

No to the undemocratic six-pack of prolonged austerity

The six legislative acts on 'economic governance' will make citizens pay for the excesses of banks and other corporations; they will most likely prolong the crisis, curtail social rights, and exert an additional blow to democracy. A new response to the crisis is needed.

On Wednesday 28th of September, the European Parliament will vote on the infamous and controversial 'six-pack', six legislative acts that are to be a cornerstone in a new model of 'economic governance' and in the EU response to the economic crisis.

We believe the policies of austerity that these proposals will strengthen and enforce, are a recipe for disaster. They will force crisis-ridden member states to stick to cuts in social expenditure, and to attack labour and social rights for many years to come. As in the thirties, cuts and attacks on wages will most likely lead to a prolonged recession.

These policies are often legitimized, not least by MEPs, by a claim that the crisis was caused by excessive public debt and lack of respect for the rules of the Economic and Monetary Union. This is misleading and incorrect. The crisis was brought about by in-built malfunctions in common currency and by excesses of banks and other financial corporations.

The proposals will enable EU-institutions to make decisions on member states budgets, economic policy priorities as well as labour and social rights with little democratic debate, no accountability, and via procedures immune to public pressure. Not least, they will give an unelected bureaucratic body – the Commission – ample powers to control the use of the new measures and to impose substantial fines on member states.

In an eager attempt to enforce a particular economic policy, the EU institutions are even in violation of EU law. The procedure to impose financial sanctions is in breach of the Treaty, as renowned legal experts have pointed out. Sanctions for budgetary and economic policies not in line with the neoliberal paradigm are between 0.1 and 0.6% of GDP. Applying the current situation with most member states already in the excessive deficit procedure, this would mean that Euro zone member states would have to pay billions of Euros annually in fines to the European Commission.

This approach is not only undemocratic and against European law, it's a clear sign that in the coming years, member states, as a consequence of the acts of the present governments, will be pushed to implement neoliberal reforms of cutting public expenditure and social benefits, down sizing the public sector, squeezing wages and further liberalizations the Commission supports so vehemently.

Not only are the proposals undemocratic, they were adopted in an undemocratic way. We strongly condemn the rush with which these policies were adopted, and the majority in the European Parliament has a special responsibility in that regard. Far reaching new policies and ground breaking legislation only has legitimacy if they have been publicly and widely debated.

The anti-popular policies inherent in the proposals, the undemocratic enforcement measures, and the lack of democratic debate, leave the new model of 'economic governance' with little legitimacy, if any.

We call on MEP's to reject the six proposals, and to join forces with social movements in our attempt to set Europe on a new course, a course of democracy, welfare and social rights.