

The President**ACTIVITY REPORT OF THE PSE GROUP TO THE CONGRESS OF THE PES****December 2006**

The first half of the legislature has been a successful one. Albeit the second largest, our parliamentary group has been a political driver. Determination and overall cohesiveness has made us the active force in the European Parliament and we are able to pull political action in our direction.

In the large majority of cases, we have shown greater unity compared to the other groups and the EPP in particular. Therefore, we clearly played a leading role in terms of content and procedure. Our support is indispensable to the Commission, but we are also experiencing that we can build solid majorities to change Commission proposals, as demonstrated by our big achievement with the Services Directive.

The Group has namely played a decisive role in changing the Barroso Commission. Our unity forced President Barroso to retract his position, replacing Buttiglione and Udre and modifying the share-out of portfolios. Thus, thanks to the Socialist action, the Parliament, for the first time, made a historical advance in shaping the structure of the Commission. Most recently, we were able to show the same cohesion and strength to demand a change in the Romanian nominee for Commissioner.

The Socialist Group has also undergone a number of organisation changes to adapt to the enlarged European Union. The Group was once again on the vanguard in promoting the activities of two Units (Enlargement; Mediterranean and Middle East, the latter of more recent creation) that work not only on the content reflection of the European neighbourhood policy but also on the improvement of relations with the countries from the East and the South. Another change was the creation of five horizontal working groups, allowing an improved coordination between members in the various committees on cross-related political issues. The close cooperation between our Group and the PES under the direction of Poul Nyrup Rasmussen is also a very important element of our good work.

Just remember some of our important successes:

Enlargement

Our Group has a positive, realistic and forward-looking position on Enlargement. We were very successful in enlarging the Group to new colleagues from the ten new Member States. Our new colleagues have immediately taken part in decision-making, sharing experiences and engagement.

On the contrary, the EPP Group is losing more and more of its internal cohesion, through alliance with various kind of forces, included anti-European and populist movements, while our strength is growing in looking for progressive alliance based on shared values.

The Socialist Group contributed enormously to a successful enlargement, sending out a fundamental message of integration.

We consider enlargement to be a huge opportunity for Europe. Therefore, we opposed the option of a "privileged agreement" with Turkey and the introduction of new accession preconditions. The PSE role was crucial in shaping the EP position which called upon the European Council to open negotiations with Turkey (Eurling report, December 2004). Whereas the EPP was seriously split, we demonstrated the unity of PSE members.

At the eve of the accession of Romania and Bulgaria, we keep looking into the future of Europe and accompanying the progress of the candidate countries (Turkey, Croatia and FYROM). We welcome the efforts made by these countries, but we also stress that there can be no compromise on the Copenhagen criteria.

However, the Treaty of Nice does not provide an adequate basis for further enlargements; we need then to remind the Heads of State and Government of their duty to complete a constitutional process before the next European elections, so as to avoid a delay in current accession negotiations.

The Constitution

It remains an open question whether the Constitution will see the light of day in its current form, but one thing is certain: Europe needs the reforms put forward in the Constitution to keep working.

For the Socialist Group it is not appropriate to anticipate any conclusions or to rule out any options for going forward prior to the conclusions of the debate on the Future of Europe. However, although the process of ratification has been stalled, we still consider that the values and principles underlying the text remain valid and that we need a strong Europe in order to have actions in accordance with our political priorities.

The Constitution provides for more clarity as to the Union's nature and objectives, for more democratic accountability, for greater effectiveness and for a strengthened role of the EU in the world; but above all it gives citizens more rights (Corbett report, January 2005; Duff/Voggenhuber report, January 2006).

The Socialist Group highlights the need of a solution that will enable the EU to function in an effective and secure way. In June 2006, the adoption of the Leinen motion for a resolution confirmed the EP and the PSE commitment to achieving a constitutional settlement by 2009.

Our Economic and Social Model

The Socialist Group has become a reference in terms of Social Europe. We have namely produced some important documents in this field, related to the Lisbon Agenda, amongst others the "Europe of Excellence" paper.

The Socialist Group is the one keeping the spirit of the Lisbon Agenda alive: we proposed and obtained the creation of a selected group of 33 MEPs in the EP to deal with this issue in a more coordinated way (the G 33), we support initiatives related to a better economic governance and a European regulation of financial markets.

Moreover, we stand for a Globalization Adjustment Fund.

The Socialist Group continues to be the parliamentary group fighting the hardest and most successfully for workers' rights in the EU. We keep stressing the need for a work/life balance, for quality jobs and for regulated working hours. After the successful adoption of the Cercas report on the revision of the working time directive in May 2005, we deplore the current deadlock in the Council on this issue: without agreement, the use of terms like "flexicurity" and reconciliation of working and family life are an empty shell so far as workers are concerned.

