced policy, bearing in mind the importance of this fact in competitiveness. We should certainly continue the initiative towards energy efficiency in adequate patterns, keeping in mind the reality of domestic consumers and the SMEs.

To increase productivity and converge, it is necessary to continue to decrease the context costs. On this issue, both in national and in European terms, the commitment to simplifying environmental regulation is important - not increasing the context costs and simplifying the administrative and bureaucratic demands - and improving access to financing.

* What is presented here is essentially a summary of the response from the CEAIE.

1.2. Notes and observations by the GP participants in the AEC

1.2.1. Notes and observations by the PG of the PCP

The EU 2020 does not constitute a credible basis to promote the growth of the economy and increase (we need only look at where the Lisbon Strategy, which it has inherited and continues, has led us in these important matters). It is not based on liberalisation and deregulation of labour relations, nor in the promotion of destruction and/or disintegration of public services, or in a systematic investment in the privatisation itself, that we can achieve sustainable growth of the economy to ensure employment, rights, social progress, internal cohesiveness and an improved quality of life for citizens in Europe and from different economies.

Rather than an EU 2020 sustained on these assumptions, we feel that European political orientations should support dynamism, modernisation and reinforcement of national productive capacities and those of the economies of the different Member-States, respecting and protecting their specifics (especially at the level of micro and small businesses), ensuring adequate environments and fairness of internal and external competition, ensuring the qualification, dignity and appreciation of human resources, in the total respect for social rights.

2. QUESTION 2 OF THE QUESTIONNAIRE OF THE CRIS COMMITTEE

What financial resources do you favour at EU level in order to re-launch the economic recovery of the EU, taking into account the principles of sustainability, subsidiarity and solidarity? Are you in favour of introducing own financing mechanisms at EU level, such as so-called 'Euro-bonds' as a tool to finance specific EU projects?

2.1. Summary of responses from the BFC, CEAIE and CESSPA*

The economic and financial crisis of the past three years made clear the need to profoundly alter the coordination of the economic policies of the European Union, placing in evidence the need to review the Pact for Stability and Growth, complementing it with instruments that respond to macroeconomic imbalances, introducing financial mechanisms capable of correcting them.

In this crisis context, it is important to discuss financing alternatives, such as the creation of so-called "Euro-bonds". The potential introduction of "Euro-bonds" at the EU level could serve to finance "europrojects" and contribute to a greater integration of markets of the EU. We are concerned, however, that the introduction of the "Euro-bonds" may contribute to maintaining elevated debt levels.

* What is presented here is essentially a summary of the response from the BFC.

2.2. Notes and observations by the GP participants in the BFC

2.2.1. Notes and observations by the PG of the PS

The economic and financial crisis of the past three years made clear the need to profoundly alter the coordination of the economic policies of the European Union, placing in evidence the need to review the Pact for Stability and Growth, strengthening and broadening it, in order to permit a stable macroeconomic picture, growth and social well-being.

It is also known that the extension of the crisis to the debt markets already led the European Union and the Member-States of the Euro Zone to complement the reform of the Pact with a group of methods in defence of the common currency. These methods include the creation of a European Mechanism of Financial Stability (EMFS), guaranteed by the community budget, and the European Facility of Financial Stability (EFFS), guaranteed by the Member-States of the Euro zone. In order to eliminate uncertainties regarding available solutions besides the temporal horizon of the EMFS and the EFFS (2013), the European Council decided to create a permanent mechanism of financial stability for the Euro zone. The needed alterations of the Operating Treaty of the European Union have already been started by the European Council.

In this context, it is imperative to develop efforts of cooperation among the various Member-States in order to find coordinated solutions to the current sovereign debt crisis, with the need to discuss different alternatives such as the creation of so-called "Euro-bonds", refer-

enced above, within determined assumptions which regulate in a clear, egalitarian, and prices manner the possibility of recourse to the same, as well as the creation of a European Debt Agency. Efforts should also be developed - and are currently being discussed - with respect to strengthening and harmonising the rules in budgetary matters of each Member-State, allowing stricter rules for the Member-States of the Euro zone. On this path, The Portuguese Parliament is currently discussing a revision to the Budgetary Environment Law. Finally, with respect to economic recovery and growth of the European Union, we must emphasise the importance of creating entrepreneurial support and incentives, allowing the creation of services and products with the greatest added value. This is the path Portugal has been taking the last few years, as shown in the latest available data regarding innovation and the structure of Portuguese exports.

2.2.2. Notes and observations by the PG of the PSD

The creation of a European Permanent Guarantee Fund (EPGF) should be considered, which, rather than the current proposals, in in a ore simplified, less painful and more efficient manner (the issuance of Guarantees implies, necessarily, the use of less capital reserves when compared with the use of a Permanent Recovery Fund, allowing the Member-States and the financial sector to "re-take" the obtaining of financing in the capital markets under so-called "normal" conditions. The EPGF would act as Guarantee for issuances of Sovereign Debt, with the countries at "greatest risk" paying a higher commission.

Naturally, the guarantees attributed by the EPGF would respect the respective quotas of the EU countries, as well as the rating of the underlying assets, thus avoiding problems of *moral hazard*.

2.2.3. Notes and observations by the PG of the CGS-PP

To reinforce the economic recovery of the EU, structural reforms are needed with special emphasis on the increase of productivity without increasing expenses and public debt.

The EU must also invest in reducing the high amounts of public debt. A significant reduction in public expense could allow resources to be directed to the private sector, creating greater productivity and allowing job creation. If the introduction of "Euro-bonds" at the EU level gives a signal to the States regarding the possibility of maintaining high rates of indebtedness, then the option is wrong. If it serve to finance "Euro-projects" and thus contributes to a greater integration of the EU markets, it could be a good option.

2.2.4. Notes and observations by the PG of the BE

A sustainable economic recovery by the EU would require structural changes in the sense of preventing macroeconomic asymmetries. A Europe "at two speeds" is not sustainable from the viewpoint of the financial imbalances it creates. Therefore, we must deepen economic integration, providing it with institutional mechanisms capable of correcting these asymmetries both upstream (with a European budget

strengthened by greater fiscal unity oriented towards redistribution in a communitary logic), and downstream (with the issuance of European public debt)

The issuance of European public debt takes on special urgency in the current context of the crisis, not only to finance projects of the EU but also to allow access of the Member States to financing at non-speculative rates.

