

Newropeans and the global financial, economic and social crisis

Money of banks bail-out is about to miss its goal: Newropeans requires a European financial commitment which should benefit to all citizens!

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Newropeans is the one and only political movement in Europe having echoed since 2006 the anticipation of the current crisis.

As part of its « European socio-political warnings » and of its recommendation to the Members States and European institutions to face the crisis, Newropeans launches a new warning :

Money of banks bail-out is about to miss its goal: Newropeans requires a European financial commitment which should benefit to all citizens!

With huge amount of money Members States are attempting to fight the crisis and the recession which will inevitably occur. But all those bail-out, all those recovery plans are soiled with 3 fundamental errors:

1. Each state fiddles its bail-out plans on its own ground, with no European cooperation and most of all with no real willingness of a radical reform of the banking and financial system.
2. By those bail-out plans, Member States (apart from the United-Kingdom) have offered money and guarantees to the banks without any sufficient counterparts. As every loaner, as every shareholder, the governments were right to ask for guarantees and for some control over the banks commercial policy as a counterpart to their loans. Towards their tax-payers, states have the obligation to get enough influence within the banks in order to make sure that the errors at the root of this crisis don't happen anymore.
3. Bail-out plan focus too much on consumption stimulus. They are financed through more debts. Then, since the current crisis takes its origin in a historical credit bubble – that is excessive debts for companies, for states and householders – more debts cannot be a response to the crisis. Thus, every policy aiming to boost the economy must promote investment rather than consumption:
 - In infrastructures, in particular in trans-European infrastructures and trans-European public services ;
 - In Education and research ;
 - In Environment and renewable energies.

Those investments are no meant to finance infrastructures intending to be privatised. The financial crisis must put an end to the privatisation of the public services and networks, in particular when these services cannot be replaced by a real competitive market between several private sector agents. Newropeans will fight to set up another option to the privatisation aiming to ease the operation on the single market: we will bring the European parliament to adopt a status for the “European public services networks” allowing to efficiently combine public services and Europe.

We are currently seeing panic-stricken politicians trying to down the problem with a “tsunami of money”, having no idea of the valid solution and without regard for the money of the tax payers and of generations to come. We are facing the big risk that all this money will only be used to refund the people responsible for the crisis at the expense of all the other people and once the storm is weathered, they will start again to make huge amount of money with the same methods, knowing that if needed the States will save their stake.

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This legitimates Newropeans in proposing concrete reformations required to stabilize the financial markets and to avoid the repetition of the same crisis due to the same factors: Europe, by means of the European Union in its attributions or by means of a common action of its Member States, must adopt a regulatory framework for its banks, financial institutions and financial market, in order to avoid that such a crisis occurs again. This regulation must adopt the following principles:

1. Banks must serve the real economy and not lead it; banks must supply companies with money depending on their needs and must be paid according to the service they are offering. Companies do not have to provide profits on demand of the banks or financial markets.
2. Banks must not take part to the initiation or supplying of speculative bubbles; Even if huge amount of money can be earned during the inflation of the bubble, risks due to its burst and the overall damaging effects it has over the all society must forbid banks to be part of it. Thus banks shouldn't provide loans on speculative purposes and should not engage their equity in speculation.
3. Banks must stop all activities with tax haven.
4. Banks must work out their incentives (bonus) based on the long term performance of the business of their employees and leaders. The present losses must cancel the past bonus, which can turn out negative.
5. Securisation of loans (in order to sale it later on) and the purchase of such securities is forbidden.
6. Banks must scrupulously follow the Bâle II ratio between equity and liabilities. Every off-balance liabilities (in order to create a hiding leverage) are forbidden.

→ Newropeans refuses that the enforced measures just serve to save the people having brought Europe within this crisis by following the US patterns. We must now find out the methods and the tools allowing to the 500 millions of EU citizens to live through the hard coming years.

→ Newropeans requires that Public Money serves to ensure the future of all Europeans and not only the one of the financial elites.

→ Newropeans requires that Europe carries out from now on an in depth reformation of the structures and operations of the financial markets.

To govern is to predict. And to predict, is to act right now!

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