



THE EUROPEAN PARLIAMENT

What does it do and how does it affect your everyday life?

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1. INTRODUCTION

The European Parliament has substantial powers to influence daily life in the UK, and takes decisions affecting everything from working time to energy and internet use. In fact, Members of the European Parliament (MEPs) now effectively have a 'veto' over national governments on about 75% of all European legislation.

This briefing argues that the often repeated claim that MEPs 'lack real powers', is largely inaccurate. The Parliament has grown in power with every new EU treaty. The Lisbon Treaty will be no exception. If it is ratified, the number of areas where MEPs share powers with national governments will double.

However, despite the important role of the European Parliament, voter turnout has continued to decrease since the first direct elections in 1979. The Parliament has an image of being out of touch and distant from its electorate.

This has left the public asking 'why should I bother voting in the European elections?'

In this briefing we look at the problems which have fostered this image, including misuses of MEPs' allowances and expenses, lack of transparency in the EP, and the absence of alternatives for voters who oppose the idea of continuous EU integration. Assessing these issues, we conclude that giving the Parliament more powers will not necessarily bring the EU closer to its citizens – in fact it could even make things worse.

The briefing also seeks to answer some of the questions voters will be asking themselves ahead of deciding whether and how to vote in June: What does the Parliament actually do? How does it affect everyday life? How does it reach its decisions? How much are MEPs paid? And, is the European Parliament the solution to the infamous 'democratic deficit' within the EU?

Finally, we set out some simple suggestions for how the Parliament could improve its image in order to gain more respect from voters and increase turn-out in the elections.

These include:

- Cut MEPs' wages by 20% and allowances by 10% from the June 2009 levels. Over a five year term of the European Parliament this could save taxpayers' well over €220 million and help to improve the image of the institution. A 20% cut would bring MEPs wages down to around the same level as UK MPs, depending on the exchange rate.
- Publish the official figures for MEPs' salary, pension and expense entitlements in one easily accessible document and oblige MEPs to publish all their expenses.
- Allowances and expenses should be based on actual costs. MEPs should be forced to produce receipts for all expenses rather than receive flat-rate expenses for office equipment etc.
- All unused expenses should be reimbursed back to the EU budget.

- Scrap the highly controversial second pension scheme entirely - the scheme should immediately be closed to contributions from both new and existing MEPs.
- Establish a robust register of MEPs' interests so that the public can find out if MEPs have financial interests that may influence their vote.
- End the travelling circus between Strasbourg and Brussels.
- End opaque back-room deals - for example, the 'deal' between the two main party groupings in the Parliament to share the Presidency of the Parliament throughout each five-year term. Such important decisions must be fully transparent to help inform voters.
- Publish full minutes of Committee meetings
- Make debates in the European Parliament more flexible, adversarial and interesting.

2. WHAT POWERS DOES THE EUROPEAN PARLIAMENT HAVE?

Broadly speaking, national parliaments pass two types of legislation: *budgetary* and *regulatory*.

Budgetary legislation covers all issues relating to taxation and spending, including health bills, educational reforms, pensions, social security and so forth. Regulatory legislation is essentially everything else, such as laws regulating working time, product standards, health and safety, environmental issues, internet use and financial services.

While the European Parliament has limited powers in budgetary matters, it has far-reaching powers to block, pass or amend regulatory legislation in a wide range of fields. As the EP website notes, “Many, probably most, laws enacted in your country are a transposition of European acts voted by MEPs.”¹

According to the President of the EP, Hans-Gert Pöttering, MEPs now share decision-making with the Council on about 75 percent of European legislation² - or 44 areas of EU competence³ – in a procedure known as ‘co-decision’. (for a full list of these competencies see Annex 1)

In all areas of EU policy subject to ‘co-decision’, the European Parliament is on an equal footing with the Council of Ministers, which represents the governments of the member states.

This means that because ‘co-decision’ requires both the EP and the Council to agree on a proposal before it can become law, MEPs effectively have a veto over national governments in 75 percent of all EU decisions. In other words, the often repeated claim that ‘MEPs don’t have any real powers’ is largely inaccurate.

The Parliament’s powers have grown with each new EU treaty. The Parliament’s right to co-decide on EU legislation with national governments was first introduced by the Maastricht Treaty in 1993. At that time it only applied to 15 areas of EU activity. The Parliament’s power was subsequently increased by the Amsterdam (1999) and Nice (2003) Treaties.

Co-decision generally applies when the Council decides by qualified majority (as opposed to unanimity, when all ministers have to agree before a law can be passed) and is the normal procedure for all EU legislation, except that concerning agriculture, fisheries, taxation, trade policies, state aid, industrial policies, competition and the euro. In addition, co-decision does not apply to common foreign and security policy and justice and home affairs.⁴

¹ See the EP’s website,

<http://www.europarl.europa.eu/elections2009/whyvote/default.htm?language=EN&reasonId=6>

² Press release from the European Parliament, “Pöttering urges Europeans to vote”, 31 March 2009. See <http://www.eupolitix.com/latestnews/news-article/newsarticle/poettering-urges-europeans-to-vote>

³ See, *European Parliament*, “Conciliation and Codecision – a guide to how the Parliament co-Legislates”, July 2007, p. 4; http://www.europarl.europa.eu/code/information/guide_en.pdf

⁴ See, *European Parliament*, “Conciliation and Codecision – a guide to how the Parliament co-Legislates”, July 2007, p. 4

3. HOW DOES THE PARLIAMENT AFFECT EVERYDAY LIFE?

During the last five years, the EP has blocked, passed or amended several important laws with significance for everyday life in the UK and across Europe. For example:

Working time

In December 2008, MEPs voted to end the UK's exemptions from EU rules which cap the average working week at 48 hours. Scrapping this exemption – known as the 'opt-out' – would mean that working more than an average of 48 hours a week would be illegal for most workers in the UK. The negotiations surrounding the working time rules⁵ are ongoing as MEPs and member state governments are deadlocked over the opt-out and the issue of how to classify on-call time, which has had a widespread impact in the public sector, affecting doctors and fire services, for instance.⁶

Air fares

MEPs voted to oblige airlines to display the taxes and charges that passengers have to pay, to stop misleading offers of bargain flights. Airlines are now obliged to give comprehensive information on air fares, including on the internet. MEPs widened the legislation to include all flights departing from airports in the EU, regardless of destination.⁷

Mobile phone charges

An agreement reached between member state governments and MEPs will see the price of mobile phone roaming charges capped at a maximum of €0.43 (38p) per minute for outgoing calls from 1 July 2009.⁸ While this will see a reduction in the cost of making calls when abroad, industry experts have warned that phone companies will raise their fees from other services to make up the shortfall.⁹

Rules for temp workers

In 2008, the Parliament voted to pass the Temporary (Agency) Workers Directive¹⁰, which will give temp workers the same pay and basic conditions as permanent staff, after being employed for 12 weeks (this will apply from the first day of employment throughout the rest of the EU).

This legislation will have a disproportionate impact on the UK when it is implemented because it is estimated that one third of all agency workers in the EU are employed in the UK.¹¹ This was a controversial piece of EU legislation that Kevin Green, Chief Executive of Recruitment & Employment Confederation, has warned could "have the perverse effect of limiting job opportunities for the workers that it seeks to protect."¹²

⁵ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:299:0009:0019:EN:PDF>

⁶ For a thorough discussion on the Working Time Directive, see Open Europe's "Time's Up! The case against the EU's 48-hour working week", 16 March 2009,

<http://www.openeurope.org.uk/research/wtdoptout2.pdf>

⁷ <http://news.bbc.co.uk/1/hi/world/europe/7496677.stm>

⁸ http://www.europarl.europa.eu/news/expert/infopress_page/058-52466-083-03-13-909-20090324IPR52465-24-03-2009-2009-false/default_en.htm

⁹ <http://www.telegraph.co.uk/news/uknews/1551700/Cost-of-mobile-calls-abroad-to-fall-before-summer.html>

¹⁰ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:327:0009:0014:EN:PDF>

¹¹ http://www.lawspeed.com/press/recruitment_consultancies/eu_agency_workers_directive.aspx

¹² <http://www.personneltoday.com/articles/2009/02/25/49534/agency-workers-directive-could-limit-jobs-it-seeks-to.html>

Internet use

Currently, the EU's "Telecommunications Package" is going through the European Parliament. The package is primarily aimed at liberalising the telecoms industry, including separating dominant phone companies from their networks.

However, France has also attempted to insert an 'anti-privacy' provision in the EU's telecom package, which would allow for countries to suspend internet users who engage in illegal file-sharing without any trial taking place.