2.2.5. Notes and observations by the PG of the PCP

The minimum required is to totally recover the political objectives of promoting economic and social cohesion, through the pretence of financial methods by which they can be attained.

To achieve this, we must increase the level of financial perspectives to established amounts, in various studies performed by the EC in the first half of the 90s, such as the minimum limits to be able to ensure internal cohesion and allow the approximation of weaker countries to average levels of wealth and quality of life in the EU. It should be recalled that, at the beginning of the 90s, this threshold was at 2% of the GDP of the then EU; at the end of 1999, remember that when the QCA II ended, the amount to be achieved should have been 1.2% of the GDP (although it had never surpassed 1.1%), remember, finally, that today, in a Union with 27 countries with greater and more serious internal differences, the financial perspectives underlying the EU Budget will not surpass 1% of the GDP and some want to keep it below this threshold until 2020.

However, we do not need to waste much time inventing new instruments, apparently innovative, which only contribute to making us forget the existence of paths that could and should have been under way long ago.

3. QUESTION 3 OF THE QUESTIONNAIRE OF THE CRIS COMMITTEE

Are you in favour of the introduction of a financial transaction tax?

3.1. Summary of responses from the BFC, CEAIE and CESSPA*

The discussion on this point is still at an embryonic level, since it is essential to equate and properly quantify all of the potential impacts (positive and negative) which such a tax may have on the costs of financing companies, including the impact of this type of tax on the markets in the event of a lack of harmonisation on a global scale.

* What is presented here is essentially a summary of the response from the BFC.

3.2. Notes and observations by the GP participants in the BFC

3.2.1. Notes and observations by the PG of the PS

The discussion surrounding a tax on financial transactions, such as that taking place in the European Union, revolves around three issues: i) the contribution from the financial sector, ii) the tax on the financial activity, and iii) the tax on financial transactions.

As for the contribution on the banking sector, the State Budget Law for 2011 contemplates its discipline, which will be complemented through a decree approving short-term due to the technical discussion going on at the community level.

As for the other two taxes, the work at the European Union level is less advanced, with Portugal participating, in the context of the High Level work group organised for this purpose by the Committee. This discussion is still in an embryonic state, with the need to equate and properly quantify the potential perverse impact that this type of tax may have on the markets if there is no harmonisation at the global scale - even more relevant in the case of the tax on financial transactions.

3.2.2. Notes and observations by the PG of the PSD

The creation of a tax on financial transactions would be extremely negative, unless it were a situation broadened to all financial markets without exception. If not, the only impact would be a flight of capital to the "exempt" markets of the references tax.

Besides, the creation of a tax on financial transactions would dramatically increase the risk associated with investments, and therefore the premium demanded by investors in financial operations. The result would certainly be very prejudicial for companies who would see a rise in their respective financing costs.

This is a situation prejudicial to the economic growth of the Member-states and which should be avoided at all costs.

3.2.3. Notes and observations by the PG of the CGS-PP

A tax on financial transactions, normally justified by the need to compensate the support rendered by the State in saving banks, it not likely to collect at the level of the European Union and that it be in accordance with the principle of subsidiarity. In any case, a method of this type, in order to exist, should be implemented at a global level, since in any other way it would be easy to evade.

3.2.4. Notes and observations by the PG of the BE

A tax on financial transactions would have the double advantage of reducing the volatility in the financial sector, penalising speculative, non-productive activities and reducing systemic instability, and of increasing the base for obtaining community financing, in a logic of redistribution of income from which this sector should not be exempt.

3.2.5. Notes and observations by the PG of the PCP

We have long defended the introduction of this kind of tax, even at the national level. Its creation does not necessarily depend on any more global initiative, although we admit that it would be its broadened existence would be desirable. A minimum tax on operations on the stock market would constitute a form of conditioning and limiting movements of a speculative nature and create revenues which could and should revert to the budget.

The inexistence of broadened political conditions to create a tax on financial transactions continues to be a good pretext for doing nothing and everything continuing in the same manner. Only in full crisis, in its strongest phase in the financial area, is when some defend, speaking out, sometimes quite hypocritically, on the behaviour of the financial system; but, when the storm is past, the "system" returns ...

The existence of a tax of this type would not affect investments with a tradition in concrete economic activity, but may limit and condition activity of those who speculatively play the market, buying at opening what they sell at closing and removing capital gains with no economic translation. For these, it would be a bad thing; for investments with effective translation in real economy, there would be no negative effects.

4. QUESTION 4 OF THE QUESTIONNAIRE OF THE CRIS COMMITTEE

What further actions can be undertaken at EU and national level in order to increase territorial and regional and social cohesion and stimulate an inclusive and mobile labour market and the sustainability of our social patterns?

4.1. Summary of responses from the BFC, CEAIE and CESSPA*

Territorial, regional and social cohesion and the role of the National Parliaments

Cohesion should be understood in its three dimensions - economic, social and territorial - and in diverse communities: rural areas, those that suffer most from demographic alterations (especially ageing), frontier areas, those on the edge, mountainous areas and those suffering from alterations in the industrial or globalisation model, keeping in mind the principles of subsidiarity and proportionality.

The policy of cohesion should be inductive of economic development (namely in terms of economic growth and job creation) and economic cohesion, social and territorial, as outlined in the Lisbon Treaty, not seen merely as a cost in budgetary terms, but above all as an opportunity for development, which strengthens the European Union. The future cohesion policy cannot relegate the absolute necessity of strengthening goals, practices and resources directed to promoting territorial cohesion.

With a view to increasing territorial, regional and social cohesion, there must be a strict coordination of the policy of cohesion with the National Reform Plan, the European Common Strategic Picture and the Plan for Stability and Convergence.

Coordination of economic and financial mechanisms

We must fight the perceived risk that the coordinating economic mechanisms are centred excessively on the analysis of Programmes of Stability and Convergence and on the Budgets of the Member-States, relegating to a second level the monitoring of trajectories of progress in matters of economic growth and territorial cohesion. A dominant attention centred on the public finances of the Member-States, with subordinate concerns centred on economic growth, trade balance or territorial cohesion, will translate into an inability to realise the European dream. The Europe 2020 strategy should be strengthened with the adoption of clear objectives in the matter of economic growth indicators and territorial cohesion.

