

To MEP Pascal Canfin and other MEPs, cosponsoring the Financewatch Initiative

Response and proposal from Civil Society groups to the idea of Financewatch

Dear Mr. Canfin,

First of all we wanted to express our thanks to you and your colleagues for the meeting you had invited us to as regards the idea of developing a response to the lack of critical lobbying from civil society in the field of financial regulation.

We understand your concerns with regard to the lobby of the financial industry and share them. We agree that among other needs there is a need for more effective lobbying in this regard, if we wish to change financial regulation towards public interest.

We, the undersigning civil society groups, have discussed the proposals you have put on the table in this meeting and together have developed some ideas which we would like to share in a first step with you and your colleagues. Before doing so, we consider it important for you to understand, that we are a group of diverse actors which is working in different ways and on different levels on the issue of financial market regulation. We do not focus only on legislative processes but engage also in public awareness raising, grass root mobilisation and campaigning in order to change the discursive balance of power in our societies. Without public pressure lobbying will not achieve anything substantial. It is the very specificity of civil society to influence public opinion, to promote alternative values and paradigms. In our work, lobbying is therefore only one part of our work and we do this lobbying work at different levels i.e. at the national level, in multilateral institutions and at EU level.

Influencing the EU is particularly complex. The EU is not a nation state with one political system, one public opinion and one civil society. This is why, processes of self organization are more complex and difficult than in a nation state. In addition, influencing EU policies requires work not only towards the EP but also towards the national parliaments and governments, given the role of the European Council in EU decision making.

The proposal we are submitting for discussion is based also on our own experiences. We would like to suggest the establishment of an "Observatory on Financial regulation policy". Such an observatory could have the following task and functions:

- To monitor the ongoing policy process in Brussels around financial regulation (Commission, Council, Parliament) and function towards civil society groups, as well as academia as information center on what is currently discussed and proposed in the different fields of financial market regulation
- To map existing expertise among civil society and academia in EU countries (and beyond) and function as a linking institution between MEPs searching for such expertise and those groups being able to provide it
- To organize – where needed and appropriate technical capacity building for MEPs, other policy makers and civil society organizations
- To develop a online library on analysis and expertise on financial market regulation

The organization we propose would thus have a servicing character towards these different groups. The organization should not organize or coordinate civil society groups working on this subject on issues such as developing joint positions or carrying out campaign work. We strongly believe that such an effort is not feasible and also should not be carried out in a top down manner. It will only have a realistic perspective if it is participatory, inclusive and democratic. As a matter of fact, different groups have – since 2008 – started to develop joint work and coordination at the European level. In particular, the European Cross Networking space has developed a working space for progressive civil society groups which today coordinate on three key themes: Financial Transaction

Tax, Commodity Derivatives and Capital Requirements. The European Cross Networking Space has initiated and coordinated the campaign on the FTT at European level. They also initiated the consultation process on the FTT in the IMF and provided alternative expertise on the issue, which was partly integrated into the IMF report for the Toronto G20.

In terms of how to go forward, we would like to suggest the establishment of a working group which develops until the next meeting which you had suggested, a more concrete proposal based on the inputs of different groups. Several persons active in the European Cross Networking space are willing to participate in such discussions, in order to present the idea which we have developed as well as to share our concerns and “red lines”. These persons are

- Andrea Baranes, CBRM, Italy
- Alexandra Strickner and Max Bank, European Attac Network
- Daniel Pentzlin, Friends of the Earth Europe
- Peter Wahl, WEED, Germany

We are looking forward to hearing soon from you and remain

With best regards

Signing organisations

European Anti-Poverty Network

Friends of the Earth Europe

Aitec, France

Attac Austria

Attac France

Attac Germany

CBRM, Italy

The Corner House, UK

WEED, Germany

World Development Movement, UK