In response to this, the Parliament's Industry Committee overwhelmingly passed an amendment which stated that "no restriction may be imposed on the fundamental rights and freedoms of end users without a prior ruling by the judicial authorities", meaning that internet users would not be suspended without a proper trial. The amendment is primarily aimed at the French so-called 'Hadopi' law – expected to pass the country's lower House shortly – which foresees that no trial be needed to cut internet connections of serial offenders.¹³

The use of pesticides/food prices

MEPs voted in favour of legislation tightening the use of pesticides, banning the use of certain chemicals. National Farmers' Union Deputy President Meurig Raymond warned that the restrictions "could lead to reductions in crop yields and quality and a rise in food prices for household staples like potatoes and broccoli."¹⁴ UK Environment Minister Hilary Benn also questioned the benefits of the legislation, saying, "We are being asked to agree to something here when nobody knows what the impact will be."¹⁵

Climate change/energy use

In December 2008, the Parliament passed the EU's Climate, Energy and Renewables package¹⁶, which sets binding targets for CO2 emissions reductions and requires the UK to produce 20% of all its energy from renewable sources. The Government's former Chief Scientific Advisor Sir David King said that the Government's planned increase in the use of wind power to meet these targets is likely to increase the numbers of people suffering from fuel poverty. He warned that "numbers around half a million are not at all unrealistic."¹⁷

Separately, MEPs recently voted in favour of a law that would oblige member states to draw up national energy action plans to fight fuel poverty, and a new consumer charter which would oblige energy companies to put so-called smart meters into 80% of homes by 2020 and all homes by 2022.¹⁸

¹³ See for instance, International Herald Tribune, "Plan to Fight Illegal Downloads Faces Opposition", 21 April, http://www.nytimes.com/2009/04/21/technology/internet/21net.html?_r=1&scp=1&sq=french.%20internet&st=cse

¹⁴ <http://www.theparliament.com/latestnews/news-article/newsarticle/eu-parliament-backs-pesticide-regulations/>

¹⁵ <http://news.bbc.co.uk/1/hi/uk/7825552.stm>

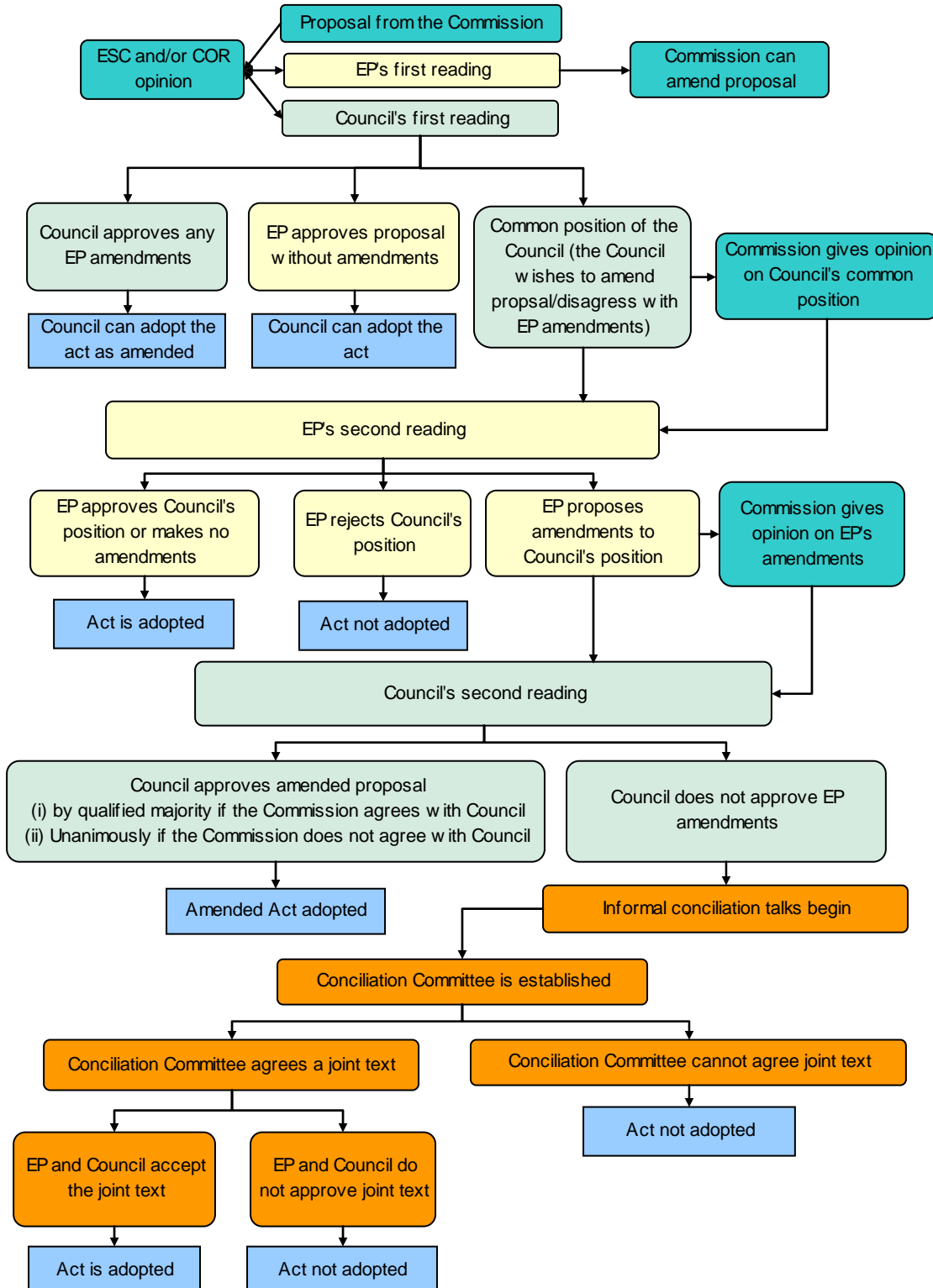
¹⁶ http://www.europarl.europa.eu/news/expert/background_page/064-44005-343-12-50-911-20081208BKG44004-08-12-2008-2008-false/default_en.htm

¹⁷ See Open Europe's, "The EU Climate Action and Renewable Energy Package - Are we about to be locked into the wrong policy?", <http://www.openeurope.org.uk/research/carep.pdf> ; <http://news.bbc.co.uk/1/hi/uk/7596214.stm>

¹⁸ The Guardian, "European Parliament to pass bill to cut bills", 22 April 2009, see <http://www.guardian.co.uk/business/2009/apr/22/europe-energy-smart-meters>

4. HOW DOES THE PARLIAMENT REACH DECISIONS?

Under co-decision, the EP has the power to effectively veto government ministers represented in the EU's Council of Ministers. Co-decision is a complicated exercise with a proposal potentially being batted back and forth between governments and the Parliament and subjected to several amendments (see flow chart below).



The co-decision procedure provides for up to three readings of legislation: first reading, second reading and third reading with 'conciliation'.

A proposal can be adopted at any of these stages, if the Council and the Parliament reach agreement. If the Council does not accept amendments made by MEPs at the second reading, the 'conciliation' procedure – the third and final stage of the co-decision procedure – has to be opened. 'Conciliation' talks are required when government ministers and MEPs fail to reach agreement on a proposal. If no agreement is reached at this stage a proposal will fall.

5. HOW IS THE PARLIAMENT ELECTED?

Members of the European Parliament have been directly elected since 1979. Across the EU, MEPs are elected under various forms of proportional representation. The UK is split into 12 electoral regions with between three and ten MEPs representing each region. In England, Wales and Scotland the elections are held under a 'regional list' system whereby parties present lists in each of the regions and are then allocated MEPs based on their proportion of the vote.¹⁹

Unlike in UK General Elections, the public therefore votes for parties rather than individuals. An MEP candidate's chances of being elected depend on how highly the MEP is ranked on his or her party's regional list.

Northern Ireland uses a different system, known as the 'Single Transferable Vote' system, which allows voters to vote for specific candidates rather than just a party list.²⁰

¹⁹ See, http://www.direct.gov.uk/en/Governmentcitizensandrights/UKgovernment/Politicalpartiesandelections/DG_073242

²⁰ See, http://www.electoralcommission.org.uk/_data/assets/electoral_commission_pdf_file/0020/13286/SingleTransferableVote_16767-12218_ENSW.pdf

6. HOW WOULD THE LISBON TREATY CHANGE THE ROLE OF THE PARLIAMENT?

The Lisbon Treaty will dramatically extend the powers of the Parliament into 40 new areas²¹ – granting MEPs a veto over the decisions of national ministers in a significant number of new policy areas.

According to EP President Hans-Gert Pöttering, the Treaty would give the EP co-decision powers “in almost 100% of areas where the EU has the power to legislate.”²² These areas range from the euro to space policy, sport, tourism, and greater powers in the fields of energy and transport (for a full list see Annex 2).

Crucially, the EP will also increase its powers over the EU's budget and the Common Agricultural Policy, which some have argued will make reform of these controversial policies even more difficult than it currently is.

