



The Greens | European Free Alliance
in the European Parliament

A different vision for Europe: Green priorities for the Hungarian EU presidency

1. Enhanced economic governance, fiscal justice and European solidarity

An important root cause of the financial crisis is the poorly-regulated and self-serving lending and trading practices of global financial institutions. Two of the main challenges facing the global economic system are the opacity of global financial markets and reigning in and taking to task the elite groups with vested interests that are the main beneficiaries of its present functioning. The past efforts to re-regulate these markets were rather weak. More recent, second generation international initiatives, such as the new EU financial regulatory framework, are just a first step in the right direction.

The EU must act against tax havens. Tax havens serve a privileged community of wealthy individuals. In fact, tax avoidance through tax havens is an everyday practice among transnational corporations and individual investors. Recent research asserts that tax havens account for a large chunk of GNP that would cover many allegedly unsustainable programs of the welfare state, including PAYGO pension systems and social security in general. The Hungarian Presidency must take initiatives to clamp down on tax havens and to act against downward-spiraling tax competition. To this end, automatic information exchange must be generalised and enlarged to encompass all forms of income. To achieve a more just taxation system, a Common Consolidated Corporate Tax Base (CCCTB) must first be introduced and complemented in a second step by a minimum EU tax rate. Harmful tax competition has the same effect as illegal state aid. That's why we want to get rid of it. We also want the Presidency to embark on the suggestions put forward by Members of the European Parliament on the Financial Transaction Tax (FTT).

Within the current legislative process we call for the banning of naked shortselling and sovereign Credit Default Swap (CDS) trading as well as for tough rules on derivatives. Integrated financial markets render nation states vulnerable to synchronised speculative

attacks. As the currency reserves of smaller states can be depleted in a blink of an eye in a perfect financial storm, the current regulatory regime has become increasingly outdated for these states on the periphery of the global financial system.

As an emergency response, financial assistance for countries in a situation like Greece and Ireland needs to be extended at affordable interest rates. There is a need for a rapid definition of national special insolvency regimes. A coordinated action plan for debt restructuring requires an ad hoc coordinated burden sharing approach in order to avoid externalising the total cost of exposure to insolvency to taxpayers. The reduction of public spending must not disable public services nor lead to the choking of sustainable economic development.

Beyond the current emergency, a long term approach requires comprehensive reform and enhancement of EU economic governance in order to tackle the structural causes of the current crisis. In addition to the need for a sustainable and effective reduction of public debts and deficits, the broader issue of macroeconomic imbalances such as excessive private debt (e.g. housing bubbles) and excessive current accounts deficits and surpluses must be addressed. In order to tackle the problem of housing bubbles and private debt in particular, the upcoming legislation on responsible mortgage lending and borrowing must put an end to irresponsible lending practices. Furthermore, there will be no healthy public finances in Europe without adequate taxation revenues and the creation of a proper fiscal union. There is a strong case and a need for Eurobonds for Member States' sovereign debt refinancing. Project Bonds for financing a 'European Green New Deal' (the ecological transformation of the European economy) could possibly be financed by a similar instrument.

A comprehensive economic policy and Green New Deal Jobs Strategy will also include answers to problems across European labour markets, with worsening working conditions, security and increased in-work poverty. For a truly social Europe we must create a level playing field across the European labour markets, including enhancing minimum standards so that competition does not result in driving workers into poverty.

2. Creating green jobs

Our Green New Deal concept amounts to a programme designed to foster the creation of green jobs. We think that the most effective way to enhance job creation is by providing financial incentives for greening all sectors of our economies. Adequate financing plus good regulation is necessary to incentivise for example investment in the renovation of private and public buildings to improve energy efficiency, in the development of community transportation and in sustainable technologies of the future.

An essential part of the "green jobs" development has to be investment in broad access of citizens to professional education and qualifications.

The creation of green jobs which tend to be more labour-intensive addresses three problems at once: resource efficiency in the economy, employment and regional development. Sectors bound to provide green jobs include building renovations, renewable energies, waste management, sustainable farming, water management and local market development. The Greens also pursue an agenda of greening traditional industries.

The Greens believe that an important number of green jobs can be created without affecting budgets through a shift in taxation from labour to consumption of energy and resources. If natural resources are more expensive, and labour cheaper with the same level of tax receipts, we can transform the economy from a resource intensive and unsustainable form to a labour- and knowledge-intensive sustainable economy. In this view, both the EU and Member States must improve access to and quality of training and education so that people are skilled to take on new high quality jobs.

