Resolution on the Pittsburgh G20 Summit of 24 and 25 September 2009

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Following the debate which took place during the sitting of 16 September 2009, the European Parliament adopted a resolution on the Pittsburgh G-20 Summit of 24 and 25 September 2009.

The resolution had been tabled by the EPP, S&D and ALDE groups.

Noting that unemployment in the EU at 9.5 % was its highest for ten years in July 2009 and is expected to rise further, **Parliament welcomes the agreements reached at the G-20 Summit**, including the commitment to avoid any premature withdrawal of stimulus. **It is concerned, however, about the rapid increases in public debt and budget deficits**, and stresses the importance of ensuring long-term fiscal sustainability in order to avoid imposing too heavy a burden on future generations. Members urge work to start on effective exit strategies immediately, in order to implement them as soon as the recovery permits.

New indicators and accounting frameworks for sustainable development are needed that go beyond GDP in order to measure well-being and the environmental impact of human activities and, therefore, as guidelines for the orientation of global recovery. The immediate priorities must be to secure the growth of the real economy, to ensure that the capital markets and lending function properly, to promote employment, and to protect people from the adverse impact of the crisis. Members welcome the fact that the G-20 Summit focused on global imbalances, which are at the root of the financial crisis. If financial crises are to be prevented in the future, the underlying causes have to be addressed (including excessive trade deficits or surpluses). Parliament considers that an effective multilateral response to the crisis must involve addressing the causes of exchange-rate imbalances and commodity price volatility within multilateral frameworks. It also welcomes the reaffirmed commitment to meet the Millennium Development Goals (**MGDs**) and to achieve ODA pledges, including aid for trade, debt relief and the Gleneagles commitments. MEPs welcome the G20 leaders' agreement to work on an **international framework for a financial transaction tax**. They regret however that the **G-20 leaders did not assess the major failures of regulation** and supervision which caused the financial crisis, and that they made no progress with regard to financing the global fight against climate change.

Jobs, jobs, jobs: Parliament welcomes the G-20 leaders' decision to put decent jobs at the heart of recovery and reform, and particularly welcomes the role agreed for the ILO and the establishment of the Global Impact Vulnerability Alert System. It demands that the commitment of the international community be translated into concrete action and that it be implemented in particular by supporting a strong 'ecological jobs' agenda. Members call for the creation of an anti-cyclical jobs fund at international level and ambitious fiscal stimulus packages which support job creation with efficient employment services and strong social policies to support vulnerable groups and ensure the purchasing power of minimum wages. They insist that the ratification and implementation of ILO Conventions are crucial in this respect and demand that they be incorporated into WTO trade agreements.

Strengthening financial supervision and regulation: whilst Parliament welcomes the call on the G-20 Finance Ministers to reach agreement on an international framework of reform in certain critical areas of the financial sector, such as mitigating pro-cyclicality and reforming compensation practices to support financial stability, it takes the view that the EU needs to work towards a stronger financial supervisory architecture with the objective of a **single financial supervisory authority.**

Members go on to call on the Commission to transpose quickly the commitments entered into at the G-20 Summit with regard to bonuses into binding EC law, and they call on the G-20 leaders to give more teeth to their proposals in terms of building capital and reforming compensation practices and to ensure a consistent approach by supervisors worldwide when it comes to sanctions. They regret that the G-20 leaders did not address the issue of moral hazard and that the link between prudential standards for systemic institutions and the costs of a failure of those institutions has been postponed until October 2010. Parliament calls for proposals to tackle restructuring and for a review of financial sector business models in order to tackle the 'too big to fail' issue.

Strengthening our global financial institutions: the G-20 leaders' plan to reform the IMF and the World Bank must start as soon as possible. Parliament calls for the representation of developing countries in international financial institutions to be improved. It recalls the importance of avoiding pro-cyclical policies in order to find the path to recovery. Members also welcome the G-20 leaders' commitments to an open global economy. They reiterate their stance against any form of protectionism and continue to press for progress in ensuring market access which does not disadvantage developing countries, by eliminating indiscriminate tariff and non-tariff barriers, as well as respect for rules for free and fair trade. Parliament remains determined to seek a global, ambitious and balanced conclusion to the Doha Development Round.

Lastly, Parliament considers that the EU representation at the G-20 meetings should be the object of an in-depth discussion between the three major EU institutions and the Member States. It is convinced that the EU has to agree on a common position in international forums, particularly as regards G-20 meetings, and insists that there has to be a more coherent representation of the EU in international negotiations.