Under Lisbon, the EP would be given the power to elect the European Commission President by a majority of its members, after the recommendation of a candidate by the European Council. During negotiations on the Treaty, the UK Government was against an elected president for the Commission, fearing it was a further step towards a European government.

In 2003, Cabinet Minister Peter Hain argued:

“Another suggestion is for the European Parliament to elect the Commission President. However, I am sceptical of that idea. My concern is that such an independent figure, who must be acceptable to the member states through the Council, will get caught up in the politics of the European Parliament.”²³

It's important to remember that under the Lisbon Treaty, the Parliament will gain powers because the EU as a whole will gain significant new powers. In other words, ‘democracy’ will move to where the decisions are being made. While this may sound like a natural development, for those who do not share the view that more powers should be transferred from the national level to the EU level, it is not clear that this is actually a good thing. This is because the Treaty simultaneously reduces the role of the national parliaments in EU decision-making.

In a court case debating the compatibility of the Lisbon Treaty with the German constitution in February 2009 Udo di Fabio, the ‘reporting’ Judge at the German Constitutional Court, said of the Treaty, “One has to ask soberly: What competences are left with the Bundestag (the German parliament) in the end?”^{24 25}

²¹ For a further discussion see, *Open Europe*, A guide to the constitutional treaty, February 2008, <http://www.openeurope.org.uk/research/guide.pdf>

²² Press release from the European Parliament, “Pöttering urges Europeans to vote”, 31 March 2009. See <http://www.eupolitix.com/latestnews/news-article/newsarticle/poettering-urges-europeans-to-vote>

²³ Speech in Westminster Hall, 20 March 2003

²⁴ <http://www.euractiv.com/en/future-eu/german-court-wary-eu-treaty-power-shift/article-179372>

²⁵ For a discussion on why the provision in the Lisbon Treaty that some argue strengthens the role of national parliaments is inefficient, see <http://openeuropeblog.blogspot.com/2009/03/national-parliaments-lisbon-treaty-myth.html>

7. HOW MUCH ARE MEPS PAID?

Summary

This table reflects new rules coming into force in June 2009:

Pay and pension	
Basic pay	€91,980 (£83,282) a year
Transition payments (based on a 5yr term)	€45,990 (£41,641)
Pension (based on a 5yr term)	€16,096 (£14,573) a year
Additional Pension* (based on a 5yr term)	€16,629 (£14,736) a year
Allowances and expenses	
Subsistence allowance	€287 (£259) a day
Language/IT courses	Up to €6,500 (£5,885) a year
Travel expenses	Up to business class fare
Additional annual travel allowance	€4,000 (£3,756) a year
Staff allowances	€202,968 (£183,776) a year
Office expenses	€4,202 (£3,804) a month

* This will be closed to newly elected MEPs in June 2009

Basic Pay

MEPs are currently paid the same wage as their member states' national MPs. In the UK, this is currently £64,766²⁶, or £5,397 a month gross. At current exchange rates (£1 = €1.10443) this equals €71,530 annually.

This current arrangement results in vastly different pay for MEPs across different member states. However, after the European Parliament elections in June a 'New Members' Statute' will be introduced, harmonising MEPs' pay to the equivalent of 38.5% of an ECJ judge,²⁷ which will be paid from the EU's budget rather than by member states. Payments may be made in either euros or the national currency, where the member state is not part of the single currency, according to the choice of the MEP.²⁸

Under the new Members' Statute, MEPs' salary will amount to €7,665 or £6,941 a month²⁹, or €91,980 or £83,282 a year. This represents an increase in UK MEPs' wages of roughly 22%.

However, the new rules only apply to newly-elected MEPs or those existing MEPs that 'opt in'. Under 'transitional measures' contained in the new Members' Statute, MEPs currently sitting in the Parliament are entitled to keep their national arrangements on pay and pensions, which will continue to be paid by member states, for the rest of their time

²⁶ http://www.parliament.uk/about/how/members/pay_mps.cfm

²⁷ New Members' Statute: Article 10, see <http://register.consilium.europa.eu/pdf/en/05/st10/st10483.en05.pdf>

²⁸ New Members' Statute: Article 23

²⁹ The pay rules for an ECJ judge are set down in Regulation No 422/67/EEC, 5/67/EURATOM of the Council, Article 2 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:1967R0422:20040501:EN:PDF>; An ECJ judge is paid 112.5% of a Grade 16, step 3, Commission Official (see COUNCIL REGULATION (EC, EURATOM) No 1323/2008 of 18 December 2008, Article 16, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:345:0010:0016:EN:PDF>). This works out as €19,909.89 a month.

in the Parliament.³⁰ For the likes of Italian MEPs who are currently paid €149,215 a year³¹ there is little incentive to adhere to the new rules, meaning that some MEPs will still be paid significantly more than their colleagues.

Transition payment

Once they have left office, MEPs will continue to receive their salary as 'transition payments', equivalent to one month's salary for every year of service³².

Based on a five year term, this would work out as a €45,990 or £41,641³³ transitional allowance, since the minimum payment is equivalent to six months salary.

Pension

MEPs are currently subject to the same pension rights as their national counterparts. In the UK MPs' pensions accrue at a rate of 2.5%.³⁴ However, this scheme will be replaced in 2009. Under the new arrangements, the rate for MEPs will increase to 3.5% of their salary for each full year of service³⁵ - with the restriction that an MEP cannot accrue more in total pension than 70% of their annual salary. This means that it would only take an MEP 20 years to get a full pension and represents a substantial increase from the current arrangement.

For an MEP with a full five years of service, this works out as an annual pension of €16,096.5 or £14,573. Under the new rules, MEPs are entitled to a pension from the age of 63.

Additionally, there is the controversial Additional Voluntary Pension Scheme, in operation since 1989, which MEPs can choose to opt into in addition to the standard pension. This option will be closed to all new MEPs taking office after June's European elections, but remains in place for the 478 members who currently take advantage of the fund.

This pension results on retirement in an annual pension worth £14,736 for every five year term of service.

Under the scheme, MEPs pay €1,194 (£1,052) a month into the fund, which is topped up by a €2,388 (£2,104) publicly funded payment.³⁶

An MEP opting into the voluntary pension scheme can therefore expect a combined pension of around £30,000 after just one five year term.

A recent note from the President of the European Parliament, Hans-Gert Pottering, has revealed that the voluntary pension fund is facing a shortfall of €120 million following losses made in the collapse of the value of stock markets since the financial crisis, and

³⁰ New Members' Statute, Article 25

³¹ http://news.bbc.co.uk/1/hi/uk_politics/7961849.stm#Italy

³² New Members' Statute, Article 13 (3)

³³ With an exchange rate of €1 = £0.905441

³⁴ <http://www.parliament.uk/documents/upload/M05.pdf> p.9

³⁵ New Members' Statute: Article 14 (2)

³⁶ See, <http://www.europeanvoice.com/article/imported/meps%27-extra-pensions-get-parliament-guarantees/64600.aspx?lq=1>

linked to the disgraced American financier Bernie Madoff.³⁷ Controversially, the Parliament said it would “assume its legal responsibility to guarantee the right of members of the voluntary pension scheme to the additional pension”.³⁸ The shortfall for this could therefore come from the taxpayer.

The European Parliament’s management of the fund has come under repeated criticism from the European Court of Auditors since 1999 for failing to have “clear rules to define the liabilities and responsibilities” of the scheme.³⁹ According to a list obtained by Open Europe, as of December 2007, 79 percent of all British MEPs were signed up to the scheme, including Labour, Conservative, Lib Dem and UKIP MEPs.⁴⁰

Taxation

At the moment, MEPs are taxed according to the rates set by national governments. However, from June, new rules will apply under which MEPs will be subject to so-called European Community taxes. These are special taxes for people working inside of the EU institutions, making them exempt from national taxation. These tax rates are usually substantially lower than those existing in most member states.

The ‘Community tax’ may be ‘topped up’ by member states so that MEPs’ taxes fall in line with national taxation. It is up to national governments to apply this top up to the Community tax and ensure MEPs are subject to the equivalent of national taxation.⁴¹

Rules governing taxation of MEPs’ salaries are extremely opaque⁴² and difficult to navigate. It’s also not clear exactly what arrangement will apply in the UK under the new rules, although the UK Government has said it plans to top up the Community tax rate to bring taxation for MEPs more in line with existing national rates.⁴³

According to the European Parliament’s office in London, under the new rules, UK MEPs will be paid €7,665 a month before tax and €5,963 after tax – an average tax rate of 22.2% for UK MEPs. This suggests that MEPs will be subject to lower taxes than people belonging to the same income group in the UK.⁴⁴

Expenses

Travel expenses will be paid based upon ‘actual expenses’ rather than a flat rate⁴⁵ under the new rules coming into force in June. Under the current regime MEPs can claim travel expenses for an amount equivalent to the ‘economy full fare’ for the journey between the nearest appropriate airport to the Member’s place of residence and the airport serving the place of work in question, regardless of the actual cost of the journey. So in effect this means that an MEP could travel on a low-budget airline, but still claim for the

³⁷ See, <http://www.telegraph.co.uk/news/worldnews/europe/eu/5163101/Taxpayers-to-plug-100m-hole-in-MEP-pension-fund-created-by-financial-crisis-and-fraud.html>

³⁸ See, <http://www.timesonline.co.uk/tol/news/politics/article6108810.ece>

³⁹ Ibid.

