

eastern **A**genda



Newsletter from Andrew Duff MEP

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Make Your Voice Heard !



Andrew Duff with supporters of AV at a recent fund-raising event in Norwich

The countdown has started for the referendum on 5 May about our electoral system. Everyone can vote. Everyone should. This is our chance to tell the government and the House of Commons what we think of the old electoral system in which fewer than half of MPs win a majority of votes in their constituencies.

A YES vote will end the old politics. Under the Alternative Vote system, every MP will have to get the backing of at least half of the votes. This will make MPs more responsive to the needs and wishes of all their constituents – and not just their own parties. AV will reduce negative campaigning. Because candidates will have to appeal to broader public opinion, those elected as MPs will be more independent of the grip of the political party whip. There will be fewer safe seats for life. And the Commons will be a cleaner, better place than it has become in recent years.

No other European country has Britain's old-fashioned crude 'winner-takes-all' system. Everywhere else the citizen has the chance to express his or her first, second and third preferences. So political debate is more lively and often better informed.

People from all walks of life are backing the campaign for change. A YES vote on 5 May will send a message to Westminster. Britain must change. AV will help the country do so. It's a small change that will make a big difference.



Alliance of Liberals and Democrats for Europe
Alliance des Démocrates et des Libéraux pour l'Europe

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The European Liberals & Democrats are playing a leading part in finding ways forward from the economic crisis.

How Europe can help economic recovery

How to restore financial stability and boost economic recovery? These are today the main preoccupations of the European Union. The Alliance of Liberals and Democrats in the European Parliament is leading the debate. We find that the official response from the European Council and European Commission is too little, too late. The collective of presidents, prime ministers and Commissioners lack a global vision and are distracted by short term and limited solutions. German Chancellor Angela Merkel, in particular, has fallen into the trap of thinking that a moral pact between national leaders is sufficient to instil the budgetary discipline that has hitherto been lacking. But political economy is amoral. Without rules, sanctions and penalties the EU states will fall back into their bad old ways.

Of the countries using the euro, Greece is the most notorious because it cooked the books. But Germany, France and Italy weakened deliberately the stability and growth pact which underpins the single currency, and failed to ensure fiscal discipline either in good times or bad. The UK, meanwhile, in hock to the City of London was complicit in failing to regulate the banking sector or to prevent the property bubble. Nobody comes out of the last decade smelling of roses.

What should be done? First a comprehensive action plan to clean up the banks, strengthen regulation and boost investment. Then, in the longer run, the EU needs to make treaty changes to establish a proper federal government of a fiscal union. Critically, these objectives are interlinked: doing one without the other won't work.

Cleaning up the banks

Europe's banks need more capital and more prudent government. Without doing this, a sustainable economic recovery of the EU is impossible. The experience of Japan and Sweden in the 1990s perfectly illustrates the need for cleaning the banks of bad debt, both public and private, before investor confidence returns. To date, the EU's banking 'stress tests' have been too weak and too secretive to do much good. Emergency assistance can be provided by the EU but only on terms of strict conditionality which include penalising feckless bankers and imprudent shareholders. No government should be allowed to guarantee 100 per cent of the national bank debt, as Ireland's so stupidly did.

The EU is making good progress in restructuring unsustainable debt while shifting deposits, savings and small business banking into 'good banks'. Despite the protests of the City, there is now in place a new regulatory framework for the whole financial sector. This is being followed up by six new EU laws concerning banking supervision and the stricter surveillance of national budgetary plans.

Building economic governance

It is clear now (if it wasn't before) that Europe's monetary union has no future without an equivalent economic union run by a discernible economic government. This does not mean a simple coordination or over-centralisation of the national economic policies of the EU states, but a truly federal policy for economic convergence in the eurozone. One of those steps is being taken now: the introduction to the eurozone of a new European Stability Mechanism to bail out banks and states in a time of crisis. This first step has been shaped by the helpful intervention of the European Central Bank and the European Parliament.

