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I would like to congratulate EAPN for this conference and for speaking about alternatives.

As you might know, we had our Executive Committee meeting in March 2011. You can see the outcomes on our website. Our future strategy is based on four pillars:

1. We need to shield Governments and social security systems etc from the financial markets. We propose to do this through Eurobonds, to shield public finances from turmoil, but this is not enough. The European Central Bank needs to take a stand and give a signal to financial markets that it is there with even more massive financial power to counter them.

2. We need investments, we say austerity is not working, and we can only get deficits down by investing. We need to think up a European investment plan, mobilised by the EU and used to revamp the European economies. There needs to be a strong redistributive component.

3. Regarding precarious work, we totally disagree to the current trend of saying that countries in the South have lost so much because they are no longer competitive. What happened, in our view, is that Governments decided to crack down on wages and to promote inequalities. In Germany, core country of the monetary union, deflation got depressed, being very low at the moment, so the ECB reduced interest rates (2004/2005/2006). This means that interest rates were reduced for everybody, including countries like Greece, Portugal, Spain and Ireland. The low wage sector is the key problem for the monetary union.

4. We need to reform tax policies. If we start issuing European debt and we bet on investments, we need special corporate taxes, or wealth tax, or a financial transaction tax, so that you can collect money from the rich and the powerful and pay back the bonds.

These are, in a nutshell, the ETUC proposals.

Coming now, shortly, to the issue of alliances. The typical strategy is to say that if we convince public opinion of the validity of our proposals, then politicians will have to follow so they don't lose votes. This is the theory, unfortunately some politicians and some financial elites in Europe have found out ways to mobilise power against democratic decision-making. This was built through the Europeanization of the discussion - national policy-makers are in a situation where they tell people "Look, what

we need to do is not popular and will destroy jobs and increase poverty, but Europe is asking us to do this". This trick is being maximised in the *dossier* which is called "economic governance", up for voting next week in the European Parliament.

In a new process, where DG ECFIN will be able to condemn countries for excessive deficit in external accounts, and tell countries that they need to cut spending internally to balance that, otherwise the Commission will fine the country in question.

Another way to neutralise democratic power is through financial markets - look at countries like Portugal and Spain, Greece, Ireland. The democratically elected Governments say that they have no choice, there is no money left in the financial markets, so they are forced to cut job protection, deregulate bargaining system, cut wages in the public sector etc.

Finally, the ECB has the power to shield Governments and public finances from speculations on the financial market, and they are implementing a simple technique, saying that they are prepared to buy a small share of debt from countries like Spain or Italy, but in return, they demand cuts in jobs and wages, as well as the bargaining system.

To conclude, flexible jobs are a problem, and that is coupled with flexible wages. Right now, workers are still protected by minimum wage and collective bargaining, but the European Commission is coming down hard on that too.