⁴⁰ For a partial list of the MEPs making use of the funds, see <http://www.openeurope.org.uk/media%2Dcentre/pressrelease.aspx?pressreleaseid=103>

⁴¹ New Members’ Statute, Article 12 (3)

⁴² New Members’ Statute, Article 12 (1)

⁴³ See Select Committee on European Scrutiny, “Draft Report from the Committee on Legal Affairs and the Internal Market of the European Parliament”,

<http://www.publications.parliament.uk/pa/cm200203/cmselect/cmeuleg/63-xviii/6306.htm>

⁴⁴ Phone call to European Parliament’s representation in the UK, 14 April 2009.

⁴⁵ New Members’ Statute, Article 20 (2)

economy fare of a more expensive airline, because a boarding ticket proving that the journey was made is all that is needed.⁴⁶

Under the new Members Statute, MEPs will only be able to claim for travel expenses based on documented costs, rather than a flat fee,⁴⁷ which would do away with the system whereby MEPs can pocket the difference on cheaper modes of transport. However, instead of limiting MEPs to economy fares, the new rules for the first time explicitly allow MEPs to travel by business class, even on short-haul flights within the EU.⁴⁸

Members are also entitled to a flat-rate subsistence allowance of €287 or £259/day (as of 1 January 2009). This allowance is intended to cover accommodation expenses and meals, among other things, for participation in official activities of the Parliament.⁴⁹

MEPs can also claim up to €5,000 or £4,527 a year for language courses and up to €1,500 or £1,358 a year for IT courses (figures as of February 2007).⁵⁰

Annual Travel Allowance

MEPs have an annual travel allowance of up to €4,000 or £3,756 a year (as of 1 January 2009) to conduct foreign meetings etc., separate to day-to-day travel expenses returning home to constituencies.⁵¹

Staff Allowances

MEPs are entitled to roughly €202,968 or £183,776 a year for staff expenses⁵². MEPs are free to employ family members, and often do so. Assistants are currently paid by their MEPs directly, meaning there is no control over how the staffing allowance is dispersed by MEPs.

However, under the new rules, MEPs' assistants based in Brussels will be paid directly by the Parliament. The salaries of assistants based elsewhere, however, will be handled by the MEPs' service agent.⁵³

Office Expenses

MEPs are entitled to €4,202 or £3,804 per month in the form of a general expenditure allowance.⁵⁴ This is intended for office management costs including rent, equipment and supplies.

⁴⁶ According to documentation provided by the European Parliament.

⁴⁷ European Parliament press release 24 February 2009, http://www.europarl.europa.eu/news/expert/infopress_page/008-50236-054-02-09-901-20090224IPR50235-23-02-2009-2009-false/default_ni.htm

⁴⁸ Die Welt, 8 April 2009, <http://www.welt.de/politik/article3523284/EU-Abgeordnete-fliegen-nur-noch-Business-Class.html#reqRSS>

⁴⁹ According to documentation provided by the European Parliament.

⁵⁰ Rules governing the payment of expenses and allowances to members, Article 22, see http://74.125.93.104/search?q=cache:i2SJAAtLuQDIJ:www.europarl.europa.eu/stockholm/2526/uploads/RULES_GOVERNING_THE_PAYMENT_OF_113116_fev_2007-net_en.pdf+European+Parliament+Rules+Governing+the+Payment+of+Expenses+and+Allowances+to+Me

⁵¹ According to documentation provided by the European Parliament.

⁵² According to documentation provided by the European Parliament.

⁵³ See, <http://www.europarl.org.uk/section/2009-archive/false-impressions-mep-allowances>

⁵⁴ See, <http://www.europarl.europa.eu/parliament/expert/staticDisplay.do?language=EN&id=39>

The allowance may not be used to “finance subsidies or gifts of a political nature.”⁵⁵

When an MEP’s term ends, they are entitled to claim half this allowance for a further three months, providing they have served for a minimum of six months.⁵⁶

The internal Parliamentary report prepared by Robert Galvin, the Parliament’s Head of Internal Audit, which was leaked last year, generated a huge amount of controversy for detailing the way in which various MEPs exploited the staff and general expenditure allowance.⁵⁷ It read: “Remuneration paid may not always be justified by the real costs of providing parliamentary assistance.”

Moreover, there are also reports that some MEPs are using their office allowances to make contributions to the voluntary pension fund outlined above, which still receive contributory publicly-funded payments.⁵⁸ Such MEPs would therefore benefit from an entirely taxpayer funded pension scheme, making no contributions of their own.

Medical allowances

MEPs are entitled to reimbursement of a variety of medical and dental procedures, elaborated in great detail in the Parliament’s internal rules.

For example, MEPs are entitled to a reimbursement of dental repairs of up to €185.92 per gold crown, with a plastic jacket. And following a medical prescription, reimbursement can be claimed for up to 60 sessions over a 12-month period of mud baths, hydromassage, acupuncture or hydrotherapy.

Some other unexpected medical expenses MEPs can be reimbursed for are:

- The cost of contact lenses up to €148.75 per lens, or €300 over 2 years for disposable contact lenses.
- The cost of artificial eyes
- The cost of batteries for hearing aids.
- The cost of elastic bandages for varicose veins (three pairs every 12 months)⁵⁹.

⁵⁵ Rules governing the payment of expenses and allowances to members, Article 13 (1)

⁵⁶ Rules governing the payment of expenses and allowances to members, Article 13 (3)

⁵⁷ “Secret report reveals how MEPs make millions”, Sunday Times, 22 February 2009, <http://www.timesonline.co.uk/tol/news/politics/article5780750.ece>

⁵⁸ See, http://blogs.telegraph.co.uk/bruno_waterfield/blog/2009/04/16/meps_to_seek_second_pension_bailout_from_taxpayers

⁵⁹ Rules governing the payment of expenses and allowances to members, Annex IV

8. WHAT ARE THE CRITICISMS?

Misuse of expenses

There have been many scandals revealing the misuse of public funds by MEPs. In 2008 Giles Chichester MEP was forced to resign from the Conservative Party after he admitted channelling £445,000 of allowances through a family company.⁶⁰ In the same week the Conservatives replaced their leader in the EP, Den Dover, after revelations that he paid his wife and daughter's company £758,000 in parliamentary expenses.⁶¹

According to recent reports, the European Parliament has failed to take any action to recover the money from Dover apart from sending a letter, and he could in fact end up keeping more than £500,000 of those expenses when he retires from the Parliament after the June elections.⁶²

The most recent example is former UKIP MEP Tom Wise who faces a court case over charges of false accounting and money laundering.⁶³

A lack of transparency

Many of the Parliament's activities are opaque and lacking in transparency. For example, on a subject as simple as how much an MEP is paid and what expenses they are entitled to there is no single document where the media or the public can access this information. Finding out exactly how much an MEP is paid requires viewing three separate documents with a calculator, while finding official figures for how much MEPs are entitled to in expenses and allowances is practically impossible for a member of the general public.

In 2008, Open Europe asked all 78 UK MEPs to answer a handful of basic questions about their financial interests, whether they employed family members and whether their staffing allowance was being handled in an independent and reputable way. In total, only 22 replied with full responses, while a further 13 offered partial responses. This left 55% of UK MEPs unwilling to disclose how they spend EU taxpayers' money. Conservative MEP Christopher Beazley argued that MEPs' taxpayer funded expense claims were not "a public matter", that it was "private". Ironically, he also insisted that, "everything I do is as transparent as possible".⁶⁴

In February 2008, the European Parliament's Budgetary Control Committee voted to keep Robert Galvin's internal audit report that detailed the misuse of MEPs' expenses secret.⁶⁵ Liberal Democrat MEP Chris Davies, who called for the publication of the report, said

⁶⁰ See, <http://www.timesonline.co.uk/tol/news/politics/article4074484.ece>

⁶¹ See, <http://www.independent.co.uk/news/uk/politics/second-top-tory-mep-quits-after-expenses-allegations-842076.html>

⁶² The Telegraph, "Disgraced MEP could keep £500,000 in 'unjustified' expenses", 14 April 2009, see <http://www.telegraph.co.uk/news/worldnews/europe/eu/5131691/Disgraced-MEP-could-keep-500000-in-unjustified-expenses.html>

⁶³ <http://www.timesonline.co.uk/tol/news/politics/article6136068.ece>

⁶⁴ See <http://www.openeurope.org.uk/media-centre/pressrelease.aspx?pressreleaseid=75>; <http://openeuropeblog.blogspot.com/2008/06/transparency-initiative-update.html>

⁶⁵ See, <http://www.timesonline.co.uk/tol/news/world/europe/article3441660.ece>

“These votes bring discredit and dishonour upon the entire parliament. Taxpayers could be forgiven for believing there are more honest people to be found in prison than sit in the European Parliament.”⁶⁶

In February 2009 a leaked copy of the report surfaced outside the EP. It revealed widespread abuse of the MEPs’ expenses system including:

- Payments made to assistants who were not accredited with the European Parliament and to companies whose accounts showed no activity.
- End-of-year bonuses worth up to 19½ times monthly salary paid to assistants to allow members to use up their full annual allowance.
- One MEP claimed to have paid the full staff allowance to one person, suspected of being a relative.⁶⁷

Two seats

One of the most widely attacked features of the European Parliament is the fact that it sits in both Brussels and Strasbourg. Every month, a ritual that has become known as the ‘travelling circus’ ferries MEPs, parliamentary staff and vast swathes of paperwork from Brussels to Strasbourg and back.

