

**Deputy Prime Minister and Foreign Minister Venizelos' intervention at the European Parliament Plenary on the need to approve a financial transaction tax (Strasbourg, 4 February 2014)**

E. VENIZELOS: Mr. President, thank you very much. Ladies and gentlemen MEPs, you know better than I do that the introduction on a financial transaction tax has been discussed extensively on the level of the European Parliament and on the level of the Council. I want to make special mention of the contribution of the rapporteur, Anni Podimatas, to formulating the European Parliament's position.

We have not managed, on the level of the Council, to make the optimal choice. We have not seen the shaping of a common position that would lead to a regulation that might be implemented throughout the EU, in all the member states, throughout community territory. We settled for the second best in terms of a choice, in the form of enhanced cooperation. It is very significant that there are 11 EU member states – including Greece – that believe in this tax because they see it as a way of generating revenue that will be transferred from the financial sphere to the real economy, will finance enterprises, the effort to create new jobs and combat unemployment, and fund social cohesion measures.

This is an exchange, a reciprocation that the financial sphere must pay, due in part to the major assistance provided by the member states, through the fiscal mechanisms, so that the financial sector could overcome the crisis.

From this point of view, the issue we are discussing now, of the tax on financial transactions, is very strongly linked to the previous discussion of the single resolution mechanism, of the banking union, of the single supervisory mechanism, of breaking the vicious cycle between financial and fiscal crisis – matters I referred to at length during the previous debate.

Unfortunately, we have additional institutional difficulties. The issue is, in any case, complicated – technically, financially and legally complicated. We now have the application of a member state – the UK – before the EU, putting forward the issue of voiding the Council decision that approved the enhanced cooperation process.

We want to move ahead quickly. We want to enable the 11 member states that make up the enhanced cooperation group to complete this institutional configuration using the institutional mechanisms of the EU, and thus with the European Commission's help. But we have to be pragmatists. There are difficulties. I don't know whether we will have time to conclude on a common position. But we will certainly pursue the setting down of directives that point in the direction in which we want to move.

We have a very thorough perception of the technical level: that multiple speeds are being created in the financial market, which is, par excellence, a global market. But by the same token, in the EU we need to agree at some point on whether we

need mechanisms for drawing surplus from the financial sphere and transferring it to activities that constitute a priority for a Europe that has a political programme and can respond to the various forms of Euroscepticism.

This discussion is very timely, just a few months before the close of the European Parliament session and the carrying out of the next European elections. No one – and particularly no one in Europe’s younger generation – wants a Europe of austerity and unemployment. We have to be able to provide a vision, a hope, but we will also have to be able to finance this hope. We cannot provide a full response from own resources and the community budget mechanisms. We need new ideas, new mechanisms. So the debate we are carrying out now may seem technical or fragmentary, but it addresses the very heart of the European problem: the need for us to talk again about a Europe that is convincing to its citizens, and particularly to the young generation.

Thank you very much.

## **Second Intervention**

E. VENIZELOS: Thank you, Mr. President. I will begin with an institutional response. The Hellenic Presidency of the Council is obliged to implement the decision of the Council that allowed the enhanced cooperation process to move ahead. The Council will defend its decision before the ECJ, so that the action can be rejected.

Speaking now on behalf of the 11 member states participating in the enhanced cooperation, the Presidency of this semester will make every effort to bring this issue forward again and make it one of our policy priorities, so that there can be a specific and tangible result. From this point of view, I want to thank Ms. Podimata, who, as the historical rapporteur of this issue in the European Parliament, noted the reasons for which the vast majority of the Parliament accepted the financial transaction tax. And I also want to congratulate and thank Commissioner Semeta for the firm support and technical and scientific documentation on the financial transaction tax.

Now, allow me to make a few brief political observations – not formally, as the representative of the Council, but because, as a Greek Minister, I have the opportunity to address you.

If the EU now, a few months before the European elections, does not manage in the field of the real economy – where social cohesion is being tested, where the credibility of European integration is being tested – to provide a practical response, telling citizens how we plan to fund the measures for bolstering the real economy, businesses, employment and social cohesion, we will have lost the game of the new European narrative.

You will ask, is it reasonable for one to say that we will draw funding from the financial sphere to bolster the real economy, to bolster social cohesion? Yes, first of all that is reasonable. Anything that generates surplus-value must participate in a redistribution mechanism. The arguments being heard – because we heard a classic discussion here; a discussion that is being repeated often – are highly ideologically charged.

First of all, most of the arguments against the tax on financial transactions are arguments that can be used against any kind of tax, against the idea of state taxation. In the case of financial transactions, we – as the EU and as member states – are facing the phenomenon of our sovereignty. The financial sphere really is a cosmopolitan sphere, a globalized sphere that has been detached from the element of territoriality – and thus from sovereignty; and thus from the power of law and order, whether national or European community law and order. Will we accept that? Will we accept that the global financial market is a market outside any kind of institutional control? This is the big issue. If we accept this, then we have no prospect of consolidating the EU as a real political entity.

In reality, the question is this: Will the debate on global economic governance start from somewhere, or will we forget it? In 2008, just after the collapse of Lehman Brothers, there was a G20 Meeting in London, and there was a list of decisions and initiatives of the 20 most developed countries in the world; decisions and initiatives aimed at laying the foundations for some kind of global economic governance. I assure you that almost nothing on that list was implemented.

Can we start from somewhere? Does Europe have the potential to take certain initiatives? Not because it is the center of the global economy. Unfortunately, we are no longer the center of the global economy. We are aging and shrinking as an economy and as a society. But we have sensitivities, we have ideas, we have a tradition, we have values. Can the debate on global economic governance start from somewhere? Let it start from the eleven members of the enhanced cooperation and from the EU.

Might consumers and pensioners end up paying for this? But no European citizen, no citizen anywhere in the world, is just a pensioner, just a consumer, just a taxpayer. Every citizen has multiple capacities, perhaps losing something as a pensioner or taxpayer, but gaining through other types of exchanges and other potentials. It is always the individual who acts in a complex manner in society, losing here, gaining there. Thus, in reality, the game that is being played is very important. And it is of very great importance that we persist as European institutions in the direction of the tax on financial transactions.

Thank you very much.