



Resisting Financial Dictatorship - Reclaiming Democracy and Social Rights!

Political declaration & coordinated actions - JSC 2012

Where we come from

1. Last year, the JSC carried out its diagnosis of the crisis. It highlighted the systemic nature of it: financial, economic, social, ecological and political. This crisis shows the failure of a development model and of two decades of neo-liberalism. The JSC also denounced the neo-liberal character of the responses of Governments. European demonstrations (like the one of 29/09/2010) could not, until now, reverse the balance of powers. Subsequently, we want to continue reshaping this balance of powers by all means available, and in coalition with all social actors: trade unions, NGOs, social movements, academics, political representatives.

Our diagnosis today

2. Last year we experienced an acceleration of the crisis in Europe. European summits are multiplying, while they utterly fail to achieve their stated objectives, namely, to "restore confidence in financial markets" and solve the crisis in the Eurozone. A second banking crisis is looming in Europe; austerity policies jointly conducted in all countries are about to cause a comprehensive recession, and, in Greece and other countries, even a depression. Public debt, unemployment, poverty and inequalities are increasing at an alarming rate.

3. The lesson learned by European leaders is not that austerity policies are socially destructive and economically suicidal, but that austerity policies do not go far enough. Over the past year, European leaders have been working on a project of "economic governance", showing an unprecedented institutional activism. Adding successive layers, European leaders plan to make austerity stronger and more irrevocable. After the discrete adoption of the "Six Pack", introducing the reversed majority vote, the "Golden Rule" fiscal principle, part of the "Two Pack", is being adopted in the greatest silence. Two hazardous treaties, related to one another, are being ratified (the Treaty on the European Stability Mechanism and the Fiscal Pact). This hardens the fiscal rules and procedures adopted or to be adopted, and makes them even more stringent. According to Mrs Merkel, "the purpose of the Fiscal Pact is to insert a permanent debt brake in the national legislations. These brakes will have an eternal validity and binding." European Commission President J.M. Barroso speaks of a "silent revolution".

4. The acceleration of the European agenda reveals that the crisis is changing in nature. The European Commission and the Council use the shock of the "sovereign debt crisis" to redraw the European economy, following a radical monetarist and neo-liberal vision, promoted by the ECB. According to this vision, economic levers (monetary, fiscal, labour...) should be increasingly placed out of the reach of Parliaments and citizens, who are a priori judged incapable of making good choices. In contrast with the very idea of democracy, they

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want a government by the technocrats (ECB, Commission, IMF ...) and by blind and antisocial rules (Stability Pact, economic control, Golden Rule, ESM, ...). Through this type of economic governance, neo-liberals are about to see their dream come true: an economic policy anchored in the Constitutions, submitted to the logic of the markets and to the interests of the big stakeholders. In this framework, the European Court of Justice, which, in several rulings, has already conditioned the rights of people to “freedom for the economy”, is led to play a more important role, becoming the Supreme Judge of fiscal policies of Member States.

5. The changes observed here above result, in particular, from the fact that the economic power of transnational and multinational companies is closely linked to the financial and political power of European institutions and national Governments. They play a leading role in the destruction of social and labour rights (collective bargaining, trade union rights, working conditions, social protection, fight against poverty and social exclusion, inequalities), the declining of real wages and of the wage share in GDP (see the new control of Unit Salary Cost in the Economic Governance), and the increased precariousness of labour markets (recurrence of daily workers, explosion temporary workers, false self employed ...)

6. Austerity policies, destroying social and public services, hit particularly some groups of citizens, among others:

1. Women, who are employed in the most precarious jobs and support most of the “social reproduction's work”, that austerity policies massively transfer back from social services to the domestic sphere ;

2. Youth, who are suffering high levels of unemployment;

3. Migrants, who fear racism and repression, and are losing their human & workers' rights.

7. In our historical fight for democracy, we have been faced, for a number of years, with a concentration and a confiscation of power. The evolution of these last two years precipitates the shift to an oligarchy, including the nomination of technocrats from bank sector as heads of Government. We are in favor of the unity of the European people. But we observe that the EU project is dominated by a small number of national and European leaders, acting on behalf of a financial and economic elite. We denounce the organized corruption and the voluntary inertia of Governments vis-à-vis tax evaders and tax havens, and that Europe is bound to fail and fosters the resurgence xenophobic nationalisms and policies threatening our freedom.

