

THERE COMES A PROPOSAL IN THE EUROPEAN PARLIAMENT CONCERNING THE CREATION OF A SUPERVISORY AUTHORITIES' SYSTEM

Eurocircumspection concerning the banks

They are in favour of the radical reform of the financial supervision, which is pursued through the creation of three European institutions/ authorities- But who are we referring to? We are referring to three out of four representatives of European Parliaments' biggest parties, including two Greek Europarliamentarians, but we should pay attention to the fact that their support of the radical reform of the financial supervision is subject to conditions.

At least, this is the conclusion we can draw by the texts they posted to ELIAMEP's(Hellenic Foundation for European and Foreign Policy) website on the occasion of the European Committee's legislative proposal to the Parliament, which is currently under discussion concerning the creation of a European system of supervisory authorities of the financial sector. The Europarliamentarians (the French Europarliamentarian Pervenche Beres and Sylvie Goulard, the Greek ones Rodi Kratsa-Tsagaropoulou, Nikolaos Chountis and the British Europarliamentarian Godfrey Bloom) were asked to answer the following question posed by the Foundation: “ Will the system that is being developed bring the desirable results?”

Pervenche Beres (Social and Democrats, S&D) is in favour of a Community system of macro prudential oversight of the financial system, in which the European Central Bank (ECB) will play a central role in the implementation of binding decisions and it will exercise co-oversight of the cross-border financial institutions. In fact, she stresses the fact that it is essential to ensure that the costs- in case of a crisis- will put a strain on the shareholders and the creditors and not on the taxpayers, if the financial markets are to be designed so as to serve “the real economy”.

Being more or less on the same wavelength as Pervenche Beres, Rodi Kratsa- Tsagaropoulou (European People's Party- EPP-Social Democrats) underlines the importance of the establishment of supervisory authorities in a European level, which on her point view will strengthen the assistance towards the Greek authorities.

Sylvie Goulard (ALDE- Alliance of Liberals and Democrats for Europe) believes that the financial markets' surveillance is a typical European problem; That's why EU should show more trust in the

Community method. “As long as the Capitals think that they control the European system, EU’s credibility will decrease.” In fact, it refers to Greece, pointing out that the EU should have a strong and more active presence in a global level. The current crisis has proved that the national decisions’ coordination does not result in a satisfactory, multilevel supervision, as it was revealed during the recent ECOFIN meeting. The European Council needed more than three months in order to take the necessary decisions about Greece.”

Nikolaos Chountis has a slightly different opinion (European United Left/Nordic Green Left European Parliamentary Group- GUE/NGL), who supports the view that the establishment of a strong system of financial supervision is essential. However, he expresses strong reservations about the success of this endeavour, as he has taken into account the limited supervisory power, which is granted in European level.

Finally, the Euroscepticist Godfrey Bloom (EFD- Europe of Freedom and Democracy) is the only one, who is earnestly opposed to the rationale of the financial supervision, at least as it is formed in the framework of European Union. On his point of view, as a result of the supervision the weakening of City's(the London’s financial center’s) power will occur. At the same time, he inveighs against the Union when he thinks that “whatever the Union undertakes, it comes to nothing.”