

# Call:

## Founding Europe anew!

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## Stop the March into Ruin! Overcome the Crisis with Solidarity!

This way it cannot and should not continue. The project of Europe is in impasse. Europe finds itself in an existential crisis. Even before the outbreak of the crisis the directions were set in a wrong way: because the Euro-construction has been focused unilaterally on monetary stability and flawed debt- and deficit criteria, through a wrong economic and political coordination and a grave neglect of the social union. The crisis was pushed forward through neo-liberal deregulation policy and unscrupulous greed of the financial elite speculating against countries in crisis and pushing for financial market conformity of government action. With the neo-liberal model of subordination under the dominance of the (financial)markets, the EU adds to an aggravation of the crisis rather than a way out.

Instead of naming political mistakes and greed for profits as the causes of the crisis, government deficits are being redefined into a (welfare) state debt crisis in order to legitimize a disastrous policy. Public expenditures as well as labour- and social incomes are radically cut through by injunctions, while wage earners, unemployed and pensioners are made to carry the costs of bank saving procedures.

In particular, the economic regulations («Economic Governance») and the fiscal pact pushed through by the German government follow an agenda which threaten to endanger social democracy of member states in irreparable ways.

This policy approach is irresponsible and must be terminated immediately.

- It is economically and politically contra-productive because it strangles private and public consumption as well as public investments and thus growth and development;
- It is socially irresponsible because it deepens the gap between member states, also within countries themselves;
- Its effect on democracy are destructive because it dismisses democratic procedures and attacks achievements of social democracy long struggled for such as autonomy in wage bargaining and social protection systems.

In the case of Greece the catastrophic consequences of this approach become obvious in sharp focus. Here, the economy was forced into a recession while large parts of the society are impoverished, more and more people turn their backs from Europe with feelings of bitterness, and democracy is chocked in the grip of the »Troika«.

This development in Greece must be stopped and shall not – by no means whatsoever – repeat in other countries! Europe must embark on a new road of development. If it wants to have a future as a project of democracy and solidarity, political directions must be set in completely new ways. Germany as the economically and politically strongest member state carries a special responsibility. We are demanding from German politics that it may no longer not act as the thriving force of a destructive crisis politics but as an engine of a change of direction long overdue.

The following economic and political measures are most urgent:

- Financial transactions must be taxed drastically. Financial market players, as culprits of the crisis, must be held accountable for the financing of a solution to the crisis, the financial markets must be regulated and the banking sector must be restructured .
- The Euro-zone must jointly guarantee for government bonds and state finances must be decoupled from capital markets.
- European monetary policy has to become entrusted, beyond the goal of price stability, with targets of growth and employment policy goals.

German unions and German politics are challenged equally. Wage rise must be stronger than in previous years in order to put an end to the continuous redistribution of income from labour to capital income, and in order to boost the internal market for the benefit of a more balanced development within the EU. Equally important is a comprehensive re-regulation of the labour market aimed to curb the low-income sector and precarious working conditions.

However, these measures do not suffice. A change of path has as prerequisite a set of fundamental changes:

- In order to facilitate cooperation of economies of different productivity levels under the common roof of the Euro, it is necessary that the EU develops further into a transfer-union. Equalization payments help to decrease existing economic imbalances within the Euro-zone. Thereby the duties and the entitlements of both deficit and surplus countries must be jointly agreed upon. New developmental perspectives must be opened for highly indebted countries through aid programs.
- Europe needs a democracy offensive. The EU will have no positive future as a detached elite project. Political directions of change must be executed solely under the strict adherence to European treaties and institutions. Governments have no mandates for crisis policies while circumventing parliaments. Europe's populations must be involved concerning core questions.
- Europe must found itself anew! The unification process needs a guiding idea constituting identity. More and more people associate Europe today with state debts, social decrease, and bureaucracy. They divert their sympathy and consent from the EU. If Europe is to have a

future at all, Europe must vow actively for the consent and sympathy of the people. In European public life main actors have to negotiate the guiding ideas for a social and democratic Europe.

We plead for a European social movement of citizens which embarks on a radical change of path, and acts against the current disastrous crisis policy. A first step on this road must be the rejection of the fiscal pact in its current form, and new negotiations on fiscal and political frameworks. We call on the main political actors and appeal to unions and civil society:

**The path of Europe into ruin must be stopped – through more economic wisdom, social justice, and democratic courage! Europe needs a public debate about a new democratic future of solidarity!**

#### **Signatories:**

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