Through our work we fight for a Europe socially fair, with more work opportunities and a safe environment. We stand for a new concept of European citizenship, according to the principle of rights and duties for all.

Services

- Services Directive

The Services Directive has perhaps been the most controversial issue and the Gebhardt report one of the greatest successes of our Group and of the Parliament since the first direct elections.

We succeeded in imposing a fundamental change of direction regarding the content: a neoliberal directive became a socially oriented one. The Socialist Group managed to get things moving, namely through ongoing cooperation with the ETUC, and obtained a large majority in favour of excluding any risk to the right to work and preserving the current provisions regarding the secondment of workers; removing the principle of the country of origin; restricting the directive's field of application by excluding health, social and audiovisual services and securing a number of derogations for public services.

At institutional level, the Parliament imposed its line. After a three years legislative procedure, the EP put an end to this dossier on 15 November last, succeeding in establishing freedom of services in Europe along social and equitable lines.

- Services of General Interest

On Public Services in general the Socialist Group is very clear: access to high-quality public services is a key political issue and an essential element in the European model of society. Good schools and hospitals, clean water, safe and reliable transport and energy figure in most definitions of a good quality of life. We are calling for action to safeguard and enhance public services throughout the European Union.

We were the first political group ever to draft a European Framework Directive on public services. In May 2006, we published our legislative proposal (an unprecedented initiative) and we are using this publication to launch a public debate in this field. Effective work by the Socialist Group has already succeeded in pushing this important issue higher up in the political agenda and in identifying the Group with the demand for better public services.

The EP recently adopted a report (Rapkay report, September 2006) that calls on the Commission to come up with legal initiatives under co-decision in this field and that follows the same line of proposals as the ones put forward by the Group position paper on Services of general interest.

Immigration and integration

The issue of immigration has again been highlighted by the human tragedies that take place in the Mediterranean area as a result of attempts to enter the EU. Thanks to our initiative, the

Parliament adopted important and positive positions in this field. But our work has just began. The Socialist Group calls for urgent action to deal with the complex issues of migration and integration. For this reason, we created a PSE reflexion group on immigration and integration, allowing us to have a comprehensive approach and to help us achieve political results in this area.

We stand for a common European migration policy, a European Charter for the Integration of migrants and EU codes of conduct for ethical recruitment and decent work. Member States should act based on solidarity, sharing costs and responsibilities. They also must ensure that the rights of migrants are respected and that a migration policy takes in account the shared needs of member states and of countries of origin and transit.

Sustainable Development

The Socialist Group was the only one unanimous - all other Groups being more or less split under the pressure of various kinds of lobbies - concerning the complex and important REACH dossier, where we obtained the rapporteurship.

The EP backed, in first reading, a complex deal brokered by Socialist Sacconi by approving this report which will make a huge difference in protecting people's health, both at work and in everyday life, and in safeguarding our environment. The Socialist Group was successful in making producers and importer responsible for analysing their chemicals and proving either that they are safe or that their use is necessary and strictly controlled.

The REACH procedure is a perfect example of our priority in balancing competitiveness and development with consumer protection. The Parliament is now moving through its second reading process, and we work for a final result as close as possible to the initial EP position.

Energy and Research

The Socialist Group has just adopted a document on "a sustainable common energy policy for Europe". This work is the result of intense internal and external dialogue and consultations. It will now be transmitted to Heads of state and government and to the European Commission at a timely moment in the run-up to the Commission's first Strategic Review on European energy policy and before the start of the German presidency, during which the European Spring Council is expected to define an energy policy for Europe.

In its paper, the Socialist Group calls for a common foreign energy policy strategy, for the development of energy efficiency, renewable energies and cleaner energies technologies. We are in favour of the completion of the internal market for gas and electricity, with energy solidarity between the Member States and of the completion of Trans-European energy networks.

The question of a good energy policy is close related to the problem of climate change and it is one of the ways of fighting it. Therefore, action in this field constitutes one of our main priorities.

On research, we contributed to the adoption of the 7th Framework Programme and the Socialist Group was also able to keep European funding for research on embryonic stem cells; the adoption of this compromise was a great success for the Group.

The key global role of Europe

The Socialist Group calls for a diplomatic prevention and resolution of all conflicts. We support an end to all forms of violence and a new and genuine dialogue between the parties involved. Europe now stands as a privileged partner in peace processes. Therefore, we are engaged in improving our relations with political partners and our activities in the countries concerned.

