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from : General Secretariat of the Council
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Subject : Summary record of the plenary session of the European Parliament, held in
Strasbourg on 16 April 2013

- **Debate on the future of the European Union - Statement by
Jyrki Katainen, Prime Minister of Finland**

Jyrki Katainen, Prime Minister of Finland, delivered the speech set out in [Annex I](#).

Commission President Barroso delivered the speech set out in [Annex II](#).

Speakers on behalf of political groups made the following points:

- Mr Daul (EPP, FR) endorsed many of the comments made by Prime Minister Katainen and agreed that the EU was more than just economic integration and that, without it, the situation today would be even worse. He argued that, in the light of growing extremism, there was a need for more European integration starting with social and fiscal harmonisation and more investment in research/education, as well as European solutions for addressing unemployment, in particular youth unemployment. He advocated balanced budgets and responsible partial mutualisation of public debt combined with real economic convergence.

- Mr Swoboda (S&D, AT) shared to some extent the idea of "fair integration" and underlined the increasingly worsening situation of citizens. He insisted that the current crisis was within the Eurozone, which therefore required solutions specifically adapted to it. He called for more solidarity and a change of direction in EU policy towards true cooperation between the North and the South. In the light of increasing EU-scepticism, he argued that the Troika should cease its activities as it was carrying out Commission tasks without any democratic legitimacy. On the issue of growth, he called for a stepping up of the fight against tax evasion and referred to the US Corporate Tax Fairness Act. He advocated a uniform tax base, and suggested that Finland participate in the financial transaction tax.
- Mr Verhofstadt (ALDE, BE) also drew attention to growing Euro-scepticism around Europe. He focused on the possible consequences of a break-up of the Euro, in particular for Germany which would be the first victim. He therefore insisted on the need to establish a political union, a real European government, a European treasury, the banking union and a European resolution fund. In his view, the EU was at a crossroads between a loose confederation of nation states and a US of Europe.
- Mr Cohn-Bendit (Greens/EFA, FR) considered that the solidarity rule was also one of the principles which needed to be applied, and that the EU should help those in need. This required a European budget based on own resources. In his view, Europe had emerged as the loser in the budget proposal of the European Council and the absence of solidarity and support would inevitably lead to growing extremism.
- Mr Callanan (ECR, UK) considered that more Europe was a utopian concept and he welcomed the Council approach which reduced the EU budget. He added that the EU had taken the wrong path of harmonisation and over-regulation and that the Euro was structurally flawed. He advocated freeing up labour markets, restructuring economies, opening up trade and a reduction in the role of the state.
- Mr Terho (EFD, FI) said that he was not opposed to fair integration, but that implementation was essential. He questioned the Prime Minister on his views on federalism.

- Mr Gustaffson (GUE/NGL, SE) said that his group was against austerity policies and put particular emphasis on the need to tackle unemployment. He called on Finland to join in the financial transaction tax.
- Ms Sinclair (NI, UK) foresaw a doomed future for the EU and therefore recommended that the UK should leave it.

In their individual interventions, MEPs mostly echoed previous interventions and tackled a large number of topics, with (youth) unemployment as well as tax evasion/havens the issues most frequently mentioned. As regards possible solutions to the crisis, a number of suggestions were made, in particular the financial transaction tax.

In response, Prime Minister Katainen argued that a rules-based union was the very essence of democracy. He considered that a welfare society necessarily had to be competitive enough to ensure its standards and that to this end fiscal discipline was unavoidable. Concerning mutual debt, he was reluctant, given that he did not think this would be a solution to current problems, adding that the first results of budget consolidation could be seen in Ireland and Portugal. Responding to the questions about his stance on federalism, the Prime Minister said that it should first be clearly defined what was meant by federalism. He also explained that Finland did not support the financial transaction tax because its neighbours did not support it and it would therefore lead to a loss in business. He concluded by supporting initiatives aimed at fighting tax evasion.

Speech by Jyrki Katainen, Prime Minister of Finland; Strasbourg, 16 April 2013

Mr President, as you have already mentioned, we received shocking news last night of what seems to be a bomb attack against civilians in Boston. A number of people are dead and over a hundred injured. Our thoughts are with the victims and with their families.

We do not yet have a full picture of what happened and should wait to hear what the American authorities find out, but I will say this: no matter what proves to be the cause of these explosions, we Europeans will stand by our American friends.

I would like to thank you, Mr President, for your invitation to address the European Parliament today. This is a very special honour for me personally, because I have been active in European affairs all my adult life. Thanks to European integration, I belong to a generation which has had more opportunities than the generations before.

