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Onderwerp: Greek workers must not pay unfair and unacceptable price for the Greek rescue

GREEK WORKERS MUST NOT PAY AN UNFAIR AND UNACCEPTABLE PRICE FOR THE GREEK RESCUE

European Trade Union Confederation [ETUC]
Confédération européenne des syndicats [CES]

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Europe is about to mobilize 110 billion euros to help Greece to continue to meet its debt service payments. Such European support, ending the attack of the speculators and the financial locusts, is overdue and urgent. At the same time, this support comes at an unacceptable price for workers and their families: not less than 16% of GDP will be cut from public sector wages, jobs and expenditure, while (regressive) taxes will be hiked and all of this over a limited period of time of 4 years.

As a result, Greece will enter into a deflationary recession lasting several years. Unemployment will be pushed up well into the double digit numbers. Poverty, already hitting 20% of the Greek population, will jump further upwards. And four years from now, with nominal GDP having fallen considerably, Greece and its citizens will still be shouldering a mountain of debt of 140% of GDP. .

Meanwhile, the underlying message for European workers is also clear: Today's cuts in social expenditure and wages in Greece may well be tomorrow's cuts in Portugal and Spain and the cuts of the day after tomorrow in France, Germany, Belgium,…

The European Trade Union Confederation (ETUC) urges European policy makers to stop the speculators from destroying our social model and to break with this type of 'barbaric structural adjustment'. To do so, European policy makers need to:

- Enlarge and substantially increase the Commission's 'balance of payments' fund so that it is covering all European member states.
- Review the conditionalities attached to the Greek and other loans so that they are no longer abused to push through the model of deregulation, liberalisation and privatisation but respect instead the the principles of the European Social Aquis.
- Mobilize the central banks in Europe as a 'buyer of last resort' to fight against the speculators, in exactly the same way as they have taken hundreds of billions of low rated private debt from the banks' onto their own balance sheets.
- Suspend the use of rating agencies' sovereign debt ratings by monetary and financial policy and seriously look into the creation of a European rating agency.
- Set in motion a strengthened European Recovery Initiative, with European funds including a common bond investing in major infrastructure and network programs, in this way pulling countries like Greece out of the trap of recession and depression.

Says John Monks, general secretary of the ETUC: *"Greece and other economies in Europe* *should not be forced into a disastrous fiscal and social exit strategy. The exit from public stimulus measures can only succeed through an entry strategy into new investment and more but also better jobs".*

The ETUC exists to speak with a single voice, on behalf of the common interests of workers, at European level. Founded in 1973, it now represents 82 trade union organisations in 36 European countries, plus 12 industry-based federations.

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