

Committee news

After a very successful event at the Danish Embassy where we discussed with the Danish Ambassador, Birger Riis-Jorgensen, and Professor Sir Hoskins the latest political and scientific developments of the climate change debate, EMiL is gearing up for our next event on European Financial Supervision, sponsored by Clifford Chance. **Sharon Bowles MEP**, Chair of the Economic and Monetary Affairs Committee will, on **15 April 2010**, take us through the Commission proposals, currently under scrutiny in the EP (see article below). The event will be held at the Clifford Chance offices at Canary Wharf. For more details please visit our [website](#) and [facebook](#) page.

The Committee

Greece is no Trojan Horse for the euro.

Back in 1999, as the eurozone was coming to existence and Greece's membership was confirmed, some commentators 'predicted', in a Pandora-like tone, that allowing the Greeks in would lead to the demise of the new currency union, like a Trojan horse Greece was going to bring the eurozone down from within, the chorus went. The same dooms-day scenarios have been repeated recently but the possibility of a Greek tragedy destroying the eurozone is as unlikely now as it was back then.

There is no denying that the fiscal health of some eurozone, as well as non-eurozone and non-European, countries is weak. Many factors have contributed to that, including bad fiscal management (in the case of Greece) or the need to bail-out a dangerously bloated banking sector (like in the UK and US). But that does not mean the eurozone is at the verge of collapse. The fact is that the single currency has managed to weather the worse of the financial crisis with characteristic ease. It proved to be a safe harbour for its members, some of which would have had the fate of Iceland if they had kept their national currencies. A strong Euro has in the past 10 years become a reserve currency second only to the dollar. Not to mention that thanks to the EU institutional structures the necessary co-ordination was possible when common action was needed to save the banking sector and stimulate European economies.

This is exactly why there is absolutely no chance that Greece will abandon the euro. Greece benefited in more ways than one from its euro-membership. A return to the drachma, under the current circumstances, will lead the currency to collapse, inflation and interest rates will go through the roof and borrowing will be almost impossible. Greece's tax system and the economy as a whole are in need of reform. But these reforms can only be achieved from within the eurozone, leaving the common currency will not increase Greece's options but dramatically reduce them.

But the real issue here is that this crisis constitutes a unique opportunity. Monetary union was meant to be another step towards further political integration. So now is the time to move more decisively to the next level through fiscal integration, economic policy co-ordination and common labour policies if we are to guarantee the continuing success of the single currency and solidify the process of European integration that has delivered economic prosperity and peace for half a century.



Source: Bank of Greece

In the meantime two things need to happen. First of all, eurozone members must display the necessary solidarity. That does not mean a transfer of funds from one member state to the other. Merely guaranteeing that Greece will not be allowed to default should be enough to ease off the speculative attacks on Greek, and other eurozone members', bonds. Whatever Greece's undeniable fiscal sins might be, what is really needed now is political support.

Secondly, serious consideration needs to be given to whether violent budget balancing is desirable in Greece, and elsewhere in Europe, while the economy is still recovering from the effects of the credit crunch. It goes without saying that the Greek government must reform its tax system, deal with corruption-induced administrative waste and re-engineer the economy, and the Greeks have committed to that. But allowing the markets to bully governments into raising taxes and cutting expenditure

at a time when the economy is still struggling to stand on its feet after a long and sustained shock is only going to make the recession last longer.

Petros Fassoulas

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[European Parliament Committee considers reports on new EU Financial Supervision architecture.](#)

The European Parliament's Economic and Monetary Committee (ECON) discussed on Tuesday 23 February the first draft of its reports on the Commission's proposals for the European Supervisory Authorities (see October and January issues). The common theme in the ECON reports is the call for greater supervision at the European level. The Council reached a compromise position back in December but watered-down the original Commission proposals in the process. Which is why MEPs, after having already expressed their disappointment with the Council proposal, opted for making a strong statement with their reports.

The EP draft reports have raised concerns in the Council where some member states resist the idea of transferring supervision power from national regulators to the European Supervisory Authorities.



Source: European Parliament

The EP is scheduled to vote on the financial supervision package as a whole before the summer recess in mid-July. Even though the original schedule foresaw the new bodies up and running by the end of 2010, the emergence of such a schism between the two institutions' position means that the decision-making process might take longer than originally planned.