For example, I had the opportunity to complete part of my studies at the University of Leicester in the UK. As an Erasmus student I spent a year there studying European affairs. This experience opened my eyes to the importance of European integration. I had my Erasmus year in a period of great optimism. Finland had joined the European Union. The implementation of the Economic and Monetary Union was being accelerated. Preparations for the next enlargement – which united Europe – were gathering pace.

Mr President, today we live in more difficult and challenging times. We are in the middle of an important debate about Europe's future. I am therefore grateful for this opportunity to exchange views with Parliament. I came here not only to speak, but also to listen.

The debate on European integration is being overshadowed by the economic crisis. People worry about their jobs, their pensions, their children's future. With far too many young people unemployed, it is easy to see why they are worried and even angry. The public mood in many parts of Europe is pessimistic. Let us be frank about it – personally, I fully understand this mood, but at the same time it worries me very deeply.

We have all been forced to make very difficult choices during the financial crisis. Consequently, nationalism and populism are on the move. These painful decisions have undermined people's trust in the European project. My fear is that we will turn inward when we should open up, and that we will doubt each other's motives when we should come together; that we will allow radical voices to lead the European debate when we should present a credible, pragmatic way forward.

We should not let pressing economic and social challenges poison the whole idea of European integration, and we should not let the European debate be dominated by the far ends of the spectrum. Some will blame the EU for all our troubles. Others will say – often from outside Europe – that we must create a fully-fledged United States of Europe here and now, without raising the issue of democratic legitimacy. I also do not understand those who stir up divisions between the south and the north. Divided we are weaker, because we lose our common-value base and our ability to build Europe together. We simply cannot afford that. We have difficult decisions at hand but we must stay united.

Mr President, honourable Members, it is our duty as political leaders to take the stage and present credible present solutions to Europe's political and economic challenges. We must explain to people why deeper pragmatic integration is the right way forward for Europe. To regain people's trust in the European project, we must make sure Europeans find integration to be just and fair. This is no easy task.

But we can go a long way if we work on European integration that benefits everyone. In other words, we need fair integration. I understand that people in different Member States and in different personal situations may not find their life particularly fair right now. But can Europe be more fair in the future? I think it can.

To me, fair integration means that the European Union continues to be founded on common values and rules that are truly respected by all and at all times. Fair integration means that, while Member States engage in ever-closer integration, they keep their own house in order. We should be able to rely on each other. But we cannot outsource all responsibility to the others. And most importantly, fair integration means that the European Union functions in ways people can support and feel their own. It is a question of democratic legitimacy and accountability and ownership.

You can see, ladies and gentlemen, that I am not talking about anything earth-shattering. All I am asking is that we take decisions on the basis of our common rules and then live by them, and that we seek common solutions where such are needed and do our homework so that each Member State can trust the others. Let me be clear: we need more Europe and we need more national responsibility. We cannot have one without the other.

Mr. President, let me now explain how I see fair integration in practice. I will raise three issues and look at them from the point of view of fair integration.

First, we must respect our common European values and the rules we have adopted together. The European Union is so much more than a free trade area – it is a community of shared values. We must defend European values also when they are challenged from within. Failing to do so will undermine the Union’s credibility – not only in the eyes of the world, but also in the eyes of our own people and citizens. If we overlook corruption and breaches of the rule of law, or if we fail to curb tax evasion and tax havens, we undermine our own efforts to build a better Europe.

As a Union of values, we have decided that integration is based on democracy. We have decided to replace the use of force by the use of law. We all know democracy starts to crumble if we break our common rules. In the European context we must respect the Community Method. The paradox of today’s debate is that strong rules and strong European institutions are sometimes seen as a threat to Member States. In fact the opposite is true: the rule of law and common institutions protect Member States, especially the smaller ones.

Second, we need to strike the right balance between solidarity and responsibility. The European Union is a community based on solidarity. Solidarity is part of its very essence. Finland wants to play its own part. Our share of the EU budget will increase, and we accept that as an element of European solidarity. Finland is also shouldering its responsibility to assist countries in need of financial assistance. We do this through the crisis management instruments and direct loans. But solidarity must go hand in hand with the Member State’s own responsibility. We all have to do our own homework. We all have to take difficult political decisions when they are due. Europe should help when help is needed. But each Member State has to bear the ultimate responsibility for keeping its own finances in order. Those who decide about expenditure must collect the revenues. National governments and parliaments are ultimately responsible for national reforms.

The third point is that to make Europe stronger, we need deeper integration. My government will support deeper integration as long as it is fair to all Member States and benefits the Union and the whole of Europe as an entity. Our most pressing challenge is to create new jobs. Too many Europeans – especially young people – are without work today. Unemployment is a problem for the whole of society, but first and foremost it hits those individuals who are struggling to make ends meet.