To bring Greece, Ireland and Portugal back to the markets needs rigorous austerity sustained over a period of years. The UK, also heavily indebted, is having to undergo many of the same hardships. The UK can continue to devalue sterling which, although it causes higher inflation, will lessen the social cost of returning to fiscal rectitude. Within the eurozone, however, national governments need

the EU's help to achieve a new social consensus on the measures that have to be taken. These will include convergence of labour and social policies, linking wages with productivity growth, and a common structure and base for corporate taxation. Europe's single market programme must be completed, not least in services, energy supply and intellectual property. And the Stability and Growth Pact must be reinforced to cater for the stricter surveillance of broader macroeconomic developments.

Finally, Liberals & Democrats urge the establishment of a consolidated eurobond market to provide less costly sovereign borrowing.

The failure of previous efforts at economic recovery suggests that the intergovernmental method whereby the states monitor and control the process does not work. Credible economic governance needs the European Commission to be in the driving seat so it can set the objectives, make proposals, induce commitments and monitor developments. To do this, the Commission needs automatically to be able to impose corrective measures and impose sanctions. This means a reversal of the present decision-making process in the Council making, involving treaty change.

More investment

Europe needs not only austerity and discipline but also investment and growth. As the EU budget is limited and national budgets are in difficulty, a very ambitious investment plan must be launched through the issuance of EU project bonds. We propose an investment programme over ten years of four trillion euros to be raised both privately and publicly.

Such investment will provide for the modernisation and the ecological transformation of the European economy. It should include transport links (rail, road or water), energy infrastructure (smart grids, broadband networks), and large-scale research and scientific projects, such as Galileo and others.

The Union is already committed to reforming its multi-annual financial framework and its revenue system of 'own resources'. ALDE insists this reform must be radical to give the EU genuine autonomy of revenue independently of national treasuries. EU spending should be better accounted for and more transparently connected to the taxpayer. The transfer upwards of large ticket items such as R&D from national to the EU budget will save national exchequers a great deal of money and induce large economies of scale. Major cost efficiencies can also be made in the defence sector. If the EU budget is ever to become a credible instrument in the effort to stabilise Europe's finances and boost the economy, it needs to grow, over time, to at least twice its present size of a mere one per cent of EU GNI.

Such a comprehensive action plan for the European economy must be anchored within the treaty-based methods of the European Union which ensure equality between the states and the advancement of the common European interest. Vital political debate in the European Parliament on the main political and social choices we have to make has a key role to play. European Liberals under Guy Verhofstadt show the way forward.

It is a pity that at this important moment the coalition government's decision to stand aside from this debate weakens the British influence over shaping the future of Europe.



Andrew Duff is a leading member of the new Spinelli Group of MEPs and leading European figures which is very critical of current EU policies..

Find out more at www.spinelligroup.eu

Europe Must Help Arab Democracy



Andrew Duff with Liberal leader Guy Verhofstadt and the EU's High Representative for foreign affairs, Britain's European Commissioner Catherine Ashton.

As ***eastern Agenda*** goes to print, the immediate outcome of the civil war in Libya is impossible to predict. But it is obvious that its long-term consequences are going to be significant.

On a recent trip to Syria I was struck by the openness with which several young men spoke to me about their wish for Arab democracy. These discussions took place in public, with President Assad's secret police all around. Nobody was specific about how and when democracy would come to Syria, but many were certain that come it would.

One must be careful not to over generalise. No Arab country is the same, and the mix of historical experience, tribes and religious sects, urbanisation, education and wealth, is highly variable. So also is the Arab perception of Europe. In some countries, such as Jordan, Morocco and Tunisia, today's reputation of the EU is quite sound, and is regarded as a considerable improvement on Europe's colonial past. In Libya, however, Colonel Gaddafi exploits historic resentment at the arrogant behaviour of the 'imperial powers'. That is why President Obama is so anxious not to get America embroiled in another war against Muslims.

