

Appeal of the European Network about the structural crisis

TOWARDS A REGULATED FINANCIAL SYSTEM AND SOCIAL EUROPE

The European Network Church on the Move cannot keep silent in front of a worldwide crisis which spares no country and hits first the poor and the impoverished countries, these last ones being furthermore subject of a very serious food crisis¹.

The simultaneousness of a financial, economic and social crisis, of a climatic and ecological crisis, of a crisis of the Catholic Church and of the patriarchal order, which is in question in these crisis, calls the European Network to wonder whether these are not three aspects of a global systemic crisis

It applauds the come back of the states, guarantors of the common good, and the commitments agreed by the Governments meeting in London on 2 April, 2009 as G20, for restoring growth and, on EU's insistence, for the regulation and surveillance of the world financial system. Nevertheless the G20 is an informal body whose members -rich countries and big emerging ones- total 85% of the world product and no international institution. Absent: 172 countries, i. e. 1/3 of the population, the most hardly hit by the crisis. The future will tell whether the twenty governments have given birth to a new financial order or restored the liberal globalisation. Currently the financial players do not intend to renounce to limitless speculation and profit and they should fail to make profit of the gaps in the regulation agreed²

It deplores that the social dimension is not taken into account in the actions initiated.

It supports the calls from official Catholic authorities -episcopates, the COMECE, the Pontifical Council Justice and Peace³ - and many NGOs to set up a new pact to the effect of refunding the world financial system but also to adjust it to the needs of the impoverished countries. It shares the affirmation⁴: « *The crisis is an evidence that the ethical dimension of economy and finance is not a secondary but an essential one* », and also that of theologian Hans Küng⁵ on the need for « *a global ethic for the world society and economy, on which all nations and all groups of economic interests may commit themselves* ». It nonetheless deplores that official Catholic authorities do not really call into question the current economic model of development based on greed but not on need and abstain to denounce phenomena of a « scoundrel/crook economy ».

The collapse of a financial system without ethic, above the law, legitimated by the neo-liberal ideology, become synonym of a speculation generating unlimited and immediate profit, has demonstrated falseness of the dogma of self-regulation of the market, professed for several decades by the leading economists and which most governments had endorsed.

The social Forums which had long ago analysed the drifts and dangers of the globalized **and** deregulated financial system, without catching the states' attention have a key part to play in monitoring the implementation of a new worldwide financial order and specially as regards strengthening the authority and promoting the democratisation of world financial institutions. A standing watch and an intensive action of civil society and social forces, first of all the alterglobal

¹ According to FAO, one billion of people are suffering from hunger

² .the banks still may titrise their claims, the practice at the origin of the subprimes crisis; the list of tax paradise is surprisingly short

³ Note du 21 novembre 2008 approuvée par la Secrétairerie d'Etat

⁴ Pontifical Council Justice and Peace

⁵ Publik-Forum, 24 octobre 2008

networks, are indispensable.

Injecting in urgency thousands of milliards of public money into the banks and financial institutions is certainly needed in order to avoid general bankrupt and start up again the engine of credit, vital for the real economy hit by a recession that has turned into a world depression expected to last long. Appropriate measures are needed to prevent the financial sphere to find itself unharmed indeed enriched after a humanitarian catastrophe they have the main responsibility of.

But the peoples feel revolting this pouring out of public money, whereas urgent social measures appear as secondary and derisive, in the face of the social crisis that is threatening all countries.

As we see that many governments historically opposed to any concerted regulation of the world financial system and markets now advocate it , we believe more than ever that a fairer and therefore more peaceful world is possible.

The European Network Church on the move calls on the Parliament, the Commission and the Council to bring the democratic impulse in order that the European Union:

- 1- sets-up a plan for revival coordinated between member states and with its partners;
- 2 - shows the way to a new economy serving children, women and men;
 - *by setting up the social policy as a Union's policy accompanied with means and guarantees for its implementation;
 - ***by setting up a social pact** making effective the social rights proclaimed notably in the Social Charter of the Council of Europe, the Charter of fundamental rights of the European Union, the UNO Pact on economical and social rights, the Conventions of the International Labor Organisation;
- 2- establishes a new transparent and binding financial order, serving economy and a sustainable development;
- 3- challenges the ideological primacy of the principle of competition, whose rules of implementation should cease to have constitutional status, as well as those on the contents of the various policies;

The next European parliamentary elections afford political parties an opportunity they must take, for mobilization towards these stakes.