

Public debt, organizing and EU policies in Central European constituency



Addressing public debt is an important issue for unions. The constituency started with a PSI seminar of this topic. Debt is not an issue in isolation and is linked to the changes that have happened in the global economy over the last 30 years. The way debt crises play out have devastating effects on workers and public services. Our broader aim is to transform the global economy in the interests of people and our planet, not to keep on servicing the interests and profits of a few.

Debt crises and how they are solved, through attacks on collective bargaining, on wages, via privatisations and cuts in welfare as well as through lower taxes for the wealthy and corporations are used in the interest of the rich and powerful, and creditor countries. It is important to understand that debt can be important to finance investments in public infrastructure, in public services and social protection as these build up economies and welfare states. But understanding how debt builds up, often via corrupt practices, failing PPPs, and lowering taxes for corporations and

the rich helps us to understand how public debt can be addressed to prevent its abuse. Debt and seeking a work-out is therefore about power. Addressing public debt, its causes, effects and understanding how it builds up, which interests are behind and what we can do, are therefore important issues for the unions to know. PSI has teamed up with the *Citizens for Financial Justice*. It is developing resources to assist unions and testing these in a series of seminars across the world. The materials will give unions a set of indicators to monitor debt and understand the way debt is constructed by their governments.

An Introduction was given by Mark Perera, Senior Networking and Advocacy Officer of Eurodad. Eurodad is working on debt, PPPs, and related issues and how they affect developing and other countries. Mark referred to the global causes, the impact on workers and public services, the changes we need to the global economy, and what a debt work-out mechanism for trade unions and others could look like. Petra Čičić – of the Slovenian EnaBanda Project presented the impact a serious debt crisis had on Slovenia. It led to the typical measures to save money to pay off the creditors.

And while the ratio of public debt to GDP has decreased in most countries in the region due to economic growth, with a slowing down of economic growth reported in several of the regions trading partners, this ratio might worsen again. Taking steps to build support for transparent and inclusive debt work-out mechanisms will assist to prevent one-sided policies was one of the conclusions of the seminar.

The Minister of Social Affairs Zoran Djordjevic attended the constituency meeting and spoke about the social situation facing the unions in Serbia. He committed to develop the social dialogue and to strengthen bargaining. Discussion took place with the leader of Nezavisnost, one of the confederations in Serbia. Tatjana Prijic, presented the work of the Serbian Commissioner for the Protection of Equality.

Unions updated each other regarding the developments in the countries related to collective bargaining, public services and the political situation. The unions sent a solidarity greeting to the Croatian health care unions. They organised a “5 minutes to 12” protest 4 September. These unions are demanding that the government respects its commitment to increase pay and improve conditions for workers in the health sector. The government threatened workers with sanctions to intimidate in the case of taking industrial action. Workers were not discouraged and used their breaks to make their voices heard. EPSU stands with the workers

The unions said farewell to Josef Krejbych, the long-serving regional secretary for the constituency of Central Europe. Josef has retired.

The meeting took place in Belgrade, 4-5 September 2019. Countries of the constituency are Bosnia-Herzegovina, Croatia, Czechia, Hungary, Kosovo, North Macedonia, Montenegro, Serbia, Slovakia, Slovenia.

More information

[For more information](#) on the action of the Croatian unions and [here](#) and for [the EPSU message of solidarity](#).

The written countries presentations [are available](#). You can also find presentations on public debt and the PSI resource materials there.

For [the group with which PSI cooperates](#) other materials have been developed by [Eurodad](#). The [UK group Jubileedebt](#) reports that debt servicing is crowding out public spending. Developing country debt payments grew by 85 per cent between 2010 and 2018, with evidence pointing to falling public expenditure in the countries most affected. Heavy public debt burdens are already directly impacting public service provision, eroding human rights, and putting development goals at risk. The next wave of debt crises is taking hold, and its human costs are already being felt by populations across the global south.

For the work of the Serbian Commissioner on Equality ([in EN](#)) and [in Serb](#)

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