

**S**ince 2007, a global crisis is shaking the world's economy and the EU is at the center of it. Its economic policies are exacerbating the social, economic and ecological crisis, putting democracy at danger.

The European Central Bank (ECB) and the Euro are the symbols of these policies, which are handing the keys of the economy to private banks and financial markets under the pretext of a so-called public debt crisis.

At the same time, the Troika (the European Commission, the ECB and the IMF) and the governments of the EU are tearing apart social welfare and imposing destructive austerity measures, making people pay for debts for which they are not responsible.

The neoliberal model of European integration has worsened the gap between core and periphery countries and widened existing inequalities both in and outside of Europe by encouraging social, environmental and fiscal dumping.

EU governments have gone one step further in the denial of democracy, imposing technocratic processes on their peoples and Parliaments, sometimes even installing their own representatives (such as in Greece and Italy), to implement destruc-

tive debt reducing policies. The democratic functioning of the EU is further compromised by the creation of an informal directorate - the so-called 'Frankfurt group', consisting of Germany's chancellor, France's president, the head of ECT, the head of the Eurogroup, the head of the IMF and both EU presidents - which issues strategic policy decisions in the name of the urgency of the crisis. In this way, the already fragile legitimacy of the EU and its decision-making process is further undermined.

The European Attac Network is strongly opposed to the current form of European integration and to the Euro as it is currently functioning because they subordinate the interests and the needs of the people to the interests of financial markets.

The question whether to exit the Euro or to deepen the present form of European integration in no way addresses all core elements of the global crisis. The urgency now is to break free from domination by financial markets and promote a coordinated set of progressive economic, monetary, social and ecological policies. To this end, citizens and social movements have to struggle at national and European level to change the rules underlying the present economic and institutional system – and make another Europe possible!

**To free our societies from the domination of financial markets and to coordinate progressive economic, monetary, social and ecological policies, we must pursue the following seven principles:**

- **Remove public finances from financial markets:** allow democratic public financing, through a democratically controlled central bank lending directly to governments.
- **Escape from the debt trap:** end austerity policies and set up debt audits leading to debt cancellations. Banks and private financial actors need to take their share of losses.
- **Give state finances a sustainable basis:** increase the taxation of wealth and corporate profits and harmonize taxes at high levels to eradicate fiscal dumping. End tax evasion and implement a “financial embargo” of tax havens.
- **Disarm financial markets and put the banking sector under public control:** forbid harmful speculative mechanisms (e.g. high-frequency trading, naked short selling, speculation on derivatives, over-the-counter agreements), and impose a tax on all financial transactions at a rate of at least 0.1%; strictly regulate banks (e.g. separate retail from investment banks, dismantle “too big to fail” banks).
- **Allow public and democratic financing of the economy:** build up a public and cooperative banking sector under democratic control, to ensure the financing of social and economics needs, guarantee social rights and finance ecological transition. Trade policies should be revised to adhere to these objectives, in cooperation with developing countries.
- **Europe for the people, not for profits:** Promote economic and social policies on a European level, and reinstate and expand democratically controlled public services, to reduce imbalances, promote the ecological transition of economies, foster high quality employment, promote gender equality and expand basic social and economic rights (health, education, housing, mobility, food, access to water and energy, information, culture, social welfare etc.) and ensure that they are provided through a publicly owned-network of services.
- **Real democracy now:** Engage in a constituent process aimed at democratizing decision-making at all levels; elaborate democratically a new Treaty ratified by referendum in all countries, and support and promote a public, transparent and accountable debate about visions for Europe and about alternative EU policies.

# **The European Attac Network will be present in Firenze – November 8-11th 2012**

**To specifically promote some important points of their “Seven Principles” – see verso**

**How can we build a European process of mobilization at grassroots level?** A process where people engage at a local level to reflect on and discuss about the current policies and alternatives, in a Europe-wide coordinated way? This is necessary if we want to build a real European public space, and a real European social movement. This workshop will discuss concrete proposals, including projects of a European Court of crisis makers and of a Citizens Convention.

**Developing public credit sector** – The private banks systemic crisis is cause to economic disorders and pretext for implementing neoliberal policies. The bailouts have often been conducted in unacceptable ways and must be reconsidered. It is high time to develop a public credit sector, starting from the bailed-out banks where the states have important leverages. The developments at European level (Banking Union, etc) will also be analysed in search for concrete proposals.

**The states should be financed directly from the respective central banks** – Nowadays most European States are not allowed to be financed from their central banks, contrary to other countries. This enhanced the capacity of financial markets to blackmail states and to impose in some cases excessively high interest rates. The costs of these interests are in many countries the highest entry in their budget. States should be financed from their central banks or public banks (some provisions in the treaties offer possibilities in this respect).

**A Wealth Levy is necessary to redistribute wealth** and correct the constantly increasing disparity of income experienced capitalism. A wealth levy (one shot important tax on wealth) targeting the “1% richest” is aimed at doing just that. The important revenue could be used partly to reduce the states debts and partly to finance immediately social and ecological projects. Variations of such measures are known in History. This should go together with a fairer tax collection.



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