

European Progressive Economists Network

Firenze 10+10, 9 November 2012

Press communiqué

*The **European Progressive Economists Network** has been launched at the Firenze 10+10 forum meeting promoted by the EuroMemo Group, Economistes Atterrés from France, Sbilanciamoci! from Italy, Another Road for Europe, bringing together a variety of groups of economists and think tanks including Econosphères from Belgium, Econouestra from Spain, the Transnational Institute, Critical Political Economy Network, Transform! and many other organisations. The **European Progressive Economists Network** has launched the document on policy alternatives for Europe below and will participate to the initiatives and events emerging from Firenze 10+10.*

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A Common Call for Another Economic Policy for Europe

The European Progressive Economists Network brings together groups of economists and other researchers, institutes and civil-society coalitions who are critical of the dominant economic and social policies that have brought Europe to the current crisis. We seek to promote a European wide debate on policy alternatives based on the following six points.

1. Austerity policies should be reversed and the drastic conditionality imposed on countries receiving EU emergency funds must be radically revised, starting with Greece. The dangerous constraints of the “fiscal compact” need be removed, so that countries can defend public expenditure, welfare and wages, while the EU assumes a greater role in stimulating demand, promoting full employment and taking a new course of sustainable and equitable progress. European policies should reduce current account imbalances by obliging surplus countries to also adjust.
2. Policies must favour a redistribution that reduces inequalities, and move towards fiscal harmonization, putting an end to tax competition, with a shift of the tax burden away from labour and towards profits and wealth. Policies must favour public services and social protection. Labour and collective bargaining have to be defended; labour rights are a key part of Europe’s democratic rights.
3. Facing Europe’s financial crisis – marked by the interaction between a banking crisis and the public debt crisis – the European Central Bank must act as a lender of last resort in the government bond markets. The public debt problem has to be solved with a common responsibility of the eurozone; debt should be assessed by a public audit.
4. A radical downsizing of the financial sector is needed, with a financial transaction tax, the elimination of speculative finance and the control of capital movements. The financial system must be brought under social control; it must be transformed so that it promotes socially and environmentally sustainable productive investment and employment.
5. A fundamental ecological transition provides a way out of Europe’s crisis. Europe must reduce its ecological footprint and its use of energy and natural resources. Its policies must enhance new ways of producing and consuming. A major investment programme promoting sustainability can provide high quality jobs, expanding capabilities in new innovative fields and enlarging possibilities for action at the local level, especially on public goods.

6. Democracy has to be expanded at all levels in Europe. The European Union has to be reformed and the concentration of power in the hands of few states and unaccountable institutions that has taken place during the crisis has to be reversed. The aim is to achieve greater citizens' participation, a major role for the European Parliament, and a much more significant democratic control over key decisions.

Facing a risk of collapse, Europe's policies need to change course. An alliance between civil society, trade unions, social movements and progressive political forces is needed to lead Europe out of the crisis created by neoliberalism and finance. The European Progressive Economists Network seeks to contribute to this change.