Petros Fassoulas

Road safety education in the EU.

A recent FIA European Bureau survey showed that more than two thirds of EU countries are teaching traffic education in their country's schools, with traffic education in one form or another being mandatory in around half of responding countries.

But traffic education is far from standardised in Europe. In Sweden the choice to give traffic education to children is made by each headmaster individually, and in countries with strong and long-established regional governance structures, such as Switzerland, the rules for traffic education can differ from one region to the next. In some countries, the Netherlands for example, formal traffic education has not been formally introduced but has been integrated in the school teaching schedule. In some instances road safety is taught as part of maths or language classes.



Source: European Commission

The European Commission is undertaking a wide variety of projects in an effort to promote and co-ordinate road safety education across Europe and heighten awareness about the need to reduce road accident fatalities. One such initiative is the European Road Safety Charter, which is designed to facilitate the sharing of ideas and practices across Europe, so that all stakeholders can learn from each other to improve the road safety situation in Europe. The [European Road Safety Charter](#) has been signed by motoring organisations, stakeholders and high profile individuals from the UK - including the Institute of Advanced Motorists, the UK Transport Minister Paul Clark and Lewis Hamilton, alongside thousands of European counterparts such as the FIA and Michael Schumacher.

The UK is one of the 5th of EU member states with no compulsory traffic education whatsoever: it is not part of the national curriculum but is purely voluntary.

This means that in the UK, apart from your parents teaching you to look both ways and a bit of cycle training, you will receive no formal education on using roads until you take your driving test.

Relying solely on a voluntary system, UK children above the ages of 5 and 11 typically spend a few hours in traffic education over the course of a month. Of the responding countries that do have compulsory education, the shortest amount of education time a child receives is one year – (in Italy and Portugal).

Having said this, the UK does tend to perform well in EU road safety comparisons, but only up until the age

of 11. From this age onwards children receive little to no traffic education, at an age where they are becoming increasingly independent and taking more frequent and longer journeys on the roads to see school friends.

Standardising traffic education practice is particularly important in countries with less adequate infrastructure. It goes without saying that teaching children to be vigilant should be common practice in regions with dangerous roads.

The EU must ensure that all children have access to well researched and evaluated local programmes that address the issues making the most impact where people live.

This article is based on a clubs survey organised by the FIA European Bureau in October 2009. It is based on 26 answers representing 24 countries from the European Union and beyond.

Daisy Cross
(Communications Officer, Institute of Advanced Motorists)

[MEPs vote down agreement with US on financial data transfer.](#)

In a demonstration of the Parliament's increased power under the Lisbon Treaty the EP voted down on 11 February the interim SWIFT agreement struck between the EU and the US back in November. The agreement facilitated the transfer of EU citizens' financial data to US authorities to prevent terrorist attacks and the EP vote of consent was required for the provisional agreement to be legally effective.

MEPs were angered when the Council of Ministers adopted the interim

agreement only hours before the Lisbon Treaty, which would have allowed the EP a say in the process, came in force. Even though MEPs can not write legislation, their rejection of the interim agreement sets the whole process back considerably.

European Parliament President Jerzy Buzek (EPP, Poland) was quoted saying that "the correct balance between security on the one hand and the protection of civil liberties and fundamental rights on the other" was not reflected in the Council text given to MEPs. The original agreement was criticized because the scope is unclear, there is no limit as to how long the US authorities could store that data and the evidence of how compromising the privacy of citizens and businesses in Europe actually helps the fight against terrorism is limited.

Martin Schulz, Leader of the Socialists and Democrats in the EP was quoted saying that 'under the Swedish Presidency, European governments and the Council made a mistake to believe it would be possible to force the European Parliament to give its consent on an unacceptable agreement based more on the US approach to security than on the EU's defence of citizens' fundamental rights'.



Source: SWIFT

The EP vote will ban the transfer of bulk financial data but due to the bilateral Mutual Legal Assistance Agreements between the US and the

27 member states it will not prevent US authorities from accessing the financial data of individuals.

As a next step MEPs have proposed to negotiate a new, long-term, agreement with the US, which will comply with Lisbon Treaty requirements, and in particular the Charter of Fundamental Rights. The Commission announced that it is to adopt draft negotiation guidelines for a long term agreement “in the coming weeks”.

Petros Fassoulas