The conclusions of the 5th Cohesion report are well accepted at the level of reinforcing strategic planning, through definition of the common strategic picture at the European level and at the level of signing partnership agreement for the development and investment between the EC and each of the Member States. These contracts should be centred on commitments regarding the results of the policy and its conditionalities based on incentives and not on sanctions.

On the other hand, keeping in mind the external and internal challenges faced by the EU, it is fundamental that, in the future, the policy of cohesion have at least the the same financial ambition as it now has. In this sense, and to lessen certain asymmetries and seek a harmonious development, is is important that the available resources be centred on the less developed regions of the EU.

The programmatic translation of the concept of territorial cohesion also demands greater innovation and flexibility in the geographies based on the implementation of the cohesion policy, adapting them to the political-administrative models of the Member-States, the variety of strategic objectives (e.g., improving human capital vs. improving physical infrastructures which support competitiveness), the territorial scale of problems of development (e.g., urban-rural links, metropolitan areas or other functional areas), and the specificity of target territories (e.g., motor regions of economic development).

Another area linked to sustainability of social patterns should be the reflection that the EU should make, in the medium term, on its model of social protection, without neglecting its competitiveness at the world level.

Involvement of civil society

The definition of the options in Portugal in matters of alignment with EU 2020, as well as the construction of the National Reform Programmes, would have to invest more in the broadened participation of society, its agents and living forces, to ensure its effective realisation, or appropriation by implementers of selected options, so as not to run the risk of seeing a repetition of the errors that determined the failure of the Lisbon Strategy.

Fighting unemployment

Fighting unemployment and promoting the creation of employment are two essential elements in the search for a more fair and cohesive society.

The high levels of unemployment that are seen in many European societies aggravate inequalities and destroy social cohesion. On the other hand, they create the need for a large amount of public resources in protection against unemployment.

Confronted with the need to, on the one hand, invest in a policy of budgetary contention needed to guarantee the financing of the economy and, on the other, to support those unemployed and promote their insertion in the workforce, it is decisive to invest in policies to promote employment that promotes greater efficiency, in order to maximise the effect of the public policies to be introduced.

Specific policies, for specific audiences, should therefore be the norm. It seems to be necessary to invest in professional retraining of the unemployed through professional training adequate to the needs of the workforce, investing in programmes of Recognition, Validation and Certification of Skills and in the granting of support to hiring of the unemployed with this profile, namely through concession of tax benefits to employers.

Young people are another sector of the population especially affected by unemployment. Investing in professional apprenticeships aimed at youth with different academic training and carried out in different areas of the market (public, private and social economy), seems to be a good option to acquiring knowledge, professional experience and integration into the workforce. The social protection guaranteed during the professional apprenticeship will contribute to their protection in areas covered by Social Security as well as reinforcing their social rights.

The stimulus to the creation of their own employment does not achieve levels needed to make the risk of self-employment, especially for the young, a good strategy for combating unemployment. Thus, it is important that the European Union and the State strengthen the conditions favourable to obtaining credit for the promotion of self-employment, as well as granting tax benefits, to especially motivate young people to take a chance.

Those citizens most in need of active employment policies are the target of social exclusion. The social-labour integration of these persons (homeless, discriminated ethnic groups and other excluded groups), requires, above all, programmes directed to strengthening their personal skills, acquisition of new academic and professional skills. These programmes will find special partners in the NGOs.

Persons with disabilities should be the target of specific responses at the level of academic and professional training, for their housing integration and protective care (secured residences, professional familial shelter, occupational activity centres, centres for protected employment, etc.).

The strengthening of policies of conciliation of personal and family life appears to be fundamental, faced with the rights of female and

male workers, but also faced with demographic problems and natality policies). Thus, we suggest strengthening the creation of networks of equipment for children, the elderly, persons with disabilities and in need of continuous care, as well as incentives to application of flex time.

The active ageing of the population should be met by creating conditions so that the eldest may enjoy the freedom of their home whenever possible. For this objective, we can broaden and diversify home support as a preventive measure instead of institutionalisation of the elderly and creation of programmes of recovery and maintenance of dwellings for the elderly.

The elderly and rendering of services which are increasingly needed calls attention to a labour market in clear expansion - "white" jobs - which must be considered when defining active employment policies.

Fighting poverty and social exclusion

Fighting poverty in children and young people by keeping them in school has been shown to be a determining factor in their social insertion. In this sense, fighting school drop-outs is one of the most determining tasks in the fight against poverty in this group.

Fighting non-declared employment, which especially affects immigrants, creating conditions of true poverty and higher social exclusion.

Strengthening social partnerships and the social economy, reinforcing the culture of social responsibility in light of the needs and challenges present in all dimensions of social cohesion.

5. QUESTION 5 OF THE QUESTIONNAIRE OF THE CRIS COMMITTEE

Which mechanisms should be established to create effective European economic governance in order to overcome economic imbalances, exit from the public debt crisis and prevent its recurrence in the Member States, while fostering growth, employment and social cohesion? Would you favour a permanent crisis resolution mechanism at EU level?

5.1. Summary of responses from the BFC, CEAIE and CESSPA*

First, we note the creation of the co-called "European Semester" which will allow a greater coordination *ex-ante* between the Member States and the European Union at the level of budget policies, without harming the sovereignty of the Member-States in managing their budgetary policy.

Another extremely important point is strengthening the Stability and Growth Pact, ensuring its effective compliance with the imposition of the most rigours control control mechanisms.

We agree with the creation of a European Stability Mechanism, considering the discussion held by the European Committee, by the Cen-

tral European Bank and by the European Parliament, as well as the general characteristics of the ESM in the Declaration of the Eurogroup on 28 November 2010. The creation of a European Permanent Guarantee Fund should be considered, which, in a more simplified, less painful and more efficient manner could imply the use of lesser reserves of capital. (BFC)

European Semester and involvement by the National Parliaments

The "European Semester" will allow a greater coordination ex-ante between the Member States and the European Union at the level of budget policies, without harming the sovereignty of the Member-States in managing their budgetary policy.

In terms of economic coordination and the inherent dynamics, namely as regards the European Semester, the community institutions should also remember the importance of the National Parliaments and their fundamental role in matters of State Budgets.