For the European Union Arab democracy poses other problems too. Libya has exposed the fundamental weaknesses in the EU's efforts to build a common foreign and security policy. The spectacle of Germany siding with Russia and against the US, UK and France in the vote of UN Security Council Resolution

1973 will stay with us for years. The mutual antagonism between France and Turkey looks set once again to cripple NATO as an effective actor. The action against Gaddafi has exposed cruelly the deficiencies in the state of European armed forces. No wonder the US is keen to leave this theatre as soon as possible.

So what should European policy be? As good neighbours, Europe should emphasise how our new relationship with the Arabs will be based on human rights and the rule of law. While there will continue to be military connections between Europe and Arabia, policy will not in the future be driven by the imperative of the arms industry but, rather, of democratic forces. A crisper definition of European principles and interests means a reappraisal of our relations with Israel. Indeed, one of the lasting benefits of the Arab revolt is the pressure it will bring on Israel, and to a lesser degree on Turkey, to undertake liberal reforms themselves.

Already in place are the freezing of assets of corrupt and venal autocrats, travel bans and sharp sanctions. As for the EU itself, a common security and defence policy mission must be sent as soon as possible to manage the refugee crisis and to help Arab civilians to collect around democratic transition. NGOs can be helped with EU money to consolidate political parties, trade unions and a free press.

Good governance in Europe's Arab neighbourhood will be the best form of stability and security that Europeans can wish for. Good governance in socially conservative countries means that Europe will have to accept the role of political Islam in the democratic process. The European Council and High Representative Catherine Ashton struggle to agree on a coherent course of action. Yet the answer is clear: Europe's common interest lies in Arab democracy.

Tornado picture

Picture: Courtesy of Nigel Blake Photography Limited

A Typhoon similar to one that has been in action over Libya recently. The RAF base at Marham in Norfolk is within the Constituency

Peers from the East of England

There are now six Liberal Democrat Peers based in the East of England following the creation of new peers to the House of Lords

Sal Brinton, Qurban Hussain and Raj Loomba are amongst twenty newly created peers in the House of Lords. Six Liberal Democrat peers are now based in the East of England.

Sal Brinton, former EEDA board member and Lib Dem group leader on Cambridgeshire County Council who narrowly missed winning Watford in the General Election will become Baroness Brinton. Luton Liberal Democrat Cllr and ex parliamentary Candidate becomes Lord Hussain, whilst Raj Loomba who has been recognised for his charitable work becomes Lord Loomba.

They join existing Peers Lord McNally who is now in the Ministry of Justice, ex cabinet member and Lib Dem leader in the lords, Baroness Williams and recent Party President Baroness Scott in the Upper Chamber.



Andrew Duff and Lord Hussain exchange words in Sheffield



Lord McNally and Baroness Williams on the campaign trail



Baroness Brinton



Recently ennobled Lord Loomba



Baroness Scott speaks at the east of England Lib Dem conference

Andrew Duff writes.....





Andrew Duff speaks to a packed meeting of the Liberal Democrat European Group at Sheffield



Andrew in a lighter moment after winning re-election as President of the Union of European Federalists (UEF) www.federal-europe.org

Contacting

Andrew Duff MEP

Orwell House, Cowley Road
Cambridge, CB4 0PP
tel: 01223 566 700
fax: 01223 566 698
mep@andrewduffmep.org

European Parliament
Rue Wiertz, B-1047 Brussels
tel: 00322 284 7998
fax: 00322284 9998
andrew.duff@europarl.europa.eu

www.andrewduff.eu



East of England Lib Dem Visit to Brussels Autumn 2011

If you are interested in coming on an upcoming trip to Brussels with other Liberal Democrats from the East of England this Autumn please register your interest with Tim Huggan at Andrew's office in Cambridge via tim@andrewduffmep.org



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