

## Newsletter du PSE n° 29 - Numéro spécial sur la crise financière, novembre 2008

### Reaching across the Atlantic to the US Democrats

PES President Poul Nyrup Rasmussen was in Washington and New York in mid November, discussing the crisis with politicians and economists including Howard Dean, John Podesta, Paul Volcker, Barney Frank and Joseph Stiglitz, as well as with Dominique Strauss Kahn at the IMF. In late October he was in California meeting economists and other experts at the Universities of Berkeley and Stanford including Nobel prize winner William Sharpe. [Read his blogs from the USA](#)

### PES Leaders Emergency Summit

Europe's social democratic, socialist and labour parties met at an emergency meeting in Brussels ahead of the EU informal summit on the financial crisis which took place on 7 November. They [agreed a declaration](#) setting out the action needed to re-launch the European economy and new regulation of the financial market. [See what Elio Di Rupo and Jiri Paroubek - Leaders of our Belgian and Czech Parties - said at the meeting](#)

### PES pressures Sarkozy & Barroso

PES President Poul Nyrup Rasmussen sent an open letter to President Sarkozy and met European Commission President José Manuel Barroso, following the PES Leaders' Emergency Summit. Rasmussen told the two Presidents about the PES leaders plan for simultaneous investments to create jobs and relaunch Europe's economy, as well as regulation of the financial market at EU level. [President Sarkozy got the same message by letter.](#)

## **European Commission recovery plan lacks ambition**

At the end of October the European Commission released a recovery plan which was notable as much for what it failed to propose as for what it actually contained.

## **Sarkozy overrules McCreevy on new regulations**

The European Commission's chief free-market fundamentalist, Commissioner McCreevy, was finally overruled by Sarkozy and Barroso in his long fight against regulating hedge funds and private equity in any new EU legislation. Subsequently, the Commission published its 2009 work programme which promises a package of measures covering all financial actors including hedge funds and private equity.

## **End tax avoidance**

Governments who invested taxpayers' money in financial market rescue should lead an international effort to crack down on tax avoidance by financial institutions said PES President Poul Nyrup Rasmussen.

## **Socialist PMs call for roadmap to avoid mass unemployment**

Socialist Prime Ministers and Deputy Prime Ministers meeting on 15 October, just before the first EU Summit to discuss the crisis, asked the PES to draw up common proposals for new financial market regulation and to counter the recession. The next day the PES Presidency backed the idea of making a roadmap for urgent action to prevent mass unemployment. To watch Alfred Gusenbauer, Chancellor of Austria, Sergei Stanishev, Prime Minister of Bulgaria, and Wouter Bos, Finance Minister of the Netherlands speaking at our Prime Ministers meeting on 15 October [click here](#). For more on beating the crisis [hear what our American friends said](#) when they joined us in Brussels in September.

## **International plan for global financial reform**

World leaders at the G-20 summit in Washington on 14-15 November drew up a plan based on five major principles to reform the global financial markets. A review of the powers, responsibilities and resources of the IMF will be discussed at the next G20 summit, which will be probably held in London on April 30, 2009.

## **Agreement on a common EU line on financial reform**

On the 7 November, EU heads of state and government agreed on a five-point programme asking for better regulation and market transparency ahead of a global summit in Washington. EU leaders also agreed on the need to take measures to address a possible recession in Europe. In this respect, on the 26 of November the Commission will unveil a 'comprehensive recovery plan', which will include targeted short term actions to add to the medium and long-term reform initiatives under the Lisbon Strategy for Growth and Jobs.

## **COMING UP**

PES Council in Madrid where PES leaders will adopt on 1 December the PES Manifesto for next year's European elections and debate the financial crisis on 2 December. You can follow it via live streaming on our website [www.pes.org](http://www.pes.org)