

Europe: “Crisis of the century” and alternatives

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Preliminary Notes

Two Contributions to the crisis and the alternatives from a European Point-of-View¹

Our contributions are based on the assumption that in the midst of the present ‘crisis of the century’ a profound analysis of the crisis – based on which alternative ideas have to be deducted – must examine on the one hand the realities in the sphere of circulation of goods and capital and the changes in the processes of capital accumulation and reproduction and on the other hand the interdependency of these levels. Therefore it is necessary to have a discussion between the approaches critical to globalisation and the Marxist-inspired ones which could turn out to be productive in so far as to create a basis for joint mobilisation (for example, in the form of fronts, alliances etc.) of “milieux populaires” and middle classes or of movements, networks, trade unions and left forces. A political theory of social change in the 21st century must be developed from the starting-point of social contradictions in the context of the global crisis, something that is no longer possible without linking the national, European and international levels. Our contribution is – and that has to be noted critically – informed by our knowledge of the European conditions and perspective accordingly.

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¹ In the past months, Transform! organized several workshops on the crisis . Powerpoint presentations were developed by Joachim Bischoff, Richard Detje, Elisabeth Gauthier, Jörg Huffschmid, The dossier of the magazine Transform! (edited in 6 languages) 03-2008 deals with the European Social Model (present and perspectives). The dossier of the magazine 04-2009 highlights the crisis, political consequences, alternatives and forms of resistance in different European countries. All these papers are available on <http://www.transform-network.net/en/home/journal-transformeurope.html> in English, and also published in several other languages. During the second half of 2009, workshops and conferences will continue to focus on the analysis of the economic, social, political and ideological confrontations in the context of the global crisis.

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Closing down the Casino – Renewing Social Production

In the 1970s the **era of socially regulated capitalism came to an end**. This system which was modified according to national and historical peculiarities manifested itself in a renewal of social rights and the establishment of social property (social security systems with claims) without it being accompanied by a reversal of capitalist accumulation dynamics and the terms of distribution. Since the middle of the 1970s a neo-liberal conception of social policy has gradually become acceptable to a majority.

In the recent decades an **economic and social constellation** asserted itself. Its major aspects consisted of an expansion of the financial sector, a systematic privatisation (of public sectors), a deregulation (as opposed to regulation characteristic of the social welfare state) as well as the liberalisation of capital transfers and trade relations on a global scale and the increased flexibility / precariousness of wage labour relations as a new principle of domination. The negotiating power of the wage earners and their trade unions was drastically weakened. Women, migrants and younger generations have been destabilised to an ever greater extent by the progressive developments towards precariousness with deep-going consequences on the living conditions of families and children, on people's relations to work and on public life. The distribution relations shifted towards the upper household incomes and incomes from property. On the grounds of a new quality of social exclusion the conflicts rooted in social antagonisms have reached a climax. New potentials in the information and communication sectors open up possibilities of emancipation, the extent of which remain limited within the framework of the existing conditions.

At the same time the significant changes within the major capitalist countries were accompanied by a growing **lop-sidedness in the global economy**. Japan, Germany, some other European countries and China have particularly profited from exports in recent years. This state of asymmetry was maintained by means of a steadily increasing excess of imports on the side of the USA connected with attractive possibilities of investment for the capital reaped from the surpluses in the financial sector. International organisations such as the WTO, the IMF and the WB became instruments for the implementation of capitalism driven by the financial market all over the world. Large-scale strategies of expropriation affected peasants, rural and urban populations, public sectors and goods and had highly negative effects on societies and the environment. Both in the South and in the North inequality has been increasing. Strategies belonging to the spheres of financial markets and shareholders determined the ratios of food, resource and energy markets ever more. The generalisation of the principle of competition between peoples, territories, wage earners, institutions of education and research etc. became the principle of organisation, one that is clearly visible in the nature of European integration. The multiplication of conflicts between territories and states, the instrumentalisation of ethnic and cultural differences, the emergence of new forms of conflicts and wars must be regarded in the context of these developments and the culmination of new contradictions.

National and international politics furthered privatisation, deregulation, liberalisation and precarisation at the same time relying on these processes with the aim of **reforming present-day capitalism along neo-liberal principles**. Neo-liberalism is the ideology of unbound capitalism. It consists the ideological basis of capital accumulation driven by the needs of the financial markets and aimed at legitimising the supremacy of the owners, of the wealthy – both among the nations and the classes of the major capitalist countries.

