



Parlamentul României  
Senat

Courtesy translation

Bucharest, 17<sup>th</sup> of June, 2013.

**OPINION**

**of the Romanian Senate on the European consultation document - GREEN PAPER on long term financing the European Economy– COM (2013) 150 final2**

The Plenum of the Romanian Senate, pursuant to art. 67, art. 148. (2) and. (3) of the Romanian Constitution, and the Protocol (No 1) annexed to the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, ratified by Law no. 13/2008, has examined the common Report of the Committee on European Affairs and the Committee on Budget, Finances, Banking and Capital Market and issued the following

**OPINION**

The purpose of this Green Paper is to initiate a broader discussion regarding the ways to promote the long-term financing, and how to improve and diversify the financial intermediary system for long-term investments in Europe. The answers to the questions in the consultation will contribute to further review by the Commission of the obstacles long-term financing, in order to identify possible actions to remove them. Any further action could take many forms: in some areas may require a new or adapted regulation, while in other, the EU role could consist in a better coordination and promotion of best practices and could take the form of a specific monitoring effort by each Member State in the context of the European Semester.

The Committee on European Affairs and the Committee on Budget, Finance, Banking and Capital Markets decided, unanimously, to adopt a favorable view of the document, appreciating the intervention of the European Commission in this area, issuing the following answers:

- We appreciate the Commission's initiative to open a debate on the long-term financing of the European economy without directing it strictly. This allows the formulation of comments and more general suggestions.
- We support the legislative efforts and other measures that could stimulate the adoption of a long-term approach, especially in economic activity, given that it suffered the negative effects of short-stakes decisions.
- We recall that the bias towards investments in tangible and intangible assets which refers primarily on the demand for goods and services (marginal propensity to consume) and only in the background of the availability and diversity of funding sources, an artificial stimulus can be pro-cyclical and, consequently, inappropriate during a prolonged recession.
- We do think that the fiscal consolidation is necessary and desirable, but, crucially, a long term process. The short-term enhancing measures have direct negative effects on the ability of countries to achieve their development goals and to meet the current needs.
- We believe that fiscal consolidation and the strengthening of the prudential rules for banks

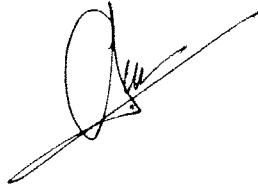
have affected especially small and medium businesses. The government programs supporting them are desirable.

- The recognition of the social economy as a distinct sector of the economy may contribute to creating a high number of jobs and finding more alternative ways of funding the loans.
- Creating a European energy infrastructure can provide an useful control of the trend of competition between Member States.
- We emphasize that the investments in assets are intensive consumers of resources and must be carefully selected, in order to avoid the risk of overproduction, depletion and environmental destruction - the kind of growth that is not associated with the development (the destructive increasement).
- Taking into account the connection between the current consultation and the intention to review the occupational pensions item (IORP), we remember that an excessive risk-taking was the main cause of the current crisis. The pension funds are considered among the safest investments, so, the changing of orientation on the prudential rules and on the long-term investments has to avoid endangering the beneficiaries.

The opinion shall be sent to the European institutions.

p. PRESIDENT

CRISTIAN-SORIN DUMITRESCU

A handwritten signature in black ink, consisting of a large, stylized initial 'C' followed by a series of loops and a long, sweeping horizontal stroke extending to the right.