The cost of this monthly trip is estimated at €203 million a year.⁶⁸ This includes the extra cost of duplicate buildings and travelling costs. Every time the Parliament holds its monthly one week session in Strasbourg around 1,745 officials and support staff are required to make the trip⁶⁹.

On top of the economic cost, the Parliament’s monthly excursion to Strasbourg has a huge environmental impact – a carbon footprint of around 18,884.5 tonnes a year.⁷⁰ Critics note that this is the same Parliament which has called for greenhouse gasses to be cut by 80% by 2050.⁷¹

In 2008, 1.2 million EU citizens signed a petition calling for an end to the Parliament’s second seat.⁷² However, the petition only received the support of 286 out of 785 MEPs.⁷³

The Parliament hasn’t moved the EU closer to its citizens

Public interest in the European Parliament is low and getting lower. Despite various initiatives aimed at raising the profile of elections, voter turnout has fallen consistently since the first elections in 1979. In the UK, voter turnout has averaged at around 33%.

⁶⁶ See, <http://www.independent.co.uk/news/world/europe/meps-to-keep-audit-of-wage-abuse-secret-814169.html>

⁶⁷ See, <http://www.timesonline.co.uk/tol/news/politics/article5780750.ece>; <http://www.taxpayersalliance.com/home/galvin.html>

⁶⁸ These are 2007 prices. See <http://www.greens-efa.org/cms/topics/dokbin/180/180441.pdf>, p13

⁶⁹ See <http://www.greens-efa.org/cms/topics/dokbin/180/180441.pdf>, p10; figure predates enlargement in 2004 and 2007.

⁷⁰ See <http://www.greens-efa.org/cms/topics/dokbin/180/180441.pdf>, p6

⁷¹ See http://www.europarl.europa.eu/news/public/story_page/064-43310-336-12-49-911-20081201STO43286-2008-01-12-2008/default_en.htm

⁷² See <http://www.oneseat.eu/>

⁷³ See <http://www.theparliament.com/latestnews/news-article/newsarticle/meps-insist-eu-parliament-one-seat-campaign-goes-on/>

For the EU as a whole the average turnout has fallen from 63% in 1979 to 45.6% in 2004.⁷⁴

This year's elections look set to continue the trend of public disengagement with the European Parliament. The latest EU public opinion survey shows that only 16% of EU citizens know that the elections will be held this June. In the UK 84% of people said they did not know when the elections would be held.⁷⁵

The public's confidence in the EP is at an all-time low. The most recent Eurobarometer poll shows that only 45% "tend to trust" the EP.⁷⁶ This is down from 54% just before the last European elections.⁷⁷

This seems to suggest that despite increasing powers, the overwhelming perception is that the European Parliament has failed to engage properly with voters and that the institution remains removed from its electorate. As Giandomenico Majone, Emeritus Professor of Public Policy at the European University Institute in Florence, concludes:

"The crucial point is that the continuous expansion of the powers of the EP since the 1980s has not been sufficient to improve the legitimacy of an increasingly ambitious integration project."⁷⁸

Likewise, Gisela Stuart, Labour MP notes that:

"The introduction of direct elections to the European Parliament might have resulted in a direct relationship with voters, but it didn't work out like that. The decision making is so slow and opaque that no one knows who is responsible for what. In the European elections in June, voters will have a ballot paper which does not allow them to choose any candidates, but instead presents them with a list bearing the labels of national political parties. Just how difficult it is to work out what line they will take once elected is best illustrated by the fact that Conservative MEPs will sit and vote with the European People's Party – the most federalist and integrationist group in Brussels."⁷⁹

To counter these trends, the EU institutions have launched various promotional campaigns ahead of this year's elections aimed at getting people to vote.

The European Parliament is paying €28 million to ad agency Scholz & Friends European Agenda, to run what is described as "for sure Europe's most complex communication campaign ever." The campaign will include:

"a series of 3D installations. The larger than life sculptures will draw the public's attention to the 2009 European Elections and illustrate different aspects of the voters' influence on tangible political decisions that result from their participation.

⁷⁴ See, http://www.europarl.europa.eu/elections2004/ep-election/sites/en/results1306/turnout_ep/turnout_table.html

⁷⁵ Eurobarometer 71, 2009, p3

⁷⁶ Eurobarometer 71, 2009, p14

⁷⁷ Eurobarometer 60, 2003, p57

⁷⁸ Giandomenico Majone, Dilemmas of European integration: The ambiguities and pitfalls of integration by stealth, 2005, p36

⁷⁹ Article in the Sunday Times, "EU needs to give power back to member states", 8 March 2009

Interactive multimedia boxes invite the EU citizens to cast their personal wishes for Europe as a video message. Together with ten billboard motives, the 3D installations and the multimedia boxes show that Europeans have a choice and the chance to participate in the EU's decision making – emphasised by the claim 'It's your choice!'"⁸⁰

In addition, the Commission is launching various initiatives, including an MTV campaign estimated at a cost of €2.3 million. The campaign will seek to gather as many "young people" as possible from European cities to cry out "Europe, can you hear me?" at the same time, which then will be broadcasted on MTV.⁸¹

However, the extent to which initiatives such as these will encourage people to vote, improve the image of MEPs or close the perceived gap between the EP and its citizens remains subject to debate.⁸² As Telegraph journalist Bruno Waterfield has argued,

"In terms of how the EU functions and its practices, you can shout all you like. Changing things requires politics. How much politics, outside the empty, exhausted posturing of mainstream national parties or little England-type nationalists, will there be on offer in the European elections? Mindless stunts and exhortations to vote (it's your choice) are no substitute for politics and illustrate how little real choice there is."⁸³

Unrepresentative and boring

Waterfield's assessment of the EU's communication campaigns highlights another point: the European Parliament is by its nature a motley crew of politicians and parties, with no less than 204 different political parties represented.⁸⁴ MEPs sit in broad groups, or families of parties, which often represent totally divergent interests.

For example, although the British Conservative party sits with Europe's major centre-right parties in the European People's Party (EPP) it votes against the group on one third of occasions.⁸⁵ The Conservatives have now pledged to form a new party grouping after June's elections.⁸⁶

The centre-right group (EPP) also features both the strongly pro-free trade, anti-CAP, anti-state subsidies, Swedish Moderates and their clearly protectionist counterparts in the French UMP. Naturally, this is very confusing for voters.

Likewise, the ruling Irish Fianna Fail party – which is in favour of the Lisbon Treaty - currently sits with Italy's anti-immigrant Lega Nord (also in favour of Lisbon) and

⁸⁰ Press release from Schultz & Friends, 17 March 2009, see <http://www.s-f.com/Press/tabid/57/Default.aspx?id=1482>

⁸¹ *Agence Europe*, 9 April 2009; see <http://www.euractiv.com/en/eu-elections/mtv-launches-youth-eu-election-campaign/article-181201>

⁸² For an in-depth discussion on the EU's communication policies, see Open Europe's "The Hard Sell: EU communication policy and the campaign for hearts and minds", 27 December 2008, <http://www.openeurope.org.uk/research/hardsell.pdf>

⁸³ Bruno Waterfield's Telegraph blog, see http://blogs.telegraph.co.uk/bruno_waterfield/blog/2009/04/09/politics_for_cretins_the_eu_way

⁸⁴ Information obtained from the European parliament's office in London on 23 April 2009.

⁸⁵ Giacomo Benedetto, 'Explaining the failure of euroscepticism in the EP', in Aleks Szczerbiak and Paul Taggart, *Opposing Europe?: The comparative party politics of euroscepticism*, Volume 2, p.130, 2008.