² Text translated from German into English by Hilde Grammel

The “**crisis of the century**” of **finance driven accumulation from 2007 onwards** creates the **necessity and the possibility of a fundamental political change** under difficult conditions. Neo-liberalism has lost its social basis and its power to convince politically. Overnight the majority of the political class has turned from advocating a policy of deregulation, privatisation and flexibility to manifest state interventionism the content of which turns out to be extremely problematic and capital-friendly.

The lunacy of the system becomes obvious when banks, shareholders and funds first rob the citizens by enforcing exorbitant rates of return and in the end the state is forced to interfere to prevent the collapse of the entire system. Now the fragility of the system becomes visible, when the management of the companies, the investments, jobs, working conditions, the entire model of development are being subordinated to the highest possible rates of return thus undermining the foundation of any social development; when wage earners, companies, territories on national, European and international levels are subjected to competition and when everywhere a downward spiral is set in motion; when with the slogan “Let your money work for you!”, citizens are themselves de facto involved in the deregulation of crucial social security systems. In this way the solidarity-based pension system was undermined by promising the citizens a higher rate of return for their capital-funded pension claims. The development of “a capitalism driven by the requirements of the financial market” reveals itself in falling wages while at the same time facilitating an easier access to loans (for estates, cars, credit cards or university tuition fees), in the deregulation of social security systems and in a tax cutting policy favouring higher incomes and incomes from property.

A Break with the Dominant Logic – Transition towards another Economy

The alternative to the failing capital accumulation driven by the requirements of the financial markets which is destroying society can by no means restrict itself solely to the social control of the banking and financial system, but implies a far-reaching process of social reforms which break with the current logic in decisive matters. This text proceeds from the thesis that the transformation of the accumulation model generated the financial-market capitalism, and the conditions for the present crisis. Only a change of the real economy structures and its links with the financial sector can represent a way towards overcoming the crisis and preventing long-term stagnation. What is necessary is a global political change. The EU became a motor of neoliberal transformation process, but in the same time, similar logics dominated the national policies. Each and every transformative and socialist alternative must take regard of the national peculiarities and rely on the concrete progressive traditions. And in the same time, political change has to be achieved on European and national level.

In the first place, alternatives to the current crisis have to prevent a collapse of national banking systems, a race of inflation among the currency systems and a factual incapacity to act -as it would happen in the case of state bankruptcy. This short-term stabilisation of the finance and currency relations must be accompanied by far-reaching and permanent changes in both the loans and currency policies and in the real economy. While the strategies of the dominating forces aim at securing the system with extraordinary political measures of interference in the economy (cf. the conference in January 2009 in Paris with Merkel, Sarkozy and Blair on the topic “A New World, A New Capitalism”) and while the burdens of the crisis are loaded on the shoulders of the people and the wage earners, left forces have to orientate themselves towards fighting both the causes and the consequences of the crisis at the same time with the aim of bringing about the breakthrough of a different logic. The social and political means of dealing with the crisis are already decisive factors for the future conditions and power relations. If we succeed in implementing a social alternative, a new hegemony against the danger of a passive revolution with anti-democratic, authoritarian contents is a central question for the left forces.

More precisely, a structural policy should be introduced by means of a bundle of measures, which make the democratisation of the economy and changes in the

structures of distribution the lever for changing the social process of value added and for systematically changing social and economic structures; this would be a structural policy which averts the dangers of stagnation, depression and deflation and of the culmination of the environmental crisis and irreversible climate change from the highly developed capitalist societies.

At its core this **bundle of measures**³ is made up of the following components of a new quality of social regulation and control:

- the expansion of “meaningful” consumption, of public investments, structural changes and innovation in favour of high-quality humane social services (education, health, social care, culture)
- steps towards a new path of ecologically sustainable, future-oriented economic development – a turn in energy and traffic policies, the creation of efficient value added chains from the raw material to the recycling stages which preserve natural resources and spare the environment
- the expansion of public goods and services
- the reduction of working hours in different ways
- the development of economic democracy on both micro- and macro-economic levels

After the emergency plans for the financial sector have been put into effect and after the development of a constellation of full employment, it is necessary to interfere with the relations of distribution and **to organise the transition to another kind of economy** with the help of the measures mentioned above and by radical democratisation.

