



, 24.09.2008

Current system of self-regulation of markets completely inadequate

European Greens call for greater regulation of the financial markets

The European Green Party today said that the current financial crisis shows that there is an urgent need for greater regulation of financial markets.

EGP Co-Spokesperson Ulrike Lunacek said: "The recent turbulence in the financial markets shows that the current financial system which relies mainly on self-regulation is completely inadequate and must be thoroughly overhauled. That is why we are extremely disappointed that European People's Party and Liberal MEPs voted this week against crucial amendments proposed by the **Greens/EFA** group which would have made the Rasmussen Report much more ambitious and better able to tighten up the regulations so that the risk of future crises can be minimised. In particular, the Greens/EFA amendments called for an EU wide supervisory authority and an EU-wide system of registration and authorisation of management companies and fund managers, as well as for debt limits to be imposed on hedge funds."

EGP Co-Spokesperson Philippe Lamberts continued: "There are two main lessons to be drawn from the current crisis. One, the once quasi-religious dogma that markets are the sole instrument that can be relied upon to bring wellbeing to our societies has been proven utterly wrong. Climate change and resource exhaustion were already results of gigantic market failures; now, on their own financial turf, the unregulated and unrestrained markets have achieved an unprecedented value destruction, hitting individual consumers and taxpayers, businesses, financial institutions and ultimately states. The second is that we can now see that governments can act with a great sense of urgency and mobilise the appropriate regulatory and financial means when they see something as a key priority. The fact that the United States of America, which has been at the forefront of market rule, will be spending close to one trillion U.S. dollars on the bail-out of the financial institutions, including what amounts to the nationalisation of a number of them, is mind-boggling to say the least. It is just this type of urgent action which is required to combat climate change and governments, including those in the EU, must do much more than they have so far been prepared to do if we are to avert the most disastrous impacts of climate change."

Press release

The Greens | EFA
in the European Parliament