3. Fight against poverty

The EU2020 strategy includes for the first time an explicit poverty reduction target forcing Member States to take coordinated action in order to reduce poverty in the EU. We welcome the target and are going to closely monitor the implementation of the national action plans to reach the common European target. In order to reach long-lasting and real improvement in the life of the 20 million Europeans living in poverty, we need complex and focused programmes that not only include job creation, but ensure also a decent living income, the sustainability of quality jobs, a reduction of child poverty and a focus on development of the local infrastructure for the inclusion of the most vulnerable.

4. Climate: an ambitious EU for the post-Cancún negotiation process

Moving towards a green economy is the answer to the environmental, climate, energy, economic and social crises.

The climate negotiations in Cancún kept the multilateral process going towards a post 2012 climate agreement in South Africa at the end of 2011. Increasing the EU's ambitions for reductions in greenhouse gas emissions remains a vital policy objective both for Hungary and the EU. It is necessary to start the legislative process to move to at least a 30% domestic reduction target in the EU as soon as possible, during the first part of 2011, as well as to gear the future EU funding mechanisms for achieving the climate goals. Community financing mechanisms for ensuring fair burden-sharing in the stepping up of climate targets must be explored, taking into account marginal costs of reduction measures but also the financial resources available for investing in reductions in the different Member States.

We fully support the international climate negotiations and call on the EU to deliver on its commitment to new and additional fast start finance for climate measures in developing countries. All Member States must be held responsible for fulfilling their commitments, especially as regards measures to achieve actual emissions reductions domestically. In order to internalise carbon costs in consumer prices and to create efficient incentives to realise existing reduction opportunities, auctioning should become the primary rule of allocation in the EU Emissions Trading Scheme. In order to fully achieve the EU climate and efficiency goals in all sectors, the Emission Trading Scheme needs to be complemented with an energy tax.

5. Saving energy and reducing costs for consumers

Ambitious climate targets and moving towards a green economy entail a specific emphasis on energy consumption schemes. The transformation to a renewable and energy efficiency based economy must become the center piece of the EU energy policy in 2011. An ambitious policy on energy efficiency and renewables will reduce costs for consumers and will make the EU and Hungary less dependent on imports i.e. from countries like Russia. The Hungarian Presidency must play an active role in this, starting with the EU Energy Summit of 4 February 2011.

Based on a revised energy efficiency plan, the Hungarian Presidency must prepare the ground for coherent and ambitious legislation under the overarching binding target of reducing our energy consumption by at least 20% by 2020. In order to achieve this, the whole Union has to invest considerably into a pan-European power grid and other relevant energy infrastructure, into research on storage technology, into the thorough renovation and rehabilitation of buildings, the improvement of public transport, non-motorised transport modes and more energy-efficient modes of freight transport (especially railways). All subsidies for fossil fuels and nuclear should be eliminated whilst tackling energy poverty at the same time. An operational Green Investment Scheme is a vital tool to mobilise and channel the necessary funds into energy efficiency. Community financing tools must also be explored.

The Presidency plans to hold political discussions at an informal Energy Council dedicated to the preparation of an energy roadmap for 2050. We welcome and believe that one of the main scenarios to be discussed is on achieving a 100% renewable economy. In this context, an energy tax which incentivises the most energy-efficient products is without a doubt a key measure that needs to be implemented at EU level.

6. Greening the budget

The Hungarian presidency offers the unique opportunity to set the tone for a debate on a more sustainable approach to the future of structural and cohesion policies in the framework of the next financial perspectives post 2013, as well as for a greener Common Agricultural Policy (CAP) at the same time. We think that the EU's own resources system should be reformed and new own resources introduced to change the debates about national contributions. We think that the budget should have a clear focus on the green aspects of the EU2020 goals, in particular the climate and biodiversity objectives, allocating financial tools to help reach the targets. A major reform of the CAP should also be at the forefront of the negotiations about the next financial perspectives. The new CAP should reward environmentally sustainable farming and prioritise small-scale farming production.

7. Roma integration

The European Roma Strategy is one of the main priorities presented by the Hungarian Government for the Presidency. The Roma are the single biggest ethnic minority in Europe, and often face poverty and exclusion all over Europe.