As such, we should mention the proposal of the European Committee, part of the above-referenced COM (2010) 250 initiative, of May 2010, which, in reference to the institution of the European Semester, notes that “*Member-States will also be encouraged in total respect for national rules and procedures to involve their national parliaments in this process prior to presenting the PEC and the PNR for purposes of multilateral supervision at the EU level*”, a proposal that was subsequently seconded in the orientations issued by the European Council of June 2010 to the Member-States, in particular on the “*presentation to the Committee, in the Spring, of the Programme of Stability and Convergence for the coming years, taking into account the national budget procedures*”.

True economic coordination

The detection and prevention of imbalances implies not only reinforcement of the mechanisms of supervision and correction, but also reinforcement, at the European level, of instruments of a budgetary and fiscal nature, without which it is impossible to have an adequate Economic Governance outside the strictly national context.

Additionally, economic coordination in its most global concept should not contain only control measures, supervision and counselling to the countries not complying with the principles defined in the PEC, but also keeping in mind the reality of that totality of countries and striving for real Economic Coordination and not just economic control.

Faced with situations in which the countries present to the European Committee contracting budget estimates and the reality of the region, the EU zone as a whole needs expansionist policies able to promote intelligent, sustainable and inclusive growth, the mechanisms of economic coordination should be able to achieve this.

Permanent stability mechanisms

We agree with the creation of a European Stability Mechanism (ESM)) under the terms mentioned above.

The creation of a European Permanent Guarantee Fund should be considered, which, in a more simplified, less painful and more efficient manner could imply the use of lesser reserves of capital.

In a true economic coordination that seeks the stability of the DEU, the *stop and go* policies should be coordinated in a cohesive manner, together and with everything in sight, in line with the proposed alteration of the Lisbon Treaty, already pre-approved by the leaders of the 27: “Member -States whose currency is the euro may establish a means of stability which will be activated if required to safeguard the stability of the Euro Zone as a whole”.

Automatic mechanism and objectives should be created that will go into effect automatically, and are not subjective and discretionary, based on an adequate and multi-disciplinary mix of indicators, characterising the national reality, such as (besides the usual macroeconomic indicators), indicators in the area of education and higher education, health, the labour market, innovation, etc.

Another extremely important point is strengthening the Stability and Growth Pact, ensuring its effective compliance with the imposition of the most rigorous control control mechanisms.

* What is presented here is essentially a summary of the responses from the CEAIE and the BFC.

5.2. Notes and observations by the GP participants in the BFC

5.2.1. Notes and observations by the PG of the PS

On this point, Member-States and the European Union have already taken important and significant steps in order to better prepare the European Union - at the level of its instruments - to detect and correct economic and budgetary imbalances.

First, we note the creation of the co-called "European Semester" which will allow a greater coordination ex-ante between the Member States and the European Union at the level of budget policies, introducing a great prior debate on national budgetary options without harming the sovereignty of the Member-States in managing their budgetary policy.

A second point of extreme importance is strengthening of the Pact for Stability and Growth, passing, as proposed, through a reinforcement of debt criteria through introduction of more stringent rules for countries with public debt greater than 60%, who will have to adopt measures which allow a more rapid convergence for the mid-term objective.

Third is the Regulation on macroeconomic imbalances, which establishes a mechanism for monitoring macroeconomic imbalances based

on (i) a scoreboard of macroeconomic indicators that functions like an early warning system (ii) a qualitative analysis of the results of these indicators, and (iii) a detailed analysis of macroeconomic stability of the countries that show a greater risk of imbalance. A procedure is established for excessive imbalances, inspired in the procedures for excessive deficits, including a preventive and a corrective phase.

A fundamental element for the Portuguese Parliament is the link with the Stability and Growth Pact. There is often a strong link between the two. It is this recognition that is behind the creation of the European Semester. The beginning or end of an EDP (Excessive Deficit Procedure) should not depend on correction of the macroeconomic imbalances when the budget imbalances have already been corrected. Or, to use an analogy, the beginning or abandonment of a procedure due to excessive imbalances should not depend on correction of the budgetary imbalances, especially when they are not related. It would be hardly justifiable that the same imbalance would cause sanctions in the context of the Pact (up to 0.2% of the GDP in the proposal of the European Committee) and in the context of the new mechanism of macroeconomic supervision (another 0.1% GDP).

Finally, and with regard to the second question presented, the European Parliament agreed to the creation of a European Stability Mechanism, considering the discussion held by the European Committee, the Central Bank and the European Parliament, as well as the conclusions of the European Council (16-17 December 2010), and the general characteristics of the MEE stated in the Declaration of the Eurogroup of 28 November 2010.

5.2.2. Notes and observations by the PG of the PSD

It is now clear that the problems that originated in Ireland and Greece are totally distinct: In the first case, a problem originating in the financial system, in the second, a problem of public accounts and the reliability of numbers

If in the case of Ireland the situation could have been avoided by stricter supervision of the exposition of the banks to financial markets and so-called "complex" products, in the Greek case, the effective compliance of the PEC (naturally the public accounts of countries should be as transparent as possible) could have avoided the current situation that the country is going through and which has already required the intervention of the IMF. These are clearly two situations that could have been avoided but whose impact was systemic.

In order to avoid that, in the future, situations like this occur again, it is fundamental to:

- Ensure effective compliance with the PEC with stronger imposition of stronger preventive control mechanisms;
- Establish high penalties for non-compliance (through increase in the commissions paid to the other Member-States for issuance of bonds guaranteed by the EPGF).

Based on the proposal of the creation of the EPGF, the permanent mechanism for resolving crises no longer makes sense.

5.2.3. Notes and observations by the PG of the CGS-PP

More than establishing new frameworks, we must rigorously apply the existing framework and reinforce "preventive action" (mechanisms of supervision and alert) of the EU for economic and budgetary policies.

It would make sense to introduce early warning mechanisms of budgetary control at the Member-States level, being assured that the monitoring and control of the public debt should be adjusted to the specific conditions of each Member-States.

It makes sense to improve the information on Member-States, making an effort to guarantee greater discipline and reliability of EU statistics.

From the viewpoint of world relations, we must improve the external representation of the Union in the area of economic and monetary matters.