⁸⁶ See, http://news.bbc.co.uk/1/hi/uk_politics/7938482.stm

Poland's eurosceptic Law and Justice Party (opposed to the Treaty) in the right-wing Union for Europe of the Nations (UEN).

Because Members of the Parliament do not have to fulfil an executive governing role (in the EU this role is fulfilled by the Commission) it is very difficult for voters to see how their votes translate into policies at the EU level. And vice versa, this leads to a Parliament largely out of touch with its electorate.

Professor Simon Hix of the London School of Economics argues that it is this lack of political competition that EU citizens cannot identify with. Hix gives as an example the pact between the two main party groups in the EP – the EPP and the Socialists – to share the Presidency of the Parliament throughout each five-year term. This, he says, is evidence of the consensus that exists between party groups and the lack of real alternatives in EP politics.⁸⁷ If there is a consistent cosy consensus between the two main party groups it is hard for voters to see how their vote can make a difference.

This lack of traditional political confrontation also makes EP politics exceptionally boring. In many ways, debates in the EP are the exact opposite to the lively debates often seen in the UK Parliament, in which different positions are subject to fierce debate, interaction is commonplace and votes are not always determined beforehand.

This is further exacerbated by how the plenary debates in the EP are organised. The debates are planned according to a stringent, pre-determined list of speakers. This list allows for neither interruptions nor replies. New points are rarely made and attendance is exceptionally low, with MEPs eager to leave the plenary as soon as they've finished their speech. As former Dutch MP and MEP Lousewies van der Laan notes, "the term 'debate' is inappropriate to describe these serial monologues."⁸⁸

Driver of "ever closer union"

Perhaps most importantly, there is currently no real alternative within the EP for voters who don't approve of the idea of "ever closer union". This is critical since several opinion polls suggest that a majority of voters in the EU oppose more powers being transferred to the EU. A TNS poll of all EU countries in 2007 found that 41 percent of EU citizens felt that the EU should have less power, with 28 percent saying it should have more, and 23 percent saying its powers should stay the same.⁸⁹

For example, in 2009, the European Parliament voted in favour of a report, by 482 votes to 111, calling for further military co-operation between EU member states and the setting-up of an autonomous and permanent EU Operational Headquarters.⁹⁰ Apart from the limited political and popular appetite for such a move, defence is an area where the Parliament in fact has no power to act, yet it still felt the need to debate the issue. The Minister of State, Foreign and Commonwealth Office, Lord Malloch-Brown simply responded to the Parliament's report by saying, "The European Parliament has no direct role in European military defence matters."⁹¹

⁸⁷ Simon Hix, *What's wrong with the European Union & how to fix it*, 2008, p.139

⁸⁸ Lousewies van der Laan, "The case for a stronger European Parliament", *Centre for European Reform*, November 2003, see http://www.cer.org.uk/pdf/wp491_eu_parliament.pdf

⁸⁹ See, <http://www.openeurope.org.uk/research/mainfindings.pdf>, p6

⁹⁰ See http://www.europarl.europa.eu/news/expert/infopress_page/031-49775-047-02-08-903-20090218IPR49774-16-02-2009-2009-false/default_en.htm

⁹¹ Hansard, 10 March 2009, Column WA230

Perhaps the best example of the Parliament's desire to push for 'more integration', even where there's little public support, is the Lisbon Treaty. In over 60 areas, this Treaty will transfer powers from national governments to the EU.⁹²

MEPs voted overwhelmingly in favour of the Treaty despite the fact that public opinion is famously divided over the issue – and in some countries outright opposed to the idea. A June 2008 YouGov poll following the Irish 'no' vote found that 54% of UK voters agreed with the statement that, "The government should drop the Lisbon Treaty and not try and ratify it".⁹³ The Treaty has been rejected in three separate referendums in Ireland, France and the Netherlands. In addition, polls suggest that in many member states, a majority of voters would reject the Treaty if given a chance.

This is in contrast to 525 MEPs who voted in favour of the Lisbon Treaty, with only 115 against, and 29 abstentions.⁹⁴

What's worse, the EP also even voted in favour of *ignoring* voters' verdict on the Lisbon Treaty. When the Treaty was symbolically adopted in Parliament in 2008, an amendment tabled by Irish MEP Kathy Sinnott committing the EP "to respect the outcome of the referendum in Ireland" was defeated by 499 votes against with only 129 in favour and 33 abstentions.⁹⁵

Following the vote, Sinnott said,

"Our citizens are intelligent, thoughtful and well capable of playing their democratic role in their own governance. And what we are doing here today, and throughout this Lisbon process, is a betrayal of our citizens, the very citizens whose cooperation and hard work we will need to further the European project.. I warn you: do not be surprised if, some day, these same long-suffering citizens refuse that cooperation."⁹⁶

In October 2008, Spanish MEP Íñigo Méndez de Vigo, gave a vivid sample of this attitude when he said of the Irish No vote,

"You're not going to stop us. We'll go ahead [with Lisbon]. There are ways to do it. This is the history of the EU. If compromise is not possible, the others will go ahead."⁹⁷

Driver of over-interference

This sense of a Parliament adrift from public opinion and public concerns is also manifested in what many see as MEPs' failure to vanguard the principle known as

⁹² See *Open Europe's* "A guide to the Constitutional Treaty", 3 February 2008, <http://www.openeurope.org.uk/research/guide.pdf>

⁹³ See <http://www.openeurope.org.uk/media-centre/pressrelease.aspx?pressreleaseid=79>

⁹⁴ See <http://www.europarl.europa.eu/oeil/FindByProcnum.do?lang=en&procnum=INI/2007/2286>

⁹⁵ See, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+IM-PRESS+20080219IPR21733+0+DOC+XML+V0//EN>

⁹⁶ See, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+IM-PRESS+20080219IPR21733+0+DOC+XML+V0//EN>

⁹⁷ Irish Times, "Financial crisis only temporary reprieve from treaty dilemma", 16 October 2008, see <http://www.irishtimes.com/newspaper/world/2008/1016/1224069691220.html>

'subsidiarity' – the idea that the EU should only legislate in areas where it truly adds value, and that decisions should be made as close as possible to the citizens. As Czech President Vaclav Klaus asked during a speech to the EP in 2009:

“Are you really convinced that every time you take a vote, you are deciding something that must be decided here in this Chamber and not closer to the citizens...?”⁹⁸

MEPs' inclination to over-interfere even in areas where they add no value is exemplified by what are known as 'own-initiative' reports. These are reports presented by MEPs for the rest of the Parliament to vote on and designed to force an issue on to the EU agenda. They are not legally binding but present the Parliament's position on specific issues.⁹⁹ These reports are, in the words of one MEP, “like a child's wish list on Christmas day”, and can include almost everything.

For example:

- In 2008, the European Parliament's Culture Committee voted in favour of a report, which included proposals to would make it illegal to blog anonymously, and provisions to force bloggers to “declare their interests.” In addition, bloggers would be forced to give a right to reply to persons that were criticised in a blog post.¹⁰⁰
- Also in 2008, the Parliament adopted a proposal to give more fruit to school children across the EU and¹⁰¹ another proposal targeted at fighting child obesity, by creating “School curricula emphasising physical activity and healthy dietary habits.”¹⁰²
- In March this year, the EP adopted, by 604 votes to 18, an own-initiative report calling for equal treatment and access to jobs for both men and women in the performing arts. In order to combat gender inequality in the sector, the Parliament stressed the importance of ensuring that candidatures remain anonymous “whenever possible, which is for example the case when musicians are recruited behind screens”.¹⁰³
- In June 2007 the Committee on Women's Rights and Gender Equality adopted a report on “juvenile delinquency, the role of women, the family and society.” The report highlighted the need for a liberal approach to legislation concerning juvenile delinquency and argued that “the most appropriate legislative measures take the form of four 'de-': decriminalisation, depenalisation, dejudicialisation and deinstitutionalisation”. This was justified on the basis that “Bad' children are usually also 'distressed' children. We should return the smile to their faces.” Finally, the

⁹⁸ See http://www.europarl.europa.eu/news/expert/infopress_page/008-49772-047-02-08-901-20090218IPR49770-16-02-2009-2009-true/default_en.htm

⁹⁹ See http://www.comece.org/comece.taf?_function=ei_new&sub_id=7&id=41&language=en

¹⁰⁰ http://www.europarl.europa.eu/meetdocs/2004_2009/documents/pr/712/712320/712320en.pdf, p 5

¹⁰¹ See, <http://www.europarl.europa.eu/sides/getDoc.do?language=PL&type=IM-PRESS&reference=20081006IPR38804>

¹⁰² See, <http://www.eph.org/a/3097>

¹⁰³ See, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A6-2009-0003+0+DOC+WORD+V0//EN&language=EN>

report stated that “a European approach is not only feasible and warranted, it is also essential.”¹⁰⁴

- The European Parliament has voted in favour of a report calling for national media monitoring bodies to be set up to deal with stereotypes in advertising and media, particularly degrading depictions of women. The rules would target any campaigns deemed “sexist”.¹⁰⁵

These types of proposals – while perhaps formulated with the best of intentions – add to the public’s confusion over what MEPs are actually supposed to do, and reinforce the image of ‘meddling’ Brussels politicians.