The expansion of the public sector – as a vector for another logic – requires a new quality of programming of the entire social economy: an immediate stop to the cuts in social welfare and wages; re-introduction of taxes on property and introduction of higher taxes on big estates, realistic assessment of value of real estate and fighting tax fraud. By means of the increased public incomes thus achieved, public investments – in the communal sector in particular – can be financed. By means of a programme of investment into the future the state provides investments and employment and thus creates additional wage earnings, so that social welfare transfers can be reduced, real earnings increased and measures of socio-ecological reorganisation intensified. Financing of public expenses and social insurance contributions have to be made possible by means of a radical and socially just tax reform.

Besides overcoming economic stagnation, far-reaching reforms have to push back the power of the major agents of finance-market driven capitalism and prevent the trends which have caused the crisis of a century from becoming effective again while at the same time a new social model of production has to be promoted. The slogan “We do not want to pay for the crisis” must be linked to the one of “We want the casino to be closed down” so that also the relations of production can be changed.

The Double Crisis of the EU

The EU is undergoing a double crisis. The neo-liberal content of European integration – combined with militarisation and transatlanticism – has made the EU a major protagonist of the neoliberal offensive while it is the cause of the Union’s fragility under present conditions. The fierce resistance of peoples in recent years had already led to a profound crisis of legitimacy which is heightening in the face of the slump of Neo-liberalism. The principle of free and unhampered competition which charges the crisis is at the centre of the Lisbon Treaty (not yet ratified in all its stages).

The very pillars of the European construction are being unhinged by the crisis. The **stability pact**, a major neo-liberal instrument of control, had to be suspended. The **Lisbon Strategy**

³ See appendix p 10

meets severe resistance, currently most vehemently in the areas of health, education, research and universities. The small size of the European budget does not provide a basis for energetic and concerted action. The political interventions such as recapitalisation and public shareholding in banks stand in stark contrast to the European policy heavily restricting public economic aid.

As a consequence of the global liberalisation of the financial markets **all major European banks** are involved in the disaster of the collapsing real estate and mortgage markets in the USA. Through providing liquidity and through the policy reduction of interest rates, **the European Central Bank (ECB)** has accompanied the international process of tackling the crisis, with its interest policy and its entire political orientation deserving severe criticism. Tensions within the common Euro-currency and between the different currencies within the EU are growing and the falling apart of the Euro-zone can no longer be considered a hypothesis that must be precluded altogether.

So far, **the protagonists on the national levels have developed uncoordinated activism in the face of the financial and economic crises.** A race has broken out for national guarantees for money from savings and for protective programmes for the banks. The 15 (now 16) states of the Euro-zone have a joint currency, a joint fiscal policy and the ECB, while at the same time the competences for financial policy but also the surveillance of the financial sector have remained on the national state level. The sequence of uncoordinated national responses has revealed this weakness. As long as the financial policy remains the competence of the member states, the expectation that they will commit themselves to alleviating measures amounting to billions of Euros via a common fund is unrealistic. At the same time the situation of the real estate, loan and bank sectors is highly different in all the member states to such an extent that only a concerted action and its implementation in the responsibility of the nations lead to a step further. The logic of the stability pact – no matter whether it is always followed – as well as the monetary-oriented – as opposed to it being oriented towards social and economic development – conception of the Euro appear as highly problematic in times of crisis. At the same time the Euro appears as a means against currency speculation. The interior tensions are escalating, so that neither a crisis of the European institutions and of the Euro can be excluded nor a fundamental change of the European conditions as a consequence of the crisis.

Recent economic prognoses sustain this pessimism: the recession will be severe in the Euro-zone in 2009. In the current crisis, in which a slide into depression cannot be excluded and where tensions are mounting within the EU, simultaneous and coordinated intervention would be required. However, all in all, the EU proves incapable of developing a coordinated and energetic anti-crisis-policy. The so-called “anti-crisis plans” of the governments are mostly calculate with a 1%-2% of the BNP instead of the required 4%-5%. Their aim is not to stimulate useful investments, the creation of jobs and employment and the development of the public sector; they have not been conceived as a social safeguard against the consequences of the crisis and as social boosting programmes; they are not modulated in relation to the rates of return made by corporations and banks; they are not used as means towards the democratisation of property- and power-relations and to the end of socio-economic structural change. On an international level Europe does not distinguish itself as the motor of fundamental re-orientation. The “New Entrants” in Eastern Europe will suffer consequently to the collapse of the demand in the EU. Hungary is already in a very critical situation.