5.2.4. Notes and observations by the PG of the BE

More than an isolated mechanism for discussion of the effects of contagion within the financial sector, we should have a reworking of European integration that predicts macroeconomic asymmetries among the Members states which cause instability. For this, more than a negative coordination, based on non-discretionary sanctions, economic integration should be broadened (a more robust European budget and issuance of European debt) in the sense of a positive coordination that allows each Member-State to adopt measures that, comprehensive of its specific macroeconomic reality, meet its community goals through the objective of economic growth.

5.2.5. Notes and observations by the PG of the PCP

No mechanism of economic governance escapes, no matter how well intentioned, the two central questions.

On the one hand, they can neither hide the intention of bailing out increasing losses of sovereignty, nor hide the creation of reinforced conditions of broadening the federalist concepts in the designated European construction that we reject. On the other hand, and especially those who preside at regulatory proposals, currently under discussion, cannot conceal that they are giving, fundamentally, voice to the imposition of the Franco-German directorate, simultaneously translating strategies of large economic and financial groups and orientations of a largely monetary nature from the Central European Bank.

And, if there were any doubt as to the nature, origin and objectives of the so-called economic governance, they would certainly be answered by the fact that the permanent mechanism for resolution of crises at the European level seems to be associated with imposition of political, economic, social and labour conditions that are totally identified with those which the IMF usually imposes on countries where they intervene.

The imposition of (nearly) automatic sanctions as an unacceptable corollary to a group of instruments that condition and impede legitimate national options and which, in many cases, impose procedures that seem to collide with constitutional principles in some Member-States (such as Portugal), cannot, in any instance, be accepted.

Any mechanisms of economic governance of the type being implemented, or which continue to arise, proposed by the Franco-German directorate, will only contribute to aggravating the economic and regional asymmetries currently existing with nefarious consequences at the social and employment level.

6. QUESTION 6 OF THE QUESTIONNAIRE OF THE CRIS COMMITTEE

Given the adoption of the legislative package on EU prudential supervision, the US financial market reform bill and the Basel committee proposals, which further action should be taken at global and, in particular, at EU level in order to stabilize and reform the financial markets with a view to long term investment and sustainable development?

6.1. Summary of responses from the BFC, CEAIE and CESSPA*

It is important to strengthen the credibility of the financial system, investing in education of investors, improvement of the giving of information prior to contracting financial products, harmonisation of rules applicable to the various channels of distribution, aligned with high and demanding patterns

The creation of reinforced protection mechanisms and the the institution of a clear and harmonised regulatory framework to resolve crisis of financial institutions in an orderly manner will have, predictably, a great positive impact.

It will also contribute to the credibility of the financial system to define strong risk management patters and strong patterns of governance of financial institutions, with alignment of respective incentives with long term investment decisions.

Priority should also be given to strengthening financial supervision and improving the transparency of the rating agencies highlighting the existence and relevance of other agencies besides those more well known, of a global dimension.

* What is presented here is essentially a summary of the response from the BFC.

6.2. Notes and observations by the GP participants in the BFC

6.2.1. Notes and observations by the PG of the PS

The response to a global crisis, of which the current crisis of sovereign debt of the Euro Area is merely a reflection - must be global. Joint efforts must be developed among the various world economic areas in order to find a global and structured solution for the crisis.

At the European level in particular, we should continue the path of strengthening the Stability and Growth Pact, continuing to deepening the work already begun. It is important to strengthen the credibility of the financial system, investing in education of investors, improvement of the giving of information prior to contracting financial products, harmonisation of rules applicable to the various channels of distribution, aligned with high and demanding patterns. The creation of reinforced mechanisms, such as systems to guarantee deposits, to indemnify investors and safeguard the insured, and the institution of a clear and harmonised framework for the orderly resolution of financial institutions will have a great impact.

It will also contribute to the credibility of the financial system to define high patterns of governance and risk management in financial agents, as well as strict application of payment rules.

6.2.2. Notes and observations by the PG of the PSD

In order to stabilise the financial markets it is fundamental that the European Union advance to an EPGF as referenced above.

Long-term investment necessarily implies changes in mentality and behaviours. In this sense, and despite this process already existing in some countries and some companies, we need a generalisation of these practices at the European and world level.

The models of corporate governance play an important role, aligning monetary incentives with long term investment decisions. This is clearly an area where we should invest in the future.

6.2.3. Notes and observations by the PG of the CGS-PP

At the European level, there should be greater coherence between the Stability and Growth Pact, the new framework of macroeconomic supervision and the European Economic Semester a part of the strategy of the Union for growth and employment (EU 2020).

At the global level, it makes sense to multi-lateralise decisions, reducing the risk of destabilising unilateral decisions of markets, namely regarding artificial devaluation of some currencies.

Priority should be given to reinforcing mechanisms of financial supervision and improvement of transparency of rating agencies.

6.2.4. Notes and observations by the PG of the BE

The financial system should contribute to growth and employment through its orientation towards productive investment. Thus, new transparency mechanisms should be implemented as well as minimum capital requirements with the development of a regulatory framework favouring long-term to the detriment of volatility (e.g., a tax on financial transactions and prohibiting certain financial products and activities such as short selling), thus favouring investment that is innovative and creates employment relative to speculative financing.

6.2.5. Notes and observations by the PG of the PCP

Impose, as stated in point No. 3, a tax on financial operations/transactions.

Conditioning and prohibiting use of financial markets by high risk financial instruments, with purely speculative operation, (*hedge funds, short selling*, etc.). Prevent new financial instruments with similar characteristics from operating in financial markets. Also in this regard, it is not absolutely necessary that this prohibition be global and simultaneous (although due to the crisis in the financial area, there have been financial markets that prohibited operation of some of these speculative instruments, with no consequences to the volume of transactions).

Returning the function of financial markets to what was, at least in theory, its original role of allowing financing of real economic activities and preventing speculation almost exclusively.

Extinction of financial havens acting as regimes for the elimination or omission of tax responsibilities. The extinction of tax paradises, prohibition or conditioning of their use through strong tax penalties on financial transfer to these destinations, drastically limiting evasion and tax fraud and preventing money laundering of capital originating in many illegal and criminal activities.

7. QUESTION 7 OF THE QUESTIONNAIRE OF THE CRIS COMMITTEE

Would you recommend a reform of the global financial and economic governance structures, such as a reform of the G20, the IMF and the World Bank? If yes, what would be the basis of a new institutional structure? What form of coordination should be achieved at the global level?