Last week I visited Lisbon, where I had the opportunity to talk with university students. I was impressed by their enormous talent and energy. But the discussion revealed how worried they were about the future. I know how they feel. I remember Finland's own financial crisis all too well. In the early 1990s, almost 20% of Finns were jobless. Finland was on the brink of insolvency. Over 10% of our GDP was shaved off in just a few years. At the time, I was a university student myself. I remember thinking we would never get a job or own a home. We did not want to graduate, because it was safer to stay in the university. When I now think back to those bleak years, even the images in my mind are black and white. Finland managed to get through the crisis, but in many ways, we are still paying the social price for it.

So, ladies and gentlemen let us make jobs our top European priority. We all know there is no shortcut to creating new jobs in a sustainable manner. If there was, surely we would have taken it already. I fully support the proposal to allocate EUR six billion from the EU budget to fighting youth unemployment, and I am pleased the European Council endorsed the Youth Guarantee concept. It is essential we keep all our young people on board.

What matters the most is our ability to meet global competition. Europe must become more competitive so that businesses continue to make new investments and create new jobs here. Europe has to regain the upper hand in new technologies and industries. The key to Europe's economic future lies with reform and openness. We have to work with the markets, not against them.

Mr President, we have taken impressive steps to overhaul the EU's economic governance. I would like to thank this House for the important role it has played in passing critical legislation, such as the Six Pack and the Two Pack. The implementation of the rules will require sometimes difficult and painful reforms nationally. Structural reforms will not bear fruit overnight, but reforms are the most effective and most sustainable economic stimulus in the long run.

If we all play by the new rules, our economies will get stronger. This is not just economic theory, it is plain common sense.

Arvoisa puhemies, sisämarkkinat ja sisäisen vapaakaupan edistäminen ovat Euroopan integraation ruisleipä. Tässä olemme päässeet pitkälle, mutta emme riittävän pitkälle. Tavarat liikkuvat Euroopassa hyvin, mutta palvelut eivät. Siksi palveludirektiivin toimeenpanoa on välttämätöntä tehostaa.

Digitaaliset sisämarkkinat tarjoavat valtavan mahdollisuuden luoda uutta työtä ja kasvua. Komissio arvioi, että EU:n talous kasvaisi tällä toimenpiteellä 500 miljardilla eurolla vuoteen 2020 mennessä. Olisi siis sulaa hulluutta jättää potentiaali käyttämättä.

Sähköinen kauppa ja digitaaliset sisällöt tarvitsevat kiireesti toimivat sisämarkkinat. Niiden rakentaminen on jo alkanut – osin Euroopan parlamentin ansiosta – mutta työ etenee liian hitaasti. Tarvitsemme uutta, älykästä sääntelyä, joka raivaa kaupan esteitä ja tukee digitaalisen talouden dynaamisuutta.

Jyrki Katainen, premier ministre finlandais. – Monsieur le Président, nous avons le devoir de libérer le potentiel énorme de notre commerce extérieur pour créer des emplois. La Commission européenne a estimé que la réalisation d'un plan ambitieux de libre-échange créera deux millions d'emplois en Europe. Nous avons ouvert le marché et donné aux entreprises européennes les opportunités dont elles ont besoin.

Européerna har både den skicklighet och den kreativitet som krävs för att nå framgång på den globala marknaden. Vi måste tro på oss själva.

Om vi tyr oss till protektionism och bygger hinder, isolerar vi oss bara från pulsen och händelserna inom världsekonomin.

Inledandet av frihandels- och investeringsförhandlingar med Förenta staterna och Japan är de bästa nyheterna på länge. Låt oss hålla farten uppe och inte fastna i detaljer.

Jyrki Katainen, Prime Minister of Finland. – It is essential that we strengthen economic and monetary union. Our immediate priority is to finalise banking union. To me, banking union is a good example of fair integration. It is about curbing reckless risk-taking and protecting taxpayers from having to rescue oversized and under-capitalised banks.

I have three final points on how to make Europe fit for the future.

First, we need a truly integrated European energy market. Energy is the lifeblood of the economy. Global competition for energy is getting fiercer. Europe needs to get its act together and take the internal energy market seriously. We also need to move away from subsidies that distort the market. We need more investment in energy infrastructure. To drive investment in low-emission alternatives, we need to restore the effect of the emissions trading system, which you were deliberating yesterday evening.

Second, we need concrete steps in European security and defence policy. Europe has to take more responsibility for its security, which means we must learn to work more closely together. We need closer cooperation to meet security challenges, to overcome the financial limits and to provide our security and defence industry with a wider home market to grow. I am looking forward to our December discussions in the European Council.