In the past 30 years the **relations between labour and capital have worsened dramatically** within the entire EU. In the EU 15, the proportion of wages on the national income has decreased from an average of 67% in the first half of the 1970s to an average of 60% at present. Although in some countries the labour/capital-relation is 60/40, this proportion is the other way round in some of the new member states, which means that should there be any growth capital is the onw benefiting from it. While new budgetary means have to be raised in Eastern European countries for supportive measures, the colonization of

these regions by banks, markets and large corporations in the name of 'free and unlimited competition' has to be stopped.

The crisis in the EU and in the Euro-zone is accelerating. Most of European countries are already in a phase of recession. The real estate crisis in Ireland in particular, in Spain and to a lesser extent in France, the acute crisis in Hungary (with a collapse of the currency) and Iceland (state bankruptcy), a recession in most countries, in particular in Great Britain and the locomotive, Germany (with its model based on exports, colonization of the East, social dumping and dismantling of the Rhenish social welfare scheme) give us an idea of how deep the crisis will get. The consequences spread quickly in the industrial and service sectors, as does mass unemployment which hits societies already heavily afflicted by a general precariousness (in the EU 23, an average of 40% of jobs are precarious), privatisation and individualisation of social relations. The collapse of the large structuring industries draws many of the medium- and small-sized businesses deeper into the crisis. **Not only the questions of employment, of wages and social welfare payments but also those of housing, health care, education and old age pension are becoming crucial and urgent problems for major parts of the population. Deficits in social funds will be subject to harsh social and political confrontations.**

In the current crisis it is being questioned if the **regulations and institutions of the EU** and the monetary union can keep up with the rapid development of the financial industry. There is a clear "No!" to that. Not only on a national but also on a European level the relevant parameters of regulation have to be improved: provisions concerning equity capital, rating agencies but also financial quality certificates for new products must be introduced. Moreover, all protagonists on the finance market (banks, insurance companies, funds etc.) have to be subjected to control and supervision.

New International Financial Architecture

The most recent debate of a new international financial architecture has not gone beyond the outdated world monetary order. It effected a certain change in participating relations within the IMF and contributed to a simplification of the process of granting loans and obligations. At the beginning of the present cycle, the Fund is pricing itself out of the market, because the resource boom permitted the accumulation of reserves which in turn led to the regionalisation of monetary relations.

In the debates on intervention against the spread of the crisis and the restoration of trust in social reproduction, **central mechanisms of misdirection became obvious.** The critique is not to be limited to the operations of the central banks and the Monetary Fund but must include their intentions after preventing and overcoming crises as well as their conceptions of structural change. Having understood the misdirection of the development, the bases of contracts in banking have to be revised. This covers everything, from investment policy to the fiscal policy of the central bank (price policy) and must also include an amendment to the stock corporation act. On the other hand, the discrediting of "Basel II" has put up for negotiation the business fields and procedures of banks themselves. A reform of the International Monetary Fund, the World Bank, the Bank for International Co-Operation and of the World Trade Organisation cannot be brought about without a complete reorganisation of their very foundations and also not without the restriction of the shareholder-value-system and the power of the financial markets.

Challenge for the Left

The European Social Democracy has actively contributed to neoliberal change, has refrained from meeting the growing power of financial market protagonists with measures of resistance and alternatives. Crucial parts of the "milieux populaires" have turned away from

them and their policies advocating neo-liberalism and social-liberalism. The present crisis of Social Democracy which had even lead in the case of Italy to its complete disappearance. This crisis is the result of its collaboration in the neo-liberal project of restructuring society. The majority of Social Democratic governments in Europe in 1999/2000 has been replaced by a hegemony of the Right who have themselves moved further to the right in some countries or have entered coalitions with the populist and extreme Right. The Right profits from the shortfalls on the part of the political (Social Democratic and critical) Left. The recent elections have confirmed this trend. It is also to emphasize that different forces on the left of the Social Democracy have in several European countries made some progress as it is the case in Portugal, Greece, Germany, France.

