Preparations for the European Council meeting (23-24 June 2011)

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During the course of a debate with the Council and the European Commission, Members gave their views on the agenda for the European Council on 24 June 2011.

Council: the President-in-Office of the Council, Enik Gyri, recalled that the forthcoming European Council marks the end of the Hungarian Presidency, and gave an account of what it has achieved on a number of dossiers concerning economic policy, justice and home affairs and foreign policy, in close cooperation with the European Parliament.

- **Economic policy**: the European Council will bring the first **European Semester** to a conclusion on time. It will be invited to endorse the **country-specific recommendations** approved by the Council, which should be reflected by all Member States in their national decisions as regards their budgets and structural reforms. Regarding the **Euro Plus Pact**, most Member States participating have presented commitments amounting to more than a hundred separate measures in total, but the degree of ambition and precision of these initial commitments is uneven. In preparing their next commitments, Member States will ensure a broader scope, a more concrete approach and a higher degree of ambition. Concerning the six **legislative proposals on economic governance**, the three institutions have done immense work. The initial position of Parliament carried approximately 2 000 amendments, but only one issue some technicalities remain outstanding, and the text on the table now is more suited to preventing future crises.
- **Justice and home affairs**: the European Council will provide more political guidance on the Schengen area, with particular reference to a possible safeguard mechanism. Both the free movement of persons and the Schengen area belong to the most visible and popular achievements of European integration, but the good functioning of Schengen requires Member States to implement the rules fully and thus enhance mutual trust among themselves. With regard to European Asylum policy, recent developments have put this under strain, but it is crucial for the Common European Asylum System to be completed by 2012. The European Council will also review the progress on the preparation of the plans for capacity development to manage migration flows and refugee flows. The objective must be to address the root causes of irregular migration. To that end, partnerships will be developed with Southern Neighbourhood countries.
- **Enlargement and foreign policy**: the European Council will call for the conclusion of the accession negotiations with Croatia by the end of June 2011. The signing of the Accession Treaty before the end of the year is being envisaged. With regard to the Southern Neighbourhood, the European Council is expected to endorse the new approach to relations with the EU neighbours and also expected to adopt a declaration on recent events in the region.

Commission: the President of the Commission, José Manuel Barroso outlined the position of the Commission on the major items on the agenda, and also made some comments regarding Greece.

- **Economic policy**: Parliament and Member States must come to an agreement, because the adoption of the governance package will strengthen economic surveillance mechanisms at European level. Furthermore, the Heads of State and Government are expected to endorse the **Commission's country-specific recommendations.** This new way of policy-making is a strong appeal for collective responsibility, because the EUs economic space is so much more than the sum of the different economies. Thirdly, the European Council is due to endorse the treaty change to allow for the establishment of the European Stability Mechanism in 2013, with its capacity to assist euro area

Member States in financial difficulties. The President confirmed that the the Commission will bring forward a **formal legislative proposal on a financial tax**.

- **Migration**: the Commission will not accept any attempts to undermine the Schengen principles, but will instead **reinforce the European approach to migration and free movement**. This will be done both through strengthening the Frontex border Agency and through an evaluation mechanism whereby national border agencies will work jointly on assessing threats. The Commission is exploring the **feasibility of a safeguard system** which would allow the adoption of decisions at European level to confront possible difficult situations where common external borders are subject to exceptional pressure or where Member States are failing to comply with their obligations to control their borders. Decisions on the best way to handle such situations should be taken at EU level, **avoiding unilateral action by Member States**. As a **last-resort mechanism**, and if the critical situation justifies it, these decisions could make provision for the temporary reintroduction of internal border controls, but always within a Community framework. The Commission seeks clear backing for this approach from the European Council, so that detailed Commission proposals can be finalised.
- **Partnership for Democracy and Shared Prosperity with the Southern Mediterranean**: this partnership is extremely important to the EU's Arab partners, who are looking to the EU to support the democratic transitions in the southern Mediterranean.
- **Greece**: if Greece can demonstrate that it is genuinely committed to the reform package agreed with the EU and the IMF, the EU will accompany Greece on its journey back to growth. It is critically important to reduce debt and to control the deficit in order to promote growth. The Greek people must understand that a national consensus is necessary, rather than short-sighted partisan politics. Lastly, the Commission will accelerate the disbursements of funds under cohesion policy, aiming for a significant impact on improving competitiveness and employment.

EPP group: the President of the Group wanted to send a message of solidarity but also a call for those in difficulty to assume their responsibilities. They must work hard to deal with their economic situation of they wished to receive European help. He recalled the case of Lithuania, which, a few ago, was on the verge of collapse, and which recovered thanks to courageous policies and he called on all Member States to take into account the fact that changes are necessary and required.

Moving beyond the current crisis, the Group expected far-ranging reforms in economic governance so that the EU, having instituted the euro, could now institute the economic part of economic and monetary union. The President urged the utilisation of the Community method in the negotiations on the legislative package in order that Member States could not too easily evade their obligations.

Lastly, welcoming the Council decision on the accession of Croatia, he recalled the need to uphold the European values of solidarity, tolerance and openness, respect for minorities, and human rights and human dignity, in the context of globalisation.

S&D: the Group's President stated that the next Summit would be of a historic nature as it would decide the future of the Union. Faced with the citizens' distrust of the European Union who no longer place their trust in government to solve their problems, he stressed that the issue was whether the Europeans were planning to respond with courage or flee their responsibilities. He expressed the belief that we need more Europe, not less Europe.

Deploring the predominant role of rating agencies and underlining the responsibility of a few large companies whose total assets are actually greater than the budget of a medium-sized EU State such as Poland, the President of the Group felt that governments should have the courage to regain the sovereignty of the state as well as finding a sense of democratic direction.

As regards emerging economies, he considered that Europe should not allow itself to show a divided front. In his opinion, Europe can only exist in intercontinental competition - ecological, economic, fiscal and

monetary policy - if it remains united in a common project. In this respect, he was in favour of a tax on financial transactions.