Third, I would just say that we must keep enlargement on our agenda. The European Union must remain open to deserving candidates.

The next European elections will be held in a year's time. This election is of exceptional importance. It will be a test of the democratic legitimacy of the European Union. Its outcome will show the future direction of our common European project.

European integration has never been challenged as it is today. We have a lot to defend and we should do this with pride. European integration has proved that it can deliver peace, stability and well-being to European citizens on a scale never seen before in this continent. It will continue to do so. The European Union will emerge from the crisis stronger. It will take some time and the road ahead will not be easy.

We must focus on energy and what unites us, not on what separates us. We must build mutual trust, because together we are stronger than any of us would be alone. We must focus on reinforcing the fairness of European integration. Fair integration is the best way to build a strong Europe and to regain people's trust in the European project.

Speech by Commission President Barroso; Strasbourg, 16 April 2013

Mr President, Mr Prime Minister, honourable Members. Before I begin, I should like to express, on behalf of the Commission, our deep sympathy with the victims and with the families of those killed and injured in the violent attacks in Boston yesterday. We condemn all forms of violence, and we stand in solidarity with our American friends on this sad day.

It is a pleasure for me to say some words here today, when the Prime Minister of Finland, Mr Katainen, is debating the future direction of the European Union with the European Parliament. I want to start by thanking the Finnish Prime Minister for his very important, personal contribution to the European project. Jyrki Katainen has shown a strong commitment to strengthening democracy, transparency and dialogue in the European Union. In short, the Finnish Prime Minister and the country he represents stand for a European Union which is, first and foremost, a community of values.

This brings me to the first point which I wanted to make this morning, which is that Finland embodies the most fundamental concept at the heart of our Union – the rule of law and the principle of equal rights. No matter what their size, economic weight, history or culture, our Union is a union of Member States joined together by common values and shared interests. It is a union that shows equal respect for rights and hears the voice of each and every Member State. In this environment, Finland has demonstrated that it is not size alone which moves the European debate forward but the strength of your ideas and the commitment and determination to see these ideas through. On issues ranging from enlargement to the single market or the digital agenda, from the Union's international trade relations to justice and home affairs, Finland is a leading light in moving and shaping European policy.

Let me make a specific point on the rule of law and fairness. The Prime Minister rightly places great importance on these issues. So does the Commission, especially at a time when reform is placing a burden on our societies. This is why we are pushing forward with our proposals to combat tax evasion and tax avoidance, which cost Europe around EUR 1 trillion per year in lost tax revenues.

In other words, Europe is losing tax revenues every year which amount to one full multiannual financial framework. This is money that we can ill afford and which increases the burden on the average, honest taxpayer. It is time to turn good intentions into action. That is why I call on the Member States to reach a swift agreement on the Commission's proposals on savings tax and for a strong mandate to negotiate agreements with Switzerland and other neighbours, as well as for a rapid reaction mechanism to tackle VAT fraud.

In the coming weeks I will be urging the Member States to jointly commit to common actions and an agreed timeline to implement the recommendations on tax havens and aggressive tax planning which the Commission made last December. I thank Finland for its support on this issue, including its welcome initiative to host a joint seminar with the Commission at the end of this month.

In a recent speech on competitiveness which I made in Dublin, I underlined the position of Finland as the leading Member State in the World Economic Forum Global Competitive Index, in which Finland ranked third in the world. Across Europe, as we seek to exit the current crisis and bolster Europe's long-term competitiveness, it is important that we look at Finland and take on board the lessons from the Finnish experience. These are long, hard lessons. Following its domestic banking crisis in the 1990s, Finland undertook a series of deep, difficult structural reforms in order to reshape its economy, regain international competitiveness and retain the principal elements of its social market economy. This process is one which many other Member States are now following and which Finland has been supporting by showing solidarity with these countries.

Finland is also playing an active role in the shaping of the banking union. Events in Cyprus show just how important this work is and how it is even more urgent than ever. I am pleased that, following the intensive work in the dialogues, there is now a final agreement on the single supervisory mechanism. The Commission will bring forward proposals for a single resolution mechanism in June. The most important lesson in all of this is that it should not be seen as a one-off exercise: it is a day-to-day exercise. Remaining competitive requires constant work, as Finland has recognised and is currently demonstrating through its ongoing efforts.

Finland is engaged in a dialogue with its European partners, setting out its ideas and discussing its concerns as an active, engaged and thoughtful member of our Union. I would like to thank the Prime Minister for his role in shaping this approach and for his very close cooperation and friendship. I would like to thank Finland for its commitment to our Union.