What to do? Our alternatives

8. The JSC requires an end to austerity policies - conversely, the development model should rely on enhanced investment in social rights and public services - and a different approach to the debt issue. The adoption of austerity policies in times of great economic crisis is the worst political choice. It causes enormous social suffering, without responding to the economic problems that caused the crisis.

9. We believe that the very principle of debt repayment must be questioned. In any case, it cannot take precedence over state sovereignty, the well-being of people, and the preservation of the environment - as is currently the case in countries subject to the dictates of the Troika (ECB, Commission, IMF) and of the European Council. We call, in all European countries, for an audit of public debt under citizens' control, to assess the part of the debt which is illegitimate and whose burden and reimbursement should not fall on the shoulders of the citizens. In the most indebted European countries, we demand to first stop the hemorrhage of debt servicing, with the possible suspension of payments, or other solutions in the interest of the people.

10. The debt question poses in an acute way the issue of tax justice. We demand: a concerted European tax strategy in favor of the citizens, through increasing corporate taxes and the tax on higher income; a tax on wealth; a taxation of all financial transactions, to raise revenue and curb speculation; a coordinated fight against fraud, tax evasion and corruption.

11. Monetary policy should play an essential role in protecting the state vis-à-vis the blackmail of financial markets and rating agencies. The status and tasks of the ECB must be changed. Support to quality employment and investment (including for the ecological transition and for adequate social protection), the effective control of financial operators, protection against financial speculation must be essential missions of the ECB, alongside price stability. The ECB and the national central banks must be allowed to make loans to the States

under European democratic control¹. The independence of the ECB must be questioned. The ECB needs to channel its immediate action to quality jobs and public services.

12. Collective bargaining is a central element of democracy. For two decades, there has been a dismantling of the negotiation and collective action. The dogma of competitiveness pushes all countries to reduce social and labour rights, to limit the freedom of collective bargaining and action. It is no longer acceptable that multinationals use and abuse of employment blackmail to force workers to accept a reduction of their rights and deteriorating working conditions. We want an upside social harmonization in all European countries. Countries that accumulate trade surpluses through policies of social dumping must be called to order.

13. Historically, a part of Europe's prosperity has been based on the exploitation of the richness and labour of the rest of the world, especially countries from the South. The EU trade policies contribute to maintain this exploitation. It is possible to define an alternative mandate for the external trade policy. We will support the alliance constituted to meet this objective and we oppose the free trade agreements presently negotiated, which only favor big business, not the people in the South, nor the people in Europe.

14. We demand a new model of ecological, industrial, social and democratic development.

1. In the next decade, our economies and our societies will be forced to change and adapt to scarce oil, to phase out nuclear power and to prevent a climate catastrophe. We must take the opportunity of this crisis, not to put back in the saddle an outdated and noxious neoliberalism, but to radically rethink our economic structures and the way we live and are consuming.

2. Digital technologies, which are profoundly transforming our societies, allow the design of a new industrial model, which may be based no longer on competition and mass-consumption, but rather on an economy of shared contribution between actors.

3. A new social model must necessarily be based on the priority of satisfying social needs, with the development of high quality social protection and public services (child- and other care, health, housing, education, etc)

4. We want to start thinking about democratic alternatives across Europe, requirements made in the movements and struggles that are developing today. We want to oppose this democratic renewal to the Treaty on the "fiscal pact", and the enormous power of corporations and their lobbyists on EU institutions. This new democratic model must, of course, underline the equality between women and men.

Campaigns and actions to develop

15. With the current crisis, neo-liberalism has suffered an economic and theoretical defeat. This has not been translated, until now, into a political defeat. Neither the crisis, nor massive demonstrations in the countries most affected by the crisis have yet brought to power Governments prepared to reverse these policies; this is why we urgently need transnational convergence of the struggles.

