

Personal Insolvency and the protection of families against bankruptcy

Resolution adopted by the EPP Political Assembly
2nd June 2015



The European People's Party respects the core values of the European Union to enforce freedom, security and justice. Recently the social safety of our citizens has been endangered not only by the economic crisis and rising unemployment, but also by the vast number of people running into debt, and by thousands of families which are not able to pay back their instalments. The European People's Party considers the proper functioning of the internal market to be important. However the extent of insolvency and extended unemployment have increased inequality between social groups and reduced purchasing power, thus undermining the unified internal market. It is in the interest of European citizens, banks and creditors that personal insolvency agreements be worked out.

The European People's Party emphasises that the economic crisis was a complex crisis with extremely severe effects on the citizens. In this situation the weakest deserve solidarity as long as they cannot support themselves. At the same time we must not forget that solidarity does not only mean financial help for those who cannot make ends meet. Those in plight should be provided an opportunity to be able to keep body and soul and their family together in a competitive market environment. According to our Statutes this also means practical action, sharing, effective aid, guaranteeing rights and instituting duties to them.

Therefore, the European People's Party:

- Acknowledges that insolvency endangers the families' living, especially if the debtor, being the only wage-earner in the family, becomes unemployed;
- Acknowledges that millions of European citizens can only meet their reasonable material, cultural and healthcare needs on credit, and that the repayment of such loans may meet difficulties as a result of the plight of the macroeconomic situation;
- Acknowledges that the future of the families and those debtors who have run into debt in a foreign currency is especially volatile;
- Acknowledges that compatible private insolvency measures in EU countries could strengthen the unity of the European Union;
- Recognises that an 'earned start' through private insolvency provides former debtors a new opportunity to get on and offers them a chance for social progress as a part of the community;
- Urges the Member States to implement better and more effective measures in the field of insolvency arrangements.

The European People's Party recommends to its member and associate member parties to study the extent to which personal insolvency schemes implemented in various EU Member States have contributed to better relief plans for those having difficulties with payments and those who have run into exaggerated debt.

The European People's Party recommends to its members to adopt best practices from those countries in which personal insolvency arrangements have helped the debtors and their families to pay the cost of living and safeguard their inhabitancies.

The European People's Party proposes to the European Parliament to study the different measures implemented in private insolvency bills, those that can be instruments to redeem solvency of the debtors through highly responsible cooperation with the creditors, and provide guarantees for the long-term subsistence of the families concerned. Likewise the European People's Party calls on the European Commission to do its best to acquaint the Member States with the best practices in this field, thus helping them to adopt the measures proven to be good in their own national legislation.

**If you have any question
you would like to ask
please contact us.**

Rue du Commerce 10
1000 Brussels

T +32-2-2854140

E connect@epp.eu