The Roma Strategy has to be adopted before the end of the Presidency. Roma integration is a key issue and the strategy an important element in this process. At the same time, we hope for a meaningful and strong document addressing the key problems Roma face in Europe today, which will lead to a substantial improvement of the situation of Roma and other minority and migrant groups in Europe.

The basis of real improvement should be a series of education and social policies including a) a strong and efficient antidiscrimination policy that also tackles indirect discrimination and severely sanctions any discrimination by Member States or individuals, b) access to early childhood education, c) quality primary and secondary education, d) integrating awareness to cultural diversity, e) equal access to quality services: health care and housing, f) job market participation, g) gender equality (elimination of traditional practices that constitute gender discrimination), h) effective local community building.

8. Defending media pluralism as a foundation for democracy

The European Union is a value-based political organisation. The basic democratic standards for belonging to this community are set out in – among other documents – the Copenhagen criteria, the Treaties on the European Union, the Charter of Fundamental Rights and the European Convention on Human Rights, while the EU as a whole has joined the UNESCO Convention on the protection and promotion of the diversity of cultural expressions. While any state wishing to join the EU has to demonstrate that it complies with them, the approach regarding members states which fail to live up to these standards has at best a mixed record.

Unfortunately, the recent steps of the Hungarian government are in conflict with the fundamental values of rule of law, freedom of speech and the media, as well as the balance of powers. The new regulation of public media and the oversight of the entire media sector, including print and online journalism, risks leaving the entire media sector under the control of a single party. The Media Council, which will effectively be filled by appointees of the leading party in government, is entitled to impose excessive fines on media outlets, justified by reference to loosely defined notions such as public morals or the defense of the constitutional order.

Although other member states have experienced similarly problematic developments, the EU has so far not managed to come up with a convincing common approach towards such problems. The Greens want the presidency to review and correct the minimum standards provided by EU directives for the national implementation of EU directives and laws on media. It should provide a set of recommendations to serve as a reference to consider problematic decisions of member states. Moreover, it should contain recommendations on how media

channels in the member states could communicate more actively with the general public on European issues and ensure that citizens have a better understanding of decisions taken at the European level.

9. Striving for gender equality and women's rights

Gender equality is a key concern and will be mainstreamed throughout the EU2020 Strategy as the Spanish-Belgian-Hungarian Presidency trio highlighted at the outset. Jobs and social inclusion in connection with sustainable growth and recovery from the crisis rank at the top of the Hungarian Presidency's priorities. Consequently we expect the Presidency to integrate a gender perspective throughout discussions on economic, financial and social policies and to ensure that recovery plans and structural adjustment programmes undergo a gender impact assessment and integrate a gender perspective.

As women are overrepresented in precarious jobs based on short-term contracts, they are more likely to be affected by the impacts of the economic downturn on the labour market. It is crucial to reinforce gender equality in the area of employment and social policy and to remove barriers to women's full participation in the labour market.

On the revision of Directive 92/85 on pregnant workers and maternity leave, the European Parliament sent - in its October 2010 Plenary Session - a clear message to Council, calling for 20 weeks full-paid maternity leave and two weeks full-paid paternity leave. Since the meeting of the EU's Employment and Social Ministers on 6 and 7 December 2010 failed to endorse Parliament's proposals, it is now up to the Hungarian Presidency to reach an agreement on legislation that not only gives women and men the possibility to combine their professional life with having children but also has a positive impact on the economy and social and pension schemes.

We also expect the Hungarian Presidency to play a leading role in the Annual High Level Triologue on Gender Equality on 8 March 2011 on the occasion of the 100th Anniversary of International Women's Day.

10. Ensuring responsible industrial production

The recent red mud industrial spill in Hungary – with 10 casualties, more than 130 injured, hundreds of homes destroyed and over 1,000 acres of land contaminated – is the worst ecologic catastrophe in the country's modern history and has highlighted a serious lack of implementation and enforcement of EU legislation on the environment. While investigations are still under way, it is already clear that the mining waste directive, the European waste list and consequently the directive on industrial pollution prevention and control have been, at the very least, neglected.

For a clear picture of further 'ticking bombs' in Hungary and elsewhere in Europe, an open directory of potentially harmful production sites needs to be set up.