But in recent decades, the forces left of Social Democracy did not succeed in stopping the neo-liberal offensive accompanying the formation of finance market capitalism and the dismantling of the European welfare-state model. The difficulties in finding alternative concepts and strategies of transformation in the face of contemporary capitalism and neo-liberal ideology have not been overcome in spite of interesting experiments at joining different forces and groups of the population. Active trade unions, social movements and the critical Left searching fundamental alternatives – all of them are striving for social and political mobilisation.

Currently ever more 'milieux populaires' and lower middle classes are beginning to feel the concrete **dramatic consequences of the crisis** in their lives. In general, the EU is regarded as part of the cause of the crisis and by no means as a factor to overcome it. As could be seen in the referenda in France, the Netherlands and Ireland the link is established between the logic leading to social and democratic decline and the orientation of the EU.

Various social movements have developed in number and quality during the first months of this year (Greece, the Baltic countries, Belgium, Spain, Italy, Bulgaria, France, United Kingdom, Iceland, Germany ...). The far-reaching process of precarisation meets heightened levels of resistance in particular among the youth who – as “crunch generation” – are facing strongly hampered living conditions and perspectives. While ever higher dividends are cashed, the slogan, “We refuse to pay the bill!” finds growing approval. At the demonstrations taking place in France organised by all 8 trade union centres on the basis of a relatively militant platform, there were more than 2 million participants (in particular from the private sector) which many participants took to the streets for the first time. The people's sympathy even lay above the record value of 1995. The protests are directed against those responsible for the logic leading into the crisis and the dead end, against the continuing absence of a “social upswing” and the unbroken logic of social injustice. **At the same time, the lack of a policy change affects the movement and makes it difficult to carry out a wide unity in duration.**

The global crisis seems to enhance a **process of consciousness**, in which the convergences between sectors, demands and struggles become ever clearer as the confrontation with the dominant logic goes on. In Germany preparations for the mass demonstration on March 28 under the motto “Close down the Casino” have begun. And also these days a European or even global day of action was called against the G-20 summit. On April 4, the European demonstration Strasbourg-Kehl on the occasion of the NATO's 60th anniversary will follow. In both these mobilisations and also in the preparation of the climate conference in Copenhagen the demand for a radical political change within the EU shall be raised with strong emphasis.

The crisis of the century is shaping the current and presumably also the future years with its social, political and ideological consequences, while by de-legitimizing the hitherto existing hegemony, it presents a challenge to all components (movements, trade unions, political organisations, intellectuals ...) of the parties critical of capitalism. **What is at stake is the formation of a new historical bloc in resistance against capitalism driven by the needs of the financial markets**, the foundation of which must be promoted by all protagonists together, no matter what and how different their identities. In the face of the present degree

of European integration, these processes would have to be advanced not only on the nation state level but also on the supranational European level.

The first consequences of the crisis which are felt by ever more groups of the population are creating new conditions for the development of social, political and ideological struggles. The challenge consists in bringing together as many as possible in the common struggle – in preventing and overcoming the split among victims – in order to be able to confront the consequences of the crisis as well as its reasons and thus to reduce the effects as much as possible, to prevent an authoritarian way-out of the crisis and at the same time to create the conditions for new relations.

The contents and forms of present and future struggles will significantly determine the progress and outcome of the crisis as well as the social conditions following upon it. The un-social and un-democratic conditions are both causes and – in an intensified way – outcomes of the crisis. This means that in the present confrontation the logic created by capitalism and neo-liberalism has to be fought concretely yet also with radical perspectives and the perspective of a permanent and sustainable transformation.

Besides the necessary measures of intervention in order to push back the protagonists of the finance markets, social redistribution, revaluation of labour vs. capital, de-privatisation, democratisation of the economy, a strengthening of the public sector as counter-part to the logic of the finance capital, the sector of public housing, social security and solidarity and social-ecological transformation must be considered as levers of fighting the crisis and not as subordinated aims by all those forces advocating social change.