The Group was particularly successful in taking the lead in difficult interinstitutional negotiations for the so-called External Action EU Instruments in foreign and development policies. The Socialist Group succeeded in obtaining from the Commission a legislative proposal on a separated financial instrument concerning democracy and human rights, and we were the only Group to come forward with proposals as to the policy content of the Development Cooperation Instrument, proposals that led the way to a successful agreement both in term of content and in term of respect of the EP role and prerogatives.

Middle East

The Socialist Group is very active in this field. At our initiative, the EP adopted several resolutions on the Middle East that largely reflect our positions and that can be the basis for a political platform regarding this crisis.

It is clear that there is no military solution to the conflict between Israelis and Palestinians and given the humanitarian crisis, diplomatic action is urgently needed. Therefore, the Socialist Group intends to keep the dialogue and to contribute to the peace process in the region by organizing a conference (Spring 2007), with participants of representatives from key countries and international organizations, in order to give an input to further initiatives aimed at promoting dialogue and at establishing a framework for a negotiation process.

Fight against Terrorism and respect for human rights and civil liberties

As fallout over the US "war on terror" was growing, the EP joined the concerted efforts of parliamentary inquiries across Europe looking into "extraordinary rendition". The serious interim report (by the Socialist Claudio Fava; July 2006) was approved by a large majority due to the work of the Socialists, whereas conservative forces were once again split right down the middle.

Following the lead of the Socialist Group, the EP paved the way for the Council's public acknowledgment that Guantanamo Bay should be closed as quickly as possible. Thus, the Socialist Group make its stance clear, that the fight against terrorism can not jeopardize the fundamental rights of the individuals and that we need a balanced approach that takes into account the respect of the human rights and the security aspects. The lesson to be learned is that such situations can not be repeated.

Visits and dialogue in Group

The PES Group continued to have an exchange of views with prominent guest speakers from the socialist family.

In the framework of institutional co-operation, Members of the Commission addressed the Group. During the investiture of the new Commission in 2004, the PES Group heard in particular socialist Commissioners.

Several groups of visitors from political sister groups in national parliaments, sister parties and trade unions, visited the Group during the first part of the legislature and a number of political leaders addressed the Group meeting.

Furthermore, the PES Group exchanged views broadly with a number of opinion leaders coming from wider Europe.

Among guest speakers were:

Paavo Lipponen, Speaker of the House of the Finnish Parliament,
Leyla Zana (Turkey), Sakharov Prize winner,
Zhanna Litvina, President of the Belorussian Association of Journalists, Sakharov prize winners,
P. Nikiforos Diamandouros, European Ombudsman,
José Sócrates, Secretary General of PSP,
Sisters of Robert McCartney: Paula, Gemma and Catherine McCartney,
Walid Joumblatt, Chairman of the Progressive Socialist Party of Lebanon,
John Hume, Nobel Peace Prize winner, Former Member of the EP
François Hollande, First Secretary of the French Socialist Party,
Charles Clarke, UK Home Secretary,
Douglas Alexander, UK State Minister for European Affairs,
Hauwa Ibrahim, Sakharov Prize winner.
Marek Borowski, Party Leader of Social Democracy (SDPL), Poland,
Rita Borsellino, Candidate at regional elections in Sicily,
Jacques Delors, Ex-President of the Commission,
Jiri Paroubek, Prime Minister of the Czech Republic,
Jiri Havel, Vice-Prime Minister of the Czech Republic,
Bohuslav Sobotka, Finance Minister and President of CSSD,
Jan Mladek, Minister of Agriculture, Czech Republic,
Zdenek Malek, Vice-President of Confederation of Czech Syndicats,
Alexander Milinkevich, Opposition Leader in Belarus,
Edi Rama, Mayor of Tirana and Leader of Socialist Party of Albania (SPA),
Sergei Stanishev, Prime Minister of the Republic of Bulgaria,
Mircea Geoana, Leader of the PSD, Romania,
Ivica Racan, President of the SDP Croatia,
Geoff Hoon, UK Minister for Europe,
Beate Winkler, Director of the European Monitoring Centre on Racism and Xenophobia (EUMC),
Pierro Fassino, National secretary of the Democrats of the Left (DS), Italy
Marek Pol, Chairman of Council of Unia Pracy/Union of Labour.

Despite all our successes, still much work remains to be done. We will keep fighting against neo-liberalism and for the implementation of our values and principles.

The Socialist Group has new challenges ahead, particularly with the rise of neo-conservatism and right-wing populism. Giving human and social dimensions to globalisation also constitutes one of our key challenges. Besides, we are also engaged in bringing our political and practical contribution to Europe as a key player in multilateral conflict prevention and resolution.

Martin Schulz
President of the Socialist Group in the European Parliament