



Group of the Progressive Alliance of
Socialists & Democrats
in the European Parliament

European
Parliamentary
Labour Party

Europe House 32 Smith Square t: +44 (0)20 7222 1719
London SW1P 3EU f: +44 (0)20 7233 1365
info@eurolabour.org.uk www.eurolabour.org.uk



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Labour's voice
in Europe:
Latest **NEWS**
on Labour's
campaign for
a fairer
economy...

Labour MEPs have been working in recent months on the impact of the financial crisis on EU citizens. Our priorities are to:

- Share the burden of the crisis fairly
- Grow our way out of the current economic difficulties
- Put long term stability at the heart of the financial sector

To ensure greater economic stability across Europe Labour MEPs are working to:

reform the global financial system:

Labour MEPs are campaigning to reform the global financial system that led to the recent economic crisis. One step Labour in Europe is leading on is the end to risky and destructive naked short selling by financial speculators. Naked short-selling has been cited as a prime example of casino-like trading, in which risky speculation by traders has little or no benefit to the real economy.

The US, Japan, Hong Kong, Australia and Brazil have already prohibited naked short selling so the EU should follow global best practice. Hong Kong has always banned naked short selling and during the financial crisis their markets performed better and were more stable.

The final rules now need to be agreed between MEPs and government ministers from EU countries. However, the British government and Tory MEPs have been trying to weaken Labour's calls for reform. George Osborne talks tough on the need for reform but when it comes to action he is not prepared to protect investors and the stability of the real economy.

make big banks open about big earners and end risky bonuses:

Labour's MEPs are campaigning for more openness by banks about their pay policies by calling for financial institutions to declare the number of very high earners they employ as well as campaigning for an end to risky cash bonuses.

Labour MEPs are proposing that banks declare how many people they pay over €1 million per year. This would better enable shareholders to hold the senior management of their companies to account. As well as introducing the new rules on transparency, Labour MEPs have succeeded in their campaign to impose legal limits on the proportion of a bonus that can be paid in cash. Labour MEPs have led on new rules which put long-term interests ahead of short-term risks. Labour in Europe has established a strict limit on upfront cash bonuses, to ensure bankers aren't paid for failure.

During the drafting of these new EU wide rules the Tories lobbied to weaken the rules, looking for loopholes through which banks could pay far more of their bonuses in cash. While the government has talked tough but done little, it is Labour MEPs that have delivered constructive reforms.

levy a Robin Hood Tax on financial transactions:

Labour MEPs have worked with international colleagues in our campaign for a Robin Hood tax to ensure that the financial services sector pays its fair share. The campaign resulted in the European Parliament's support for a Financial Transaction Tax (FTT), which could raise billions and ensure that the financial services sector makes a significant contribution towards the cost of recovering from the banking crisis.

The Conservatives refused to support the calls for banks and other finance companies to pay a fairer level of taxation. Global agreement would be the best way to introduce such a tax, but the UK's stamp duty on shares demonstrates it is possible to introduce a successful, well-designed financial transaction tax without undermining competitiveness. Labour MEPs back an EU-wide coordinated FTT as a step towards a global FTT. It is time for action and Labour MEPs will work to ensure that the EU leads the campaign for fairer global taxation.

ensure the EU focuses on creating jobs in its spending plans:

Labour MEPs believe the focus and priority for EU spending must be funding economic investment and research which boost the economy and create jobs. Labour's MEPs are calling for targeted EU spending as one way in which we can boost local economies and bring jobs to our communities. In the face of government cuts the EU provides vital funds for the UK regions and the EU budget should prioritise jobs and growth and secure value for money for British tax payers.

Labour MEPs voted against calls for a 5% budget increase in the EU budget by calling for savings in areas such as the Common Agricultural Policy including harmful agricultural export subsidies and tobacco subsidies, in order to fund Europe's economic priorities. Labour MEPs will be leading the debate on the next budget and calling for fundamental reform to develop an EU budget that prioritises jobs and growth in every nation and region of the UK.