

Joint statement from PES and SPD General Secretaries on the economic crisis

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Joint Statement by SPD General Secretary Andrea Nahles and the General Secretary of the Party of European Socialists (PES) Philip Cordery

We call for European solidarity. Many people in Germany and Europe are deeply unsettled by the continued failure to stabilise the euro and support the debt-ridden EU Member States. They are worried about their economic future. Their concerns and their questions are fully justified. They are not an expression of any form of euro scepticism, but real questions about our common future that must be taken seriously by responsible politicians. Fair growth and jobs must be the centrepiece of European policies. Yet, the conservative majority of EU heads of state and government has completely failed to convey that the successful stabilisation of the euro - including the provision of help for the highly indebted countries - is in the economic interests of all Europeans, to secure growth and thus employment. The economic and currency union is one of the central pillars on which European unity rests not only economically, but also politically. Without this foundation, the European unification process in the 21st century will stagnate. Similarly, a stable common currency in the entire euro zone is essential for the reestablishment of prosperity throughout Europe.

The hesitant and inadequate attempts at crisis management demonstrated by this conservative and liberal majority has inflicted extensive damage on the European project and done great harm to the reputation of the European Union amongst its citizens and in the world. Their response has been too little, too late. They have failed to adopt the comprehensive, bold and fair measures that would have lifted us out of this situation. The various "rescue packages", the European Central Bank (ECB) buying large amounts of government bonds, the creation of the EFSF will mean nothing if they are not backed by strong political leadership. It is time the predominantly Conservative and Liberal EU heads of government took more effective action. This includes:

- The introduction of a **Financial Transaction Tax** to finance real and fair growth and a modernisation programme that will create growth prospects for countries facing economic hardship;
- An ambitious initiative for growth and job creation, relying on boosting the level of private and public investment in high-potential sectors, notably through the mobilisation of private savings;
- The regulation of the international financial markets, which has yet to be undertaken, the taking of action to prevent speculation against states;
- The setting up of a European credit rating agency;
- The establishment of a European economic government as the guarantor of a co-ordinated economic and financial policy within the EU

There is no doubt that all countries must take every measure to ensure that their national debt is kept under control and their budgets consolidated. There is also no doubt that any support measure will not be unconditional and that recipient countries will be required to adopt the necessary efforts. But debt consolidation and budgetary discipline can only be the one leg of a sustainable economic model, which must be matched by an equally strong plan for growth and jobs. It is also definitively the case that states which avail themselves of assistance granted as

part of the rescue operations will have to take strict and demonstrably effective measures to consolidate their budgets and reduce their national debt. This includes stricter control of their national budgets and the possibility of a direct exertion of influence by the European Union.

We need to solve once and for all the eurozone debt crisis, and this cannot be achieved without imposing democratic control over financial markets. Citizens must be back at the centre of our policies. We aim at re-empowering them when the right's only obsession is to put people one against another. We are the party of democracy. At a time when it is being endangered everywhere in Europe we vouch for democratic principles in all European countries, for guaranteeing citizens' control over their lives and over the policies implemented.

Social democrats in Europe represent the only alternative to the conservative destruction of our societies. Our alternative is economically sound, socially just and actively democratic.