Making regulatory reform harder

The European Parliament has also come under criticism for being a roadblock in recent attempts to reduce the burden of EU regulations.

As EU Industry Commissioner Gunther Verheugen has observed:

“I was running into a lot of difficulties here but contrary to the conventional wisdom the strongest were not in the Commission. The strongest problems were in the European Parliament... There is a very strong view in the European Parliament that better regulation is something that is directed against the priorities or the prerogatives of the Parliament. It’s very difficult to convince all of the parliamentary groups, some of them fully understand but it’s very difficult to get the full support here because if you have a rule you want to change there is certainly always one person who is a hundred percent convinced that this is a rule that we exactly need.”¹⁰⁶

And Swedish MEP Christofer Fjellner – who has been very critical of the record of his own institutions in fighting over-interference – has said:

“Unfortunately after coming to the European Parliament I can see that a lot of my colleagues, rather than actually wanting to use the EU as a project for deregulation and simplification, would like to use it over over-regulate and create more bureaucracy”.¹⁰⁷

The most recent example where MEPs have pushed for a burdensome proposal opposed by both the Commission and many member states’ governments is the UK’s opt-out from the 48-hour working week contained within the Working Time Directive. The Parliament voted to end the opt-out within three years – a move which Open Europe has

¹⁰⁴ See, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A6-2007-0212+0+DOC+XML+V0//EN&language=EN>

¹⁰⁵ See, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A6-2008-0199+0+DOC+WORD+V0//EN&language=EN>

¹⁰⁶ Speaking at the *BertelsmanStiftung Better Regulation 2008 conference*, Brussels, 10-11 September 2008.

¹⁰⁷ Speaking at Open Europe event, “EU regulation: Getting better or out of control?”, Brussels, 30 March 2009, <http://www.openeurope.org.uk/research/outofcontrol.pdf>

estimated could cost the UK economy between £47.74 billion and £66.45 billion by 2020.¹⁰⁸

The UK Government has repeatedly said it will fight to keep the opt-out. Business Secretary Peter Mandelson said that the UK will continue to “stand firm” on the issue, arguing that the opt-out “is essential to Britain’s labour market flexibility that has helped to create an extra three million jobs”.¹⁰⁹ The outcome of these negotiations between the Parliament and government ministers could have an impact on as many as 3 million UK workers¹¹⁰ and potentially cost the UK economy an additional £8 billion a year in lost jobs and output.¹¹¹

Another example is the Services Directive. The Commission’s proposal aimed to allow businesses to provide services across EU borders and establish a services business in another member state.¹¹² The Commission wanted service providers to have the right to operate under their home country’s rules, even when working in another member state, but MEPs rejected this idea.

The Parliament’s amendments significantly narrowed the scope of the directive, providing a broad set of exemptions, allowing member states to discriminate against foreign service providers “where they are justified for reasons of public policy or public security or social security or for the protection of the health or the environment.”¹¹³

Blocking CAP reform

The European Parliament has also blocked reform of one of the most controversial EU policies – the Common Agricultural Policy. The policy has been accused of both driving up food prices (by 11% on average) and shutting out farmers in the developing world and thereby hindering the fight against global poverty.

Rather than pursuing reforms in the interest of the general public (and developing countries), MEPs have so far chosen to protect producer interests in their constituency.

For example, in March 2007 the Parliament succeeded in blocking an attempt by the Council and Commission to allow 20% of CAP spending to be “modulated” (spent on rural development projects rather than the more distorting direct subsidies). The EP also voted symbolically against the Commission’s proposed changes to the CAP – the so-called Health Check - in May 2008. In addition, MEPs have voted to increase subsidies to tobacco farmers – arguably the most controversial of all EU subsidies.¹¹⁴ Under the

¹⁰⁸ See <http://www.openeurope.org.uk/research/wtdoptout.pdf>; and <http://www.openeurope.org.uk/research/wtdoptout2.pdf>

¹⁰⁹ *FT*, 3 November, 2008.

¹¹⁰

<http://www.cbi.org.uk/ndbs/press.nsf/0363c1f07c6ca12a8025671c00381cc7/c6e0fac05410f0ba80257520005d5996?OpenDocument>

¹¹¹ <http://www.openeurope.org.uk/research/wtdoptout2.pdf>

¹¹² *Open Europe*, “The services directive: Can Europe deliver?”, 13 February 2006, p. 7. See, <http://www.openeurope.org.uk/research/services.pdf>

¹¹³ *Open Europe*, “The services directive: Can Europe deliver?”, 13 February 2006, p. 12; also see, *European Parliament Legislative Observatory*,

<http://www.europarl.europa.eu/oeil/resume.jsp?id=240902&eventId=928969&backToCaller=NO&language=en>

¹¹⁴ Press release from the European Parliament, CAP health check: finding the right balance, 19 November, 2008, see http://www.europarl.europa.eu/news/expert/infopress_page/032-42184-322-11-47-904-20081117IPR42183-17-11-2008-2008-false/default_en.htm

Lisbon Treaty, the EP will gain significant new powers over the CAP, meaning that reform could become even harder in future.

9. HOW COULD THE EUROPEAN PARLIAMENT BE REFORMED AND IMPROVE ITS IMAGE?

As we have seen, the Parliament has already gained significant powers since 1979. Unfortunately, this has been mirrored by a decrease in public engagement with the Parliament and the EU altogether. The answer to the question of whether more powers should be transferred to the Parliament much depends on one's view of European integration.

As academic Richard S. Katz has noted, those who believe in 'more' Europe are more likely to advocate increased powers for the European Parliament in order to make the EU more like a 'typical' government, with an executive and a legislator, while those who believe in an end to 'ever closer union' believe the democratic legitimacy of the EU should be based on national parliaments, and would therefore instead seek to reduce the 'democratic deficit' by increasing the role of national parliaments in EU affairs.¹¹⁵

For those who advocate CAP reform and fewer and better EU regulations, for example, it's far from clear that giving more powers to the European Parliament is a good thing – on the contrary.

However, regardless of this discussion, in order to gain the respect of its electorate the Parliament could make several simple reforms:

Cut MEPs wages by 20% and allowances by 10% from the June 2009 levels

Over a five year term of the Parliament this could save taxpayers well over €220 million and help to improve the image of the institution. MEPs' wages, pensions and allowances would still be very generous. A 20% cut would bring MEPs wages down to around the same level as UK MPs, depending on the exchange rate.

The European Parliament needs to take account of the current economic climate and the fact that their public image has suffered from countless stories of extravagant allowances and abuses of the system (see the table below for the suggested cuts).

The figures cited for MEPs' expenses do not include the day-to-day travel allowance, which MEPs use for commuting between the Parliament and their constituencies, because it is not possible to quantify these costs. From June, MEPs will be reimbursed for travel expenses on the basis of receipts up to the cost of a business class fare.

¹¹⁵ E Richard Katz, "Euroscepticism in parliament" in Aleks Szczerbiak and Paul Taggart, "Opposing Europe?: The comparative politics of Euroscepticism", 2008

	One MEP	Total EP
Basic pay (5yr term)	€ 459,900	€ 361,021,500
Pension (5yr term)	€ 16,096	€ 12,635,360
Transition payment (5yr term)	€ 45,990	€ 36,102,150
Sub Total pay/pension	€ 521,986	€ 409,759,010
20% Saving	€ 104,397	€ 81,951,802
Staff allowance (5yr term)	€ 1,014,840	€ 796,649,400
Office allowance (5yr term)	€ 252,120	€ 197,914,200
Subsistence allowance (5yr term)	€ 229,600	€ 180,236,000
Additional travel allowance (5yr term)	€ 20,000	€ 15,700,000
Office expenses (5yr term)	€ 252,120	€ 197,914,200
Sub Total allowance/expenses**	€ 1,768,680	€ 1,388,413,800
10% saving	€ 176,868	€ 138,841,380
Total pay and allowances	€ 2,290,666	€ 1,798,172,810
Total Saving	€ 281,265	€ 220,793,182

Publish all figures for salaries, pensions and expenses entitlements

The Parliament should publish the official figures for MEPs' salary, pension and expense entitlements in one easily accessible document.

Full transparency on allowances and expenses

MEPs need to be open and transparent about how they spend their allowances and should publish all this information.

Allowances and expenses should be based on actual costs

MEPs should be obliged to produce receipts for all expenses, and receive allowances accordingly, rather than receive flat-rate expenses for office equipment, etc.

Reimburse all unused expenses

Likewise, all unused allowances, and allowances not supported with receipts, should be reimbursed back to the EU budget.