It is unacceptable that it takes a disaster to realise that legislation has not been properly applied. It is high time that action be taken at the European level to prevent disasters. The Hungarian Presidency should encourage the European Commission to come forward with a proposal for a directive on environmental inspections that would grant the Union the power to conduct inspections in Member States of activities that may have transboundary effects. Apart from the need to improve enforcement, the red mud disaster also highlighted a deficiency in the directive on environmental liability. The "polluter pays principle" is not implemented, as the directive does not make financial securities mandatory. The European Commission has already acknowledged this deficiency and announced that it intends to tackle it, but has not yet indicated any concrete details or timetable for a proposal.

11. Safeguarding consumer rights

Concerning consumer rights, one of the first priorities of the Hungarian Presidency must be to deliver a robust legislative agreement on the draft novel foods legislation, which is currently in conciliation negotiations. This dossier touches issues which are of high importance for European consumers, such as the question of how to deal with nanofood, food from cloned animals and their offspring, etc. Time is running out, and an agreement has to be reached in March at the latest.

The Hungarian Presidency should also ensure a follow-up of the consumers' rights directive and focus on the need to adopt, in general, a "minimum harmonisation approach", allowing Member States to maintain or adopt high-level consumer protection standards in fields such as withdrawal rights, sales guarantees and the lists of unfair contractual terms.

12. Developing a sustainable Danube Strategy

In June 2009, the European Council formally asked the European Commission to prepare an EU Strategy for the Danube Region. Scheduled for approval during the Hungarian presidency (March 2011), the strategy transcends the objective set out in the Water Directive of improving the ecological condition of the river.

The preparation of the Strategy has not been entirely successful in identifying the EU level problems of the region, and has also failed to sufficiently provide strategic answers to those problems. Transparency and participation of NGOs and civil society in the decision making process and the selection of projects are preconditions for the sustainable implementation of the Strategy. Biodiversity and protection of the broader space of the Danube should be key elements of the strategy. We want a green new deal for the Danube that develops the "green" potential of the concerned regions.

Sustainability in water management and safeguarding biodiversity must take priority over inland navigation, or energy production. Another priority for us is that the views and interests of the highest possible number of stakeholders (citizens, NGOs, businesses) are taken into consideration. A broadened basis for the integration and participation of civil society should be created. The use of the Danube for inland navigation should respect the eco-system and biodiversity of and along the entire river, from the source to the delta. Intermodal connections and

terminals connecting with rail, should be supported, for example, by using River Adapted Ships for Sustainable Inland Navigation (RASSIN).

Furthermore, in the course of preparing the EU's Biodiversity Strategy, it is necessary to make sure that the requirement of safeguarding biological diversity be fully taken into account in EU policies.

13. Shaping tomorrow's Europe: Balkan enlargement and Neighbourhood Policy

In the view of the Greens, it is in the interest of the European Union that the process of EU enlargement in the Western Balkan region should gain new momentum. The financial crisis has perceptibly slowed down the integration process. We believe that reversing this trend is in the interest of Europe generally and of Hungary specifically. The full integration of the Western Balkans would finally allow for devising complex regional policies that take seriously the ecological unity of the Carpathian Basin, without evoking the historic overtones of ethnic strife or domination.

As for the Eastern Partnership, although the old and new agreements leave much to be desired, this is still the best means the EU has to deepen the process of democratic transition and consolidation in these countries. The gradual integration of our Eastern neighbours into EU policies will contribute to peace and stability and pave the way for sustainable development. For the immediate neighbours within the EU the agreements offer some - admittedly limited - opportunities to promote regional arrangements in countering potential ecological disasters.

The partnership agreements with the Ukraine and Moldova and the corresponding action plans are unique instruments in advancing the ideals and practices of good environmental governance and to instigate co-operation on environmental issues. We would like to see the joint monitoring bodies established under the Partnership and Co-operation Agreements put much more emphasis on the enhancement of regional environmental co-operation and a trans-boundary approach to water management and environmental risks. In addition to this, the European Neighbourhood and Partnership Instrument should step up the opportunities for people-to-people exchanges that must go along with the opportunities of enhanced mobility provided by the effective implementation of the new visa regimes for the people of these countries.

In summation, both the accession negotiations and the Eastern Partnership initiatives offer the same opportunity: the strengthening of ideas and practices of democratic governance and sustainable development in the immediate environment of the European Union.