Central Axes for a political change

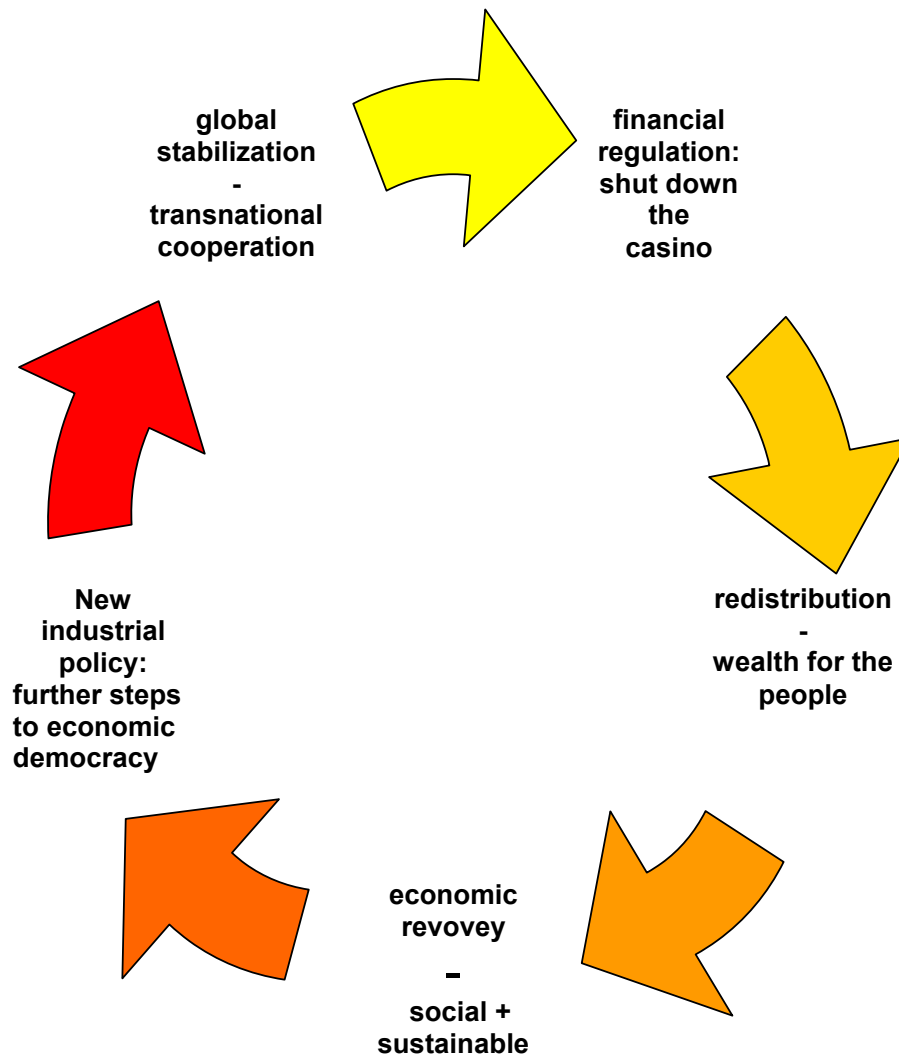
In the face of the global crisis what is at stake is a new model of social and ecological development. Ecology, energy, resources and food on a global level as well as the forms of international relations are not separate questions but linked up to one another. Positive way-outs of the different manifestations of the crisis render the struggle against the dominance of finance capitalism inevitable, which does not mean however to declare all other sites of social struggle minor ones. An analysis of the links and the common causes of the facets of the crisis can advance the bundling of different forces.

The crisis – as a consequence of accumulation due to financial market logics and social regression – cannot be fought and paid for by social cutbacks, increased regression of the public sector, loss of jobs and wage reductions. Its solution can also not be achieved by drawing plans towards an ecological reorientation. People's social security protection cannot be achieved by means of an economic war and protectionism but must be based on protection against the interests of the determining forces of finance market capitalism. Public means cannot be used for assisting the dominant logics. On the contrary, they must stop the spiral of crisis and undermine the dominant logic at the same time and contribute, that is, to subordinating the financial system to economic and social needs and to boosting the real economy in the public, not private sectors. The ecological crisis cannot be overcome by a "green capitalism". Energy and food crises cannot be solved by ever more and forceful restrictions on the less developed countries but only by means of a road in solidarity towards a new model of development. The function of the state cannot consist in supporting the capitalist model of accumulation, but must aim at using the public means for public interest, in favour of a new model of development and an improvement of the power relations in favour of the "milieux populaires" and the middle classes. The power which has in the entire EU on both national and European levels been transferred to the capital owners when it comes to controlling the financial means must be contested and replaced by new forms of economic democracy. The EU cannot continue to remain an advocate of generalising competition amongst wage-earners, populations and territories, but must subscribe to a