Swedish MEP Jens Holm, has made an effort to make better use of his unused expenses by giving away his 'unused' travel allowance – around €70,000 (half of the total allowance received during that time period) – to charities,¹¹⁶ but this is still not ideal from the point of view of giving taxpayers value for money.

Suspend MEPs who are caught misusing allowances

Any MEP who is caught misusing allowances should, after a proper legal inquiry, be suspended and replaced.

Scrap the second pension scheme entirely

¹¹⁶ See, <http://www.jensholm.se/2008/12/03/15-miljon-for-tva-ars-pendlande/>

The additional and highly controversial pension scheme will be shut to new entrants in June and this is a positive step. However, the scheme should immediately be closed to new contributions from existing Members as well – and under no circumstances should taxpayers foot the bill if it is adversely affected by bad investments.

A robust register of MEPs' interests

The public needs to know if MEPs have financial interests that may influence their vote. The present system of ad-hoc “Declaration of Interests” is insufficient. As UK MEP Chris Davies has pointed out:

“The gaping flaw in the European Parliament rules is that no requirements whatsoever are imposed as to the content of the declarations to be made. The information provided is left entirely to the discretion of each member, and there are no penalties for omission.”¹¹⁷

End the travelling circus between Strasbourg and Brussels

The insistence on keeping two seats for the EP is one of the worst PR-disasters in modern politics. It's pointless, wasteful, damaging to the environment and borders on the outright bizarre.

An end to opaque back-room deals

At the moment, some key decisions in the EP are being made behind closed doors - for example, the ‘deal’ between the two main party groupings to share the Presidency of the Parliament throughout each five-year term. In an even worse example, the highly controversial decision to guarantee the MEPs’ second pension funds from losses in the wake of the credit crunch (see above) – involving millions of pounds of taxpayers’ money – was taken following a backroom deal between the different groups in the EP.

Important decisions like this must be fully transparent so that voters can make informed decisions on who to vote for – particularly when they involve voters’ own money!

Publish full minutes of Committee meetings

Many decisions taken by MEPs are agreed in the Parliament’s committees rather than in the plenary sessions. However, the public minutes of these committee meetings are limited to what amendments were adopted and which fell. They do not show how MEPs voted or what was said. The public needs easier access to this information if it is to be able to hold MEPs’ decision making to account.¹¹⁸

Committee posts should be voted for on merit rather divided evenly

The Parliament’s rules state that Committee Chairs should be voted for by MEPs but in practice the party groups have reached an agreement whereby committee posts are shared out proportionately between the parties and nationalities of MEPs. As Simon Hix of the London School of Economics has pointed out, while this guarantees the small party groups and nations get some representation, it means that committee posts are not awarded on skills or merit. This system also means that there is very little shift in the composition of committees after elections.¹¹⁹

¹¹⁷ See, <http://news.bbc.co.uk/1/hi/world/europe/7910122.stm>

¹¹⁸ As proposed, for instance, by Lousewies van der Laan in http://www.cer.org.uk/pdf/wp491_eu_parliament.pdf p33

¹¹⁹ Hix, What’s wrong with the European Union & how to fix it, 2008, p138-9

In order to increase political competition and promote a system of meritocracy, these posts should be elected rather than handed out on the basis of party loyalty and nationality.

Allow MEPs greater freedom in debates

At the moment the Parliament's plenary debates are very formulaic with MEPs speaking in a designated order without the right of reply. To make debates more interesting for the media and the public, plenary sessions should allow for a more dynamic and spontaneous debate.¹²⁰

Establish a subsidiarity committee

With 41% of EU citizens saying they think the EU should have less power¹²¹, MEPs must do more to ensure that the EU does not interfere in policies that could be better achieved at the national, regional, or local levels. As Louise van der Laan has proposed in a paper for the Centre for European Reform, the Parliament should establish a specific 'subsidiarity committee' for the purpose of holding the Commission and Council to account and ask whether its proposals are adding value.¹²²

MEPs need to stick to their mandate

MEPs need to avoid wasteful reports and debates about issues over which they either have no control or which have little chance of being taken up as a policy proposal by the Commission. This means a reduction in the number of 'own-initiative' reports that distract the Parliament from its core activities – holding the Commission and the Council to account.

MEPs need to make it clear what they stand for

MEPs need to better communicate to the public and the media how they differ from their political opponents. This may help to stimulate more public interest in politics at the EU level.

¹²⁰ See, http://www.cer.org.uk/pdf/wp491_eu_parliament.pdf p31

¹²¹ See, <http://www.openeurope.org.uk/research/mainfindings.pdf>, p6

¹²² See, http://www.cer.org.uk/pdf/wp491_eu_parliament.pdf, p24-29

ANNEX 1 – EU POLICY AREAS SUBJECT TO CO-DECISION¹²³

- Prohibition of any discrimination on grounds of nationality
- New anti-discrimination measures
- Citizenship: right of citizens to move and reside freely within the territory of the Member States
- Freedom of movement for workers
- Freedom of movement for workers: social security of migrant workers in the Community
- Right of establishment
- Right of establishment: special treatment for foreign nationals
- Taking up and pursuing activities as self-employed persons, training and conditions of access to professions: mutual recognition of diplomas
- Measures concerning the self-employed: amendment of national legislation
- Right of establishment: services
- Border controls: issuing of visas; rules on a uniform visa
- Asylum measures
- Measures on refugees and displaced persons: temporary protection to displaced persons from third countries
- Judicial cooperation in civil matters (except family law)
 - Transport: common rules applicable to international transport, conditions under which non-resident carriers may operate transport services within a Member State, measures to improve transport safety
- Sea and air transport
- Harmonisation of the internal market
- Employment: incentive measures
- Customs cooperation
- Social policy: workers' health and safety, working conditions, information and consultation of workers, equality between men and women, measures to encourage cooperation in fight against social exclusion
- Social policy: equal opportunities and pay
- Social Fund: implementing decisions
- Education: incentive measures
- Vocational training: measures to contribute to the achievement of objectives
- Incentive measures in respect of culture
- Public health: minimum standards of quality and safety of organs and substances of human origin, blood and blood derivatives, measures in the veterinary and phytosanitary fields designed to protect public health, action to improve public health
- Consumer protection
- Trans-European networks: establishment, funding
- Specific support measures in the industrial sphere
- Specific actions for economic and social cohesion outside the Structural Funds
- European Regional Development Fund (implementing decisions)
- Framework programme for research and technical development
- Research: adoption of programmes
- Environment: measures, adoption and implementation of programmes
- Development cooperation

¹²³ See, *European Parliament*, "Conciliation and Codecision – a guide to how the Parliament co-Legislates", July 2007, Annex D

- Regulations governing political parties at European level and the rules regarding their funding
- Transparency: general principles and limits on access to documents
- Measures to counter fraud
- Statistics
- Protection of data: establishment of an independent supervisory body
- Border controls
- Asylum measures: minimum standards for granting or withdrawing refugee status
- Promoting a balance of effort between Member States in receiving refugees and displaced persons
- Illegal immigration, illegal residence and repatriation of illegal residents

ANNEX 2 – EU POLICY AREAS SUBJECT TO CO-DECISION UNDER THE LISBON TREATY¹²⁴

- I-37 Comitology
- I-47 Citizens' initiatives
- III-359 Specialised Courts
- III-364 ECJ jurisdiction on intellectual property rights
- III-381 ECJ Statute
- III-398 Principles of European Administration
- III-427 Staff Regulations of Union officials
- III-412 Financial Regulations
- III-122 Services of general economic interest
- III-139 Official and Government Employment
- III-144 Freedom to provide services for established third country nationals
- III-147 Freedom to provide services
- III-157 Movement of capital to or from third countries
- III-160 Freezing of assets
- III-174 Distortion of competition
- III-176 Authorisation, co-ordination and supervision of intellectual property rights protection
- III-319 Economic, financial, and technical cooperation with third countries
- III-321 Humanitarian aid operations
- III-179 Multilateral surveillance procedure
- III-187 Amendments to certain parts of the Statute of the European System of Central Banks
- III-191 Use of the euro
- III-223 Structural and Cohesion Funds
- III-231 Agriculture and Fisheries
- III-236 Transport
- III-251 European Research Area
- III-254 Space Policy
- III-256 Energy
- III-281 Tourism
- III-282 Sport
- III-284 Civil protection
- III-285 Administrative co-operation
- III-265 Border checks
- III-267 Immigration and Frontier Controls
- III-270 Judicial co-operation in Criminal Matters
- III-271 Minimum rules for criminal offences and sanctions
- III-272 Crime prevention
- III-273 Eurojust
- III-275 Police co-operation
- III-276 Europol
- III-315 Aspects of the Common Commercial Policy

¹²⁴ FCO Commentary on the EU Constitution, FCO website