7.1. Summary of responses from the BFC, CEAIE and CESSPA*

In a world ever more globalised and plural, with the emergence of new economies, the reform of world institutions should be carried out in order to allow those new economies to participate more actively, but also to increase their financial contributions. We must also strengthen making emerging economies responsible for global economic and financial stability, raising their multilateral commitments

and opening their markets to international regulation.

The representation of the Eurozone in the IMF and other IIF should reflect the level of integration associated with the Economic and Monetary Union, which the unique currency epitomises

* What is presented here is essentially a summary of the response from the BFC.

7.2. Notes and observations by the PG participating in the BFC

7.2.1. Notes and observations by the PG of the PS

The discussion of reform proposed herein must always be equated on a global scale with the largest economies. In a world ever more globalised and plural, with the emergence of new economies, the reform of world institutions should be equated in order to permit new economies to participate more actively, but also to increase their financial contributions. One useful element of these reforms would be to go in the direction of a unique representation of the Euro Zone in the IMF, and in other IFI, reflecting the integrated level associated with an Economic and Monetary Union, which the unique currency epitomises, and affirming internationally the process of European construction.

7.2.2. Notes and observations by the PG of the PSD

It is important to make global financial and economic governance the object of greater commitment and coordination at the European and global levels.

Thus, it would make sense to create a World Forum for Regulation and Supervision with the objective of greater harmonisation of supervisory practices.

We should also considerer the creation of one (or more) rating agencies of a global nature.

7.2.3. Notes and observations by the PG of the CGS-PP

The reform of these structures would be a way to increase the financial contribution of the emerging economies, to strengthen their responsibility for global economic and financial stability, to raise the multilateral commitments which are often hidden, opening their markets to international rules and thus promoting the liberalisation of their societies and political regimes.

7.2.4. Notes and observations by the PG of the BE

These entities should first correct asymmetries of representation in decision-making processes, taking into account the growing importance of emerging economies. In pursuit of its objective of ensuring stability for financial and economic global orders, these institutions should be especially alert to imbalances and fragilities of a global economic order, namely asymmetries creating systemic imbalances (and, in this sense, of special importance are projects of support to developing countries) and environmental problems.

Thus, the financial and economic governing institutions on a global scale should favour three essential objectives: a) global programmes to fight poverty (which now exists at the level of the United Nations although with reduced budgets); b) a programme to fight climate change; c) reform of the international monetary system. The primary axis of the second meeting of the G20, in 2009, which is blocked.

7.2.5. Notes and observations by the PG of the PCP

We consider that it is in the context of the United Nations Organisation that the minimally balanced participation of all national interests, including smaller countries, can be guaranteed.

This is the political base that should be used for the resolution of international questions, as well as problems at the level of coordination and articulation of economies. Organisations such as the G-20, IMF or World Bank do not ensure this global vision of integration, do not guarantee adequate levels of participation by various interests in persons and on the contrary, reflect an in an absolutely absolutely majority - if not unique - manner, the interests of the largest countries and the most relevant economies on the world scale. Even the World Trade Organisation (WTO), which strangely is not even referenced in the questionnaire, should return to its original structure, in the context of the United Nations.

III – EXPLANATIONS OF VOTE

1. IN THE BFC

1.1. Explanation of Vote of the Parliamentary Group of the BE

The BE voted against the final version of the Responses to the Questionnaire sent by the CRIS Committee of the EP to the Budget and Finance Committee, since they felt that they did not reflect the essential points of their position regarding the issues being discussed. This explanation of vote will serve to clarify the policies defended by the Left Block, not reflected in the document sent.

1. What specific EU projects, actions and legislative proposals would you favour in order to improve the potential of the EU economy in terms of sustainability, competitiveness and employment in a ten-year perspective, taking into account the EU 2020 strategy and the functioning of the Internal Market? How would you like to promote innovation, competitiveness and long term investments particularly for Small and Medium Enterprises (SMEs)?

The EU should have as a priority the creation of projects at the European scale that promote the creation of employment, especially qualified employment, which may be simultaneously adapted in order to promote the investment in favour of small and medium companies.

The creation of a European programme of urban rehabilitation follows the logic described above. Going in the direction of a group of directives recently approved and not transposed, this programme would permit centralisation of diverse existing funds for urban rehabilitation and recovery of cities, co-financing local projects (using local resources) of rehabilitation based on energy efficiency.

2. What financial resources do you favour at EU level in order to re-launch the economic recovery of the EU, taking into account the principles of sustainability, subsidiarity and solidarity? Are you in favour of introducing own financing mechanisms at EU level, such as so-called 'Euro-bonds' as a tool to finance specific EU projects?

A sustainable economic recovery by the EU would require structural changes in the sense of preventing macroeconomic asymmetries. A Europe "running at two speeds" is not sustainable from the viewpoint of the financial imbalances it creates. Therefore, we must deepen economic integration, providing it with institutional mechanisms capable of correcting these asymmetries both upstream (with a European budget strengthened by greater fiscal unity oriented towards redistribution in a community logic), and downstream (with the issuance of European public debt)

The issuance of European public debt takes on special urgency in the current context of the crisis, not only to finance projects of the EU but also to allow access of the Member States to financing at non-speculative rates.

3. Are you in favour of the introduction of a financial transaction tax?

A tax on financial transactions would have the double advantage of reducing volatility in the financial sector, penalising speculative, non-productive activities, and reducing systemic instabilities, and of increasing the base for obtaining community financing, in a logic of redistribution of income from which this sector should not be exempt.

4. What further actions can be undertaken at EU and national level in order to increase territorial and regional and social cohesion and stimulate an inclusive and mobile labour market and the sustainability of our social patterns?

In the sustainability of social patterns, the priority orientation should be employment. At the EU level, the current asymmetric regulation that homogenises the unique market should be compensated without harmonising social and labour policies. Investing in qualification and innovation should be preferred to precarious employment and social protection as a competitive strategy creating improved living conditions and patterns of consumption at the national and EU level.

The current crisis has proven that the policies of convergence were not sufficient to guaranty a successful process of social convergence. Thus policies of converging the Social Security Systems and fighting poverty financed at the European level should be encouraged in the sense of working towards a definition of social minimums guaranteed in all of the EU territory.

5. Which mechanisms should be established to create effective European economic governance in order to overcome economic imbalances, exit from the public debt crisis and prevent its recurrence in the Member States, while fostering growth, employment and social cohesion? Would you favour a permanent crisis resolution mechanism at EU level?