16. We only will be able to challenge this new "pensée unique" by demonstrating our ability to act. We have already said last year: "Faced with very well articulated political powers, our political and social action has too often suffered of separate approaches between the two levels of government (national and European). [...] A central point of our approach is that, from the start, we want a 'bi-level' approach for all issues, for both the analysis for reflection." So we go from words to action; the assembly of 2nd JSC decided to take part in the following actions, initiated by us or by other European social movements, and to call others to join.

¹ This is already possible, because the alinea 2 of article 123 of the TFEU allows public credit institutions to be refinanced by the ECB and the national central banks.

Priority actions and campaigns for 2012

Introductory note: The JSC proposes to the organizations the following actions and campaigns. Obviously, each organization is not asked to implement every idea proposed.

1. The severity of the current situation leads the JSC to call European forces to converge in their struggles. We need to **rebuild a new common European space**: the absence of a visible alternative and of a space for mobilization hinders mobilizations on a European scale. The **Alter Summit** is meant to play this role. Today, with several organizations and social movements, intellectuals, and representatives of the European left, we propose the first steps towards this Alter Summit in a process which is open to all forces who want to deeply change the EU.
2. We will actively engage in a series of **immediate actions** to advance our goals. We will be active:
 - ◄ on April 7th at the Euro-Mediterranean meeting of the campaigns on citizens' **audits of public debts**;
 - ◄ on May 5-6th in Brussels for the CEO-TNI meeting
 - ◄ on May 17th-19th in Frankfurt on the issue of the **ECB**;
 - ◄ at the Global Action Day on June 20, linked to the Rio+20 Peoples Summit, in order to build resistance **against green neo-liberalism**
 - ◄ **the Subversive Forum in Zagreb on May 13-19th**;
 - ◄ EPSU campaign (to be launched officially on April 24th) and actions on **water as a common good** (a paradigmatic one!)
 - ◄ Global Action Day on June 20th related to the People Summit at Rio+20, resisting "green"
 - ◄ Meeting in Athens in September
 - ◄ The project Firenze 10+10 in November
3. We will **develop or support transnational campaigns** on the following themes:
 - ◄ **citizens' audits of public debt**, with particular emphasis on the impact of debt for women;
 - ◄ mobilization campaigns **against the ratification of the "fiscal compact"** Treaty by the national parliaments, with referendums in the European countries where this is useful and possible;
 - ◄ campaign on the **distribution of wealth** (coordination of wages and European adequate minimum income);
 - ◄ transformation of the role of the **ECB**, allowing loans to European countries at very low rates and under democratic control, in order to develop employment and public services, meet social needs and begin the ecological transition; and pushing the ECB to buy back the debt on the secondary market, as far as it would not have been canceled;
 - ◄ Campaigns for **tax justice**, linked to a day of action programmed in 2013;
 - ◄ Campaign **against corruption** (also looking at the ways of "auditing" the corruption level);
 - ◄ Campaign against the Free Trade Agreements and for an **alternative trade mandate for the EU**;
 - ◄ Campaign in defense of public & universal **health services as a social right**.
4. We propose the implementation of **unitary citizens committees** in all European cities, bringing together activists, women and young movements, trade unionists, NGOs, "indignados" and political representatives, in order to resist to the attacks of the EU, and also build a mass solidarity movement with Greece and all populations in struggle against the austerity programs - not forgetting the Eastern and Central European countries, who were first hit by harsh austerity.
5. We will defend the right of collective action in Europe. Therefore, we will work on the **Posted Workers Directive**, presently under revision, and we will oppose the adoption of the **proposed regulation Monti II**, which constitutes a major attack against social rights and the right to strike:
 - ◄ through actions of sensitization of MEPs;
 - ◄ by considering the advisability of using legal means to counter Monti II and other attacks on our rights.
6. We will create a **communication tool** to prepare the Alter Summit, to circulate information on the campaigns that we conduct or support, to ring the alarm over the anti-social and anti-democratic attacks in our countries, including the destruction of collective bargaining.

On all these themes, a series of questions have been tackled in the workshops: there are important results and debates, demanding to be deepened. These will be collected in a complementary publication.