closing down of the casino and the promotion of a new, mutually supportive and ecological model of development. The dynamics of the left “No” in France, the Netherlands and Ireland have demonstrated that significant potentials exist for a radical and left reorientation within the EU, for a redefinition of the aims and the framework of the European construction, for a concrete change of policies. But fails so far to find a policy translation as demonstrated by the recent European elections.

The Lisbon Treaty must be rejected on the grounds that it is entirely incompatible with the content and forms of a social, mutually supportive, democratic, ecological, feminist and peaceful Europe. The criteria for new ways must be: public interest, equality and justice on a global level, the mobilisation of concrete means to realise social and democratic rights, social and ecological transformation, a new quality of democracy and development of economic democracy, solidarity on a global scale, democracy and a culture of peace in international relations.

APPENDIX

Five steps
For a change⁴**1. Financial regulation: shut down the casino**

1. Public ownership: not only as rescue action
 - bailout and spending public capital only with public ownership and control
 - strengthening of the public and non-profit banking sector
2. Regime change: control and regulation
 - full transparency on all banking transactions – ban of the shadow banking system
 - shrinking of investment banking (state of the art)
 - ban of uninhabited leveraging – higher capital requirement rate (8 to 20%)
 - controlled certification of financial products; public control of rating agencies
 - regulating hedge funds and private equity
3. Who pays for the crisis?
 - tax on higher financial assets
 - tax on cross border financial transactions
4. Closure – at least discrimination – of tax havens

⁴ Five steps for a change, Richard Detje, Saving Jobs. Conference Copenhagen 26-27/1/2009; powerpoint

Conclusion: determined steps to the end of finance driven capitalism

2. Redistribution: wealth for the people; prevent beggar my neighbour and deflationary wages

- higher wages and a new wage regime with enlarged minimum wages, decent jobs and reduced working hours
- higher progressive taxation on capital, assets and inheritance
- welfare reform: especially pensions and unemployment benefits
- no tax cut policy coordination of collective bargaining (instead of competitive moderation)
- European minimum wage – stop poverty on the labour market
- no dumping policy by European Court (and Commission)

3. Economic recovery on a social and sustainable basis

- Public investment programme: 2% of GDP at least Additional „European Investment Programme for Sustainable Development, Employment and Social Inclusion“: 1% of EU-GDP
- Increased credit lines of European Investment Bank and European Bank for Reconstruction and Development Common EU-fund (Euro-bonds) should help weaker members to deal with the crisis – revoking the Stability and Growth Pact (state of the art) Public investments in
 - education: child care, schools, universities, training, lifelong learning
 - infrastructure: public transport, roads, bridges, public places
 - environment: redevelopment in urban centres, housing, sustainable energy, sewage system

This means: more public regulation in the real economy – more inbuilt stabilizers

4. New industrial policy – steps to economic democracy

- In case of public surety, bailout and public capital for companies: full voting rights in the board of directors to safeguard employment Strengthen employees representation – enlarged rights for employees and trade unions in case of dismissals and relocation concerning Encourage long term investment - „marry investors to their assets“ (Keynes) – drive back shareholder value-management Labour policy on a high road: investing in „good work“ and skills Restructuring of branches, e.g. car industry
- Withholding of public means or tax sanctions at refusal of negotiations about wages and working conditions etc.

5. Global stabilization – transnational cooperation

- New Bretton Woods – end of the Dollar-Wall Street regime
„The dollar-based global reserve system is already fraying ... We need a global reserve system. Keynes called it his *Bancor*. This is an idea whose time may have finally come“ (Joseph Stiglitz)
- Central Banks: not focused on inflation alone but also paying attention to employment
- Commitment that no country be allowed to become insolvent
- International taxation rules
- Fair trade – stop trade liberalization (Doha Round) – a worldwide recovery plan