More than an isolated mechanism for discussion of the effects of contagion within the financial sector, we should have a reworking of European integration that predicts macroeconomic asymmetries among the Members states which cause instability. For this, more than a negative coordination, based on non-discretionary sanctions, economic integration should be broadened (a more robust European budget and issuance of European debt) in the sense of a positive coordination that allows each Member-State to adopt measures that, comprehensive of its specific macroeconomic reality, meet its community goals through the objective of economic growth.

6. Given the adoption of the legislative package on EU prudential supervision, the US financial market reform bill and the Basel committee proposals, which further action should be taken at global and, in particular, at EU level in order to stabilize and reform the financial markets with a view to long term investment and sustainable development?

The financial system should contribute to growth and to employment through its orientation towards productive investment. Thus, new transparency mechanisms should be implemented as well as minimum capital requirements with the development of a regulatory frame-

work favouring long-term to the detriment of volatility (e.g., a tax on financial transactions and prohibiting certain financial products and activities such as short selling), thus favouring investment that is innovative and creates employment relative to speculative financing.

7. Would you recommend a reform of the global financial and economic governance structures, such as a reform of the G20, the IMF and the World Bank? If yes, what would be the basis of a new institutional structure? What form of coordination should be achieved at global level?

These entities should first correct asymmetries of representation in decision-making processes, taking into account the growing importance of emerging economies. In pursuit of its objective of ensuring stability for financial and economic global orders, these institutions should be especially alert to imbalances and fragilities of a global economic order, namely asymmetries creating systemic imbalances (and, in this sense, of special importance are projects of support to developing countries) and environmental problems.

Thus, the financial and economic governing institutions on a global scale should favour three essential objectives: a) global programmes to fight poverty (which now exists at the level of the United Nations although with reduced budgets); b) a programme to fight climate change; c) reform of the international monetary system, the primary axis of the second meeting of the G20, in 2009, which is blocked.

1.2. Explanation of Vote of the Parliamentary Group of the PCP

The PCP voted against the text established by the PSD, by the CDS-PP and by the PS to respond to the questions asked by the designated CRIS Committee of the European Parliament for the reasons set forth below, although, in global terms. and in summary, we consider it impossible to give efficient responses to the economic and financial crisis in which we are now living, without proceeding with a profound analysis of its genesis, of the policies and orientations that were at the basis of its appearance and development at the global scale. Unfortunately, the questionnaire proposed to us does not have as its objective determining (or even contributing to) determining causes for the crisis, which surely would be a better way to fight its consequences and prevent its cyclical recurrence.

1. Regarding question No. 2 of the CRIS Questionnaire regarding: a) the “financial resources, at the EU level, to relaunch the economic recovery of the EU, taking into account the principles of sustainability, of subsidiarity and solidarity; b) and on whether we should support the introduction of our own financing mechanisms at the EU level, such as so-called "Euro-bonds", as an instrument to finance projects specific to the EU, the PCP considers that:

- The minimum required is to totally recover the political objectives of promoting economic and social cohesion, through the pretence of financial methods by which they can be attained.
- To achieve this, we must increase the level of financial perspectives to established amounts, in various studies performed by the EC in the first half of the 90s, (and considered to be the minimum limits to be able to ensure internal cohesion and allow the approximation of

weaker countries to average levels of wealth and quality of life in the EU). It should be recalled that, at the beginning of the 90s, this threshold was at 2% of the GDP of the then EU; at the end of 1999, remember that when the QCA II ended, the amount to be achieved should have been 1.2% of the GDP (although it had never surpassed 1.1%), remember, finally, that today, in a Union with 27 countries with greater and more serious internal differences, the financial perspectives underlying the EU Budget will not surpass 1% of the GDP and some want to keep it below this threshold until 2020.

- However, we do not need to waste much time inventing new instruments, apparently innovative, which only contribute to making us forget the existence of paths that could and should have been under way long ago.

2. Regarding question 3 of the CRIS Questionnaire regarding creation of “a tax on financial transactions”, the PCP recalls that:

- We have long defended the introduction of this kind of tax, even at the national level. Its creation does not necessarily depend on any more global initiative, although we admit that its broadened existence would be desirable. A minimum tax on operations on the stock market would constitute a form of conditioning and limiting movements of a speculative nature and create revenues which could and should revert to the budget.
- The inexistence of broadened political conditions to create a tax on financial transactions continues to be a good pretext for doing nothing and everything continuing in the same manner. Only in full crisis, in its strongest phase in the financial area, is when some defend, speaking out, sometimes quite hypocritically, on the behaviour of the financial system; but, when the storm is past, the "system" returns ...
- The existence of a tax of this type would not affect investments with a tradition in concrete economic activity, but may limit and condition activity of those who speculatively play the market, buying at opening what they sell at closing and removing capital gains with no economic translation. For these, it would be a bad thing; for investments with effective translation in real economy, there would be no negative effects.

3. Regarding question 5 of the CRIS Questionnaire regarding: a) the “mechanisms that should be established to create an effective European governing, in order to surmount the economic imbalanced, get out of the public debt crisis and avoid its repetition in the Member-States, simultaneously driving growth, employment and social cohesion”; and on creation of “a permanent mechanism for resolution of crises at the EU level”, the PCP reaffirms that:

- No mechanism of economic governance, no matter how well intentioned, escapes two central questions: on the one hand, they cannot hide growing losses of sovereignty, nor hide the creation of reinforced conditions of deepening of federalist conceptions in the designated European construction, which we reject; on the other hand, and precisely those who preside at regulatory proposals, currently under discussion, cannot conceal that they are giving, fundamentally, voice to the imposition of the Franco-German directorate, simultane-

ously translating strategies of large economic and financial groups and orientations of a largely monetary nature from the Central European Bank.

