21. ENDING AUSTERITY POLITICS!

SJÖ Austria

The austerity policies of the European Union have failed. The ongoing crisis of the European economies is its verdict. Greece's unemployment rate has increased by 194,44 per cent in comparison to 2006, youth unemployment is at nearly 50 per cent. The numbers went in a similar direction for Spain and Portugal, but are facing a decline in the latter after the left wing coalition took power in November 2015, with unemployment plumetting and job creation rising. People have started to self organize health care, because medical care is not affordable and child mortality rates are skyrocketing. But still, austerity politics are prolonged by the European Union and the countries which benefit from the crisis like Germany. Instead of tackling the richest of the rich and tax their ever-increasing wealth, the retirement age is set to rise, pensions are reduced or stagnate and the welfare system is either reduced step by step or transformed to suit the interest of big capital. University fundings are cut, so tuition fees are on the rise. The public sector is being reduced, and public infrastructure privatized. In short, all across Europe austerity politics are attacking the achievements of the working class movements, trade unions and their social democratic, socialist and labour parties, quite often implemented or supported by parties of our own socialist and social democratic family.

Young European Socialists therefore demand:
First, **investment instead of austerity**! An immediate stop of the Troika programs, that have brought pain and misery to the European people and a reinstatement of worker's rights, especially collective bargaining and workplace security.
Second, a **redistribution of income and wealth** from the top to the bottom through wealth taxes and profit taxes, as well as a financial transaction tax.
Third, the **introduction of social security systems for the European Union**, that include health and unemployment insurances.
Fourth, an **end to privatizations** and the sellout of public goods and infrastructure.

In order to achieve the end of austerity politics, we need to tackle the crisis itself. As Young European Socialists, fighting for a fairer more equal society, we cannot accept limitations to policies that create more jobs, equal opportunities to all, regardless of any individual condition, and that allow for states to protect their citizens in the time where they need it the most. We believe that politics is above all the most noble instrument to improve people's lives, improving living conditions and eliminate the barriers that perpetuate inequality. Therefore, we urge the European Union to:
a. **Reform the Fiscal Stability Treaty** by reviewing the current limits imposed to member states in times of economic recession;
b. Allow for more flexibility in the need for compliance with the Treaty in order to implement countercyclical economic policies and a change in the counting of multi-year investments in a single year budget;
c. Ease on the sanctions in countries that go into default due to major international external factors, as was the case with the 2008 subprime crisis that severely affected the economic situation of almost all European countries.

We also propose a way towards the mutualisation of the European Unione debt, to project ourselves towards a common future rather than pressuring some European states with unequal measures of austerity that do not offer any future.
The crisis of the Eurozone is a crisis of the banking sector, a public debt crisis, a crisis of under-investment and a social crisis. As all of this is interlinked, we cannot hope to end this crisis by separating those issues. Even though counter cycle economic policy can be seen as a way to counteract crisis, as young socialists we acknowledge that this way of making policy is not the only solution. The main goal must be to enforce economic growth and end the vicious recessionary cycle.

Recognizing that a reform on the FST itself wouldn't be enough, we as YES propose an additional multifold plan that requires no change in treaties:

1.) We propose that banks in need of recapitalization from the ESM be turned over to the ESM directly – instead of having the national government borrow on the bank's behalf. Banks from Cyprus, Greece and Spain would likely fall under this proposal. The ESM, and not the national government, would then restructure, recapitalize and resolve the failing banks dedicating the bulk of its funding capacity to this purpose.

2.) The Maastricht Treaty permits each European member-state to issue sovereign debt up to 60% of GDP. Since the crisis of 2008, most Eurozone member-states have exceeded
this limit. We propose that the ECB offer member-states the opportunity of a **debt conversion** for their Maastricht Compliant Debt (MCD), while the national shares of the converted debt would continue to be serviced separately by each member-state.

3.) We propose that the European Union launches a **new investment program** to reverse the recession, strengthen European integration and restore private sector confidence. This program will be co-financed by bonds issued jointly by the European Investment Bank (EIB) and the European Investment Fund (EIF). d. We propose that the European Commission in accordance with national governments starts an immediate social solidarity program that guarantees access to nutrition and to basic energy needs for everyone living within the European Union.

4.) We propose that the European Commision in accordence with national governments starts an immediate **social solidarity programme**, that guarantee access to nutrition and to basic energy needs for all people living in Europe.

We propose to implement more transparency in the decision-making process. The meeting of Eurozone Finance Ministers should publish minutes, that way it can be made clear how an agreement/decision is reached. The decisions taken have a huge impact on the European citizens. It is no more than a basic demand that individual politicians can be held responsible for their decisions.