



EZA seminar “Strategies of Overcoming the Economic and Financial Crisis – What Scope of Action for the Social Partners?”

Munich, 13 – 15 March 2009

Problems must be solved in solidarity

The targets of the EZA seminar on the financial and economic crisis, which took place from 13 to 15 March 2009 in Munich and which was organised in cooperation with the Fritz-Pirkl-Institute of the European Centre for Workers' Questions in Bavaria and CSA, were to find proposals for solving the present financial and economic crisis and to work out recommendations for action for social partners and politics.

Alois Glück, retired president of the Bavarian Parliament and chairman of the CSU Policy Commission, sees the crisis also as a chance. In his welcoming speech he stated that a basic social debate was necessary to create again a connection between performance and solidarity and between freedom and responsibility. In this situation a strong and functionable Europe was more important than ever before.

Well-known speakers then analysed the present situation and the effects of the crisis on different levels.

Ivan Van de Cloot, chief economist of the Itinera Institute (Brussels), stressed that mismanagement was decisive for the present financial and economic crisis. Wanting to achieve profits in the shortest time without consideration of the stability of the system had brought about a collapse of the transaction-based capitalism. He demanded the creation of rating agencies which are independent of the banks, a limitation of the size of banks, and he proposed to make the bonuses of the managers no longer dependent on short-term successes, but to link them to the long-term health of the banks.

Fritz Schösser, chairman of the DGB district Bavaria, demanded a return to ethics and morals. Strategies for the restructuring of groups had in the past only served for maximizing profits, not for safeguarding jobs or for innovation. He expressed himself against unlimited profits with limited liability and demanded that the supervisory boards of big enterprises and banks must no longer be identical. In his opinion the big problem are different economic rules on the national, regional and global level.

Jean Paul Fabri from the office of the Prime Minister in Malta explained that acting locally was the top maxim for action by the state. The economy needed to be restructured to minimize dependency. One needed to invest in high-quality products and services to create jobs in these fields. One also needed to invest in education and the trust of the citizens in the state had to be won back.

Daniel Navas Vega from the ILO educational institute (Turin) also demanded a return to standards and values for strengthening the responsibility of enterprises and the regulatory function of the state; one should also not allow the control instances to be

fragmented. More importance should also be given to the creation of green jobs and to a sustainable climate policy.

Elmar Brok, MEP and member of the Committee for Foreign Affairs, the guest of honour, stressed that protectionism was no solution for the present crisis. One needed to agree on uniform rules and controls of the financial and insurance market on the European and international level. Europe had to deploy its economic power to contribute to solving the problems. Major investments in education were also needed for this in order to remain competitive in the long run.

Dr. Gabriele Stauner, MEP and chairperson of CSA, demanded a complete restructuring of the Lisbon strategy, which would have to be adapted to the new requirements: "The financial crisis has unmasked to European creed of unlimited competition as endangering prosperity and destroying jobs. A new definition of the "Lisbon strategy", away from the concept of understanding competition as the only regulative factor of the market, towards a clear orientation on the principles of the social market economy is therefore required." Europe also had to return to its importance as a community of values.



*Dr. Gabriele Stauner, MEP and President of the CSA,
as well as Raf Chanterie, President of EZA [from left to right]*

Rudolf Strohmeier, Head of Cabinet of EU commissioner Viviane Reding, demanded the creation of a European financial supervisory and regulatory authority. The Commission would make such a proposal at the end of May. Sanctions against misconduct in the financial field would also need to be introduced. The internal EU market could not be allowed to go bust as a consequence of the crisis, and protectionism was no solution. Measures by individual states would in fact also help other countries, e.g. the German scrap bonus. Europe was only strong when it was united, and the European value concepts would have to be applied together.



Rudolf Strohmeier, *Chef de cabinet of the EU-Commissioner Viviane Reding*, and
Raf Chanterie, *President of EZA* [from left to right]

In the discussions the participants of the seminar stressed that a return to the common European canon of values was important for solving the problems. If a common European policy was the solution for the financial and economic crisis, then the individual states had to accept this. The creation of a European regulatory authority was necessary so that equal conditions for all are created via the fiscal systems in order to reduce systemic risks in this way. An additional tax on speculations was also proposed. The involvement of the social partners in the discussion process was also seen as important for solving the crisis. The international press was criticized strongly because it had not fulfilled its control function and had not observed its obligation of information.

In country reports from the Czech Republic (Bedřich Vymětalík, KAP), Spain (António Munso Prat, CEEFT), Lithuania (Neringa Sarulyte, LDF) and France (Joseph Thouvenel, CFCI) we heard reports about the possibilities to act of the government and the social partners in the four countries, about the effects of the crisis on the labour market and for the workers and about sectors which were particularly affected..



*Roswitha Gottbehüt, Secretary-General of EZA and the country speakers: for Czech Republic **Bedřich Vymětalík**, KAP; for Spain **António Munso Prat**, CEEFT; for Lithuania **Neringa Sarulyte**, LDF and for France **Joseph Thouvenel**, CFCI [from left to right]*

At the centre of the study groups was the preparation of a common final declaration with recommendations for action for politics and the social partners.



*Reporters: **John Zammit**, AZAD; **Andrea Cornea**, CSDR; **António Moura Teixeira**, FIDESTRA; **Martin Schwarz**, EUCDW [from left to right]*

In a disputation between Egbert Biermann, member of the Executive Board of IG Bergbau, Chemie und Energie, Tomasz Rózniak, director of Fundacja Nowy Staw, Poland, and Gerrit Terpstra, member of the Parliament of the Netherlands, which was moderated by former EZA secretary-general Joachim Herudek, social-ethic

comments were made on the topic of the financial and economic crisis. At the centre of the deliberations was the Church's teaching on property, just wages and economic ethics. The participants demanded a change of the financial and economic system as it prevails today, a strengthening of the role of the social partners and a better harmonisation of the economic policy in Europe. Every single citizen had a major co-responsibility, e.g. regarding the topic of sustainability. Also discussed was the proposal of creating a world economic council which is for example being supported by the ILO, but rejected by other world organisations like the World Bank. Moreover the non-governmental organisations dealing with workers' questions would also need to be better involved in the social dialogue besides the trade unions.



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