- And, if there were any doubt as to the nature, origin and objectives of the so-called economic governance, they would certainly be answered by the fact that the permanent mechanism for resolution of crises at the European level seems to be associated with imposition of political, economic, social and labour conditions that are totally identified with those which the IMF usually imposes on countries where they intervene.
 - The imposition of (nearly) automatic sanctions as an unacceptable corollary to a group of instruments that condition and impede legitimate national options and which, in many cases, impose procedures that seem to collide with constitutional principles in some Member-States (such as Portugal), cannot, in any instance, be accepted.
 - Any mechanisms of economic governance of the type being implemented, or which continue to arise, proposed by the Franco-German directorate, will only contribute to aggravating the economic and regional asymmetries currently existing with nefarious consequences at the social and employment level.
4. Regarding question No. 6 of the CRIS questionnaire which, besides the “approval of the legislative package on prudential supervision of the EU, the Law reforming the financial markets of the USA and the proposals of the Basil Commission”, asked about “other measures which should be taken at the global and EU level, in particular, to stabilise and reform financial markets from the perspective of long-term investment and sustainable development”, the PCP believes that besides the imposition mentioned above of creating a tax on financial operations/transactions, the following would be fundamental.:
- Conditioning and prohibiting use of financial markets by high risk financial instruments, with purely speculative operation, (hedge funds, short selling, etc.). Prevent new financial instruments with similar characteristics from operating in financial markets. Also in this regard, it is not absolutely necessary that this prohibition be global and simultaneous (although due to the crisis in the financial area, there have been financial markets that prohibited operation of some of these speculative instruments, with no consequences to the volume of transactions).
 - Returning the function of financial markets to what was, at least in theory, its original role of allowing financing of real economic activities and preventing speculation almost exclusively.
 - Extinction of financial havens acting as regimes for the elimination or omission of tax responsibilities. The extinction of tax paradises, prohibition or conditioning of their use through strong tax penalties on financial transfer to these destinations, drastically limiting evasion and tax fraud and preventing money laundering of capital originating in many illegal and criminal activities.

5. Finally, regarding question No. 7 of the CRIS Questionnaire, regarding an eventual “reform of the structures of global financial and economic governance, as a reform of the G-20, IMF and World Bank”, on what should be the “basis for a new institutional structure” and on “what form of coordination should be established at the global level”, the PCP considers that:

- It is in the context of the United Nations Organisation that the minimally balanced participation of all national interests, including smaller countries, can be guaranteed.
- This is the political base that should be used for the resolution of international questions, as well as problems at the level of coordination and articulation of economies. Organisations such as the G-20, IMF or World Bank do not ensure this global vision of integration, do not guarantee adequate levels of participation by various interests in persons and on the contrary, reflect an in an absolutely majority - if not unique - manner, the interests of the largest countries and the most relevant economies on the world scale. Even the World Trade Organisation (WTO), which strangely is not even referenced in the questionnaire, should return to its original structure, in the context of the United Nations.

2. IN THE CEAIE

2.1. Explanation of Vote of the Parliamentary Group of the PS

"Contribution of the Committee for Economic Matters, Innovation and Energy sent by the CRIS Committee to the National Parliaments – Question 4 – Point 11"

The Deputies of the Parliamentary Group of the Socialist Party consider that there is a participation by civil society, as well as its agents and live forces, in what concerns the construction of the National Reform Plan. It is important to note that Portugal approved the guidelines for the National Reform Plan last November, and is not involved in a vast process of participation of the economic and social actors to finalise the document, next April, as expected at the Community level.

In this context, an event was held namely a session with the Regional Coordinating Committees and their regional invitees, aimed at launching the debate in each region. Among other things, there is also a seminar scheduled which will include the participation of national and foreign experts with similar objectives.

In this sense, the Parliamentary Group of the Socialist Party voted against point 11 which states that: “Portugal's construction of options in matters of alignment with the Europe 2020 strategy, as well as the construction of the National Reform Programmes, has demonstrated a clear absence of the broadened participation of society, its agents and living forces, which would limit its potential for effective realisation, or appropriation by eventual implementers of the options selected, with the serious risk of repeating the errors which caused the failure seen in the Lisbon Strategy”.

¹ Communication from the Committee: Europe - Strategy for intelligent, sustainable and inclusive growth [COM (2010) 2020]; Communication from the Committee to the European Parliament, to the European Council, to the Council, to the European Central Bank, to the European Economic and Social Committee and the Regional Committee: *Strengthening coordination of economic policy* [COM (2010) 250]; Communication from the Committee to the European Parliament, to the European Council, to the Council, to the Central European Bank, to the European Economic and Social Committee and the Regional Committee: *Strengthening the coordination of economic policies with a view towards stability, growth and employment – instruments for improved economic governance of the EU* [COM (2010) 367]; Proposed Regulation regarding ways to correct excessive macroeconomic imbalances in the Eurozone [COM (2010) 525]; Proposal for Regulation regarding prevention and correction of macroeconomic imbalances [COM (2010) 527]; Communication from the European Parliament Committee, to the Council, to the European Economic and Social Committee, and to the Regional Committee: *emblematic initiative in the framework of the strategy "Europe 2020: Union of Innovation"* [COM (2010) 546]; Communication from the Committee to the European Parliament, to the European Economic and Social Committee and the Regional Committee: *Contribution of the Regional Policy for Intelligent Growth in the framework of the strategy "Europe 2020"* [COM (2010) 553]; Committee Report: *21st Annual Report on Application of Structural Funds (2009)* [COM (2010) 587]; Committee Report: *Annual Report on the Cohesion Fund* (2009) [COM (2010) 589]; Communication from the Committee to the European Parliament, to the Council, to the European Economic and Social Committee and the Regional Committee: *An Act for a Sole Market - For a highly competitive social market economy: 50 proposals to, together, work better, venture and do business* [COM (2010) 608]; Communication from the Committee to the European Parliament, to the Council, to the European Economic and Social Committee and the Regional Committee: *Commerce, growth and international questions - Commercial policy as a central element in the EU strategy for 2020* [COM (2010) 612]; Communication by the European Parliamentary Committee, to the Council, to the European Economic and Social Committee, and to the Regional Committee: *An integrated industrial policy for an era of globalisation - Competitiveness and sustainability in the forefront* [COM (2010) 614]; Communication of the European Parliamentary Committee, to the Council, to the European Economic and Social Committee, to the Regional Committee and to the European Investment Bank: *Conclusions of the fifth report on economic, social and territorial cohesion: the future of the cohesion policy* [COM (2010) 642].

² Audio and video recordings of the debate, as well as the report debated and the presentation made by the Euro-Deputy Diogo Feio, are available at: <http://www.parlamento.pt/ActividadeParlamentar/Paginas/DetalheAudicao.aspx?BID=89355>.