

Ana Gomes (S&D). – Mr President, last Friday – 13 January 2012 – Standard and Poor's told markets in the world that EU leaders had been incompetent in responding to the crisis. They have not stopped but rather they have fuelled speculation against the euro. S&P stressed that EU systemic tensions and euro problems were due to the growing divergence of competitiveness among core EU Member States and the so-called 'periphery'. Solidarity has been an empty word in measures to counter these structural imbalances.

The rating agencies have now come to agree with the progressive left that the punitive austerity obsessing Mrs Merkel's government and other neo-liberal governments in Europe is not reducing debt anywhere but merely bringing recession, mass unemployment, fiscal and social injustice and rebellion to European streets.

A financial transaction tax is indeed a very good beginning but it is not enough. We absolutely need to move towards fiscal harmonisation. Take the case of Portugal, where 19 out of the 20 top stock-exchange-listed companies have moved fiscal domicile into the Netherlands and Luxembourg, not just to avoid paying higher taxes at home but to skip declaring the proceeds of investment in other world markets. How can they compete in this fiscal jungle in the EU?