

Emergency Motion on the Economic Crisis

Europe needs a sustainable growth strategy – NOW!

Europe is in urgent need of a new direction. People living in Europe and the rest of the world expect the leaders of Europe to find responsible solutions to the ongoing Euro crisis. A crisis that risks causing the collapse of the single currency and European integration.

We need a new direction to build a European Social model which guarantees that all people living in Europe have access to a social safety net, free education, adequate housing, a living wage and decent pensions, and active labour market policies for quality jobs. Every worker should have the right to freedom of assembly and be covered by a collective agreement. The EU must recognize that free market capitalism has failed. Democracy must reassert its authority over financial markets. Europe is at a crossroads, it is time for responsible leadership. Governments must be transparent about their activities and be held accountable for the choices they make. The break-up of the single currency is not desirable as it would plunge the European and global economy into yet another crisis. For too long Member States have favoured competition over solidarity. If Greece defaults Europe risks sinking into a new recession.

The Euro plus pact, the European Central Bank's current position and the 6-pack agreed on by the European Parliament on 28 September 2011 is a direct attack on trade unions and the freedom of collective bargaining and call only for austerity measures. The rules on economic governance are wrong, they have been designed to tackle the symptoms rather than the root causes of the crisis. The European Central Bank's policy focused on inflation rather than growth is counterproductive and must be reversed.

UNI Europa and the European trade union movement have been advocating a diametrically different approach for a long time. Our key demand is a sustainable growth strategy that encourages investment in infrastructure, public services and jobs, and active tax policies. Women and young people have been the worst hit by the crisis. Specific initiatives must be taken to support female and youth employment. The cuts in essential public services, which support families and female employment, prevent a fair work-life balance. Europe can deal with its debts, ensure better social cohesion and contribute to a stronger global economy with a growth and employment strategy, which guarantees economic growth and creates more good quality jobs.

Therefore, UNI Europa demands that:

1. The Euro plus pact is scrapped and that current austerity measures are lifted, including the debt ceiling as they create massive unemployment and inequalities resulting in falling demand. Wages are not the enemy of the economy but their engine! We need Eurobonds and a European Bank for Sovereign Debts.
2. Greece is supported to re-launch its economy. The current approach is not sustainable. The Troika should also focus on growth, job creation, transparent budgetary choices and a fight against tax fraud. Austerity measures will not work and we are against the privatisation of core public services. Greece must remain in the Euro zone! We need a new Marshall Plan for Greece and other member states in financial difficulties.

3. A different structure of economic governance for the Euro zone is put in place. A better coordination of national economic policies is urgently needed. The European Monetary Union has happened without common economic and fiscal policies. As the pressure builds for a closer economic and fiscal coordination with more authority for the EU institutions to determine priorities, the democratic deficit of EU policymaking must be addressed. The European Parliament must be given the power of legislative initiative. Trade unions and other parts of civil society must also be involved in decision making processes.
4. EU Member States invest a necessary amount of their GDP in their welfare states as a prerequisite for economic stability and growth. They must coordinate their policies with an emphasis on social solidarity, and end competition based on ruinous social dumping.
5. A system is developed that places the real economy in the driver's seat of the economy, with a financial system at its service. It should provide a support for the productive economy and society's vital operating systems: the core economy of family, neighbourhood, community, and the environment. Strengthened financial regulation and supervision rules will help secure the transition.
6. Regulation should ensure that banks are neither too big to fail nor too big to be saved by public money. The systemically relevant role of banks as financial intermediaries needs to be ring-fenced and safeguarded. Commercial and retail operations should be insulated from high-risk, speculative activities and investment banking, in particular in terms of covering the liabilities arising from those risky investment activities.
7. Mandatory recapitalisation of banks with sufficient capital requirements is implemented. If systemically important banks cannot raise capital on the market, such capital must be provided by the state based on normal market terms. If governments have a controlling stake in banks, they must be active stakeholders who ensure that company policies serve the public interest, by investing in job creation and cutting links with tax havens.
8. The Financial transaction tax is made a reality as soon as possible. This is essential in order to discourage speculative trading, ensuring that those profiting from speculation pay their fair share of the cost of recovering from the crisis and to help create an additional tax base financing a sustainable growth strategy.

UNI Europa and its affiliates will:

9. Engage in finding joint solutions together with our counterparts and governments that take us out of the crisis and contribute to growth, employment and protection of the welfare state. Trade unions are the guarantors of Social Europe and a vital part of a democratic society. We have the means to contribute to a sustainable growth strategy.
10. Increase their efforts to develop joint collective bargaining strategies and coordinate their approach on European policies that affect their members.
11. Build partnerships with other parts of civil society and work closely with organisations that share our core values in order to mobilise the people of Europe to fight for a fair and social Europe with respect for workers rights, a strong role for trade unions and quality jobs. UNI Europa's involvement as an active member of Finance Watch is a good example of what can be done at European level.