

Background and principles of the European New Deal

What is the situation?

The Eurozone crisis is unfolding in the following four related areas:

1. euro crisis and public debt:

With the euro, there is a single "European" currency, but:

- no uniform tax policy,
- no uniform labour policy,
- and no uniform social policy,

instead, national economic policies compete against one another resulting in trade surpluses, wage and tax dumping etc.

2. banking crisis (financial bubbles)

3. investment crisis: economic stagnation (money is pumped into the market, but not invested into the real market)

4. social crisis, increasing **poverty and unemployment**

The rich get richer, but hardly any of the money "trickles down". Unemployment and involuntary underemployment, cutbacks in social benefits and falling real wages among other factors are the reasons for this.

All these crises are **systemic**, i.e. they cannot be solved within the existing structures.

The **consequences** are involuntary economic migration, increasing nationalism and protectionism. The European project is failing and the European Union is in an advanced stage of disintegration (**centrifugal forces**, i.e. increasing divergence instead of the planned convergence).

Europe must be democratised or it will disintegrate!

DiEM25 therefore proposes the following:

We therefore need a common transnational European project that offers a constructive, social and supportive alternative to neoliberal economic policies (i.e. forced, self-destructive austerity measures).

The **European New Deal of DiEM25** wants to be this project: a comprehensive economic and socio-political framework for the **stabilisation, sustainable development and democratisation of Europe**.

The joint solution to European problems through stabilising measures (such as investment, coordination of debt management, regulation of banks, measures against poverty and unemployment) will give national and regional parliaments greater room to manoeuvre and thus sovereignty.

The **European New Deal of DiEM25** therefore advances in **6 directions**: see reverse.

1. The **idle wealth** that accumulates in Europe must be transformed into **green, sustainable** and **innovative investments** (avoiding competitiveness between countries and strengthening productivity in green sectors everywhere).
[see Infosheet (5/9): *The Green Investment Program for Europe*]
2. Overcoming the euro crisis by **ending self-destructive austerity measures**.
[see Infosheet (8/9): *The Eurozone must be fixed before it destroys Europe*]
3. All Europeans should enjoy the **right to basic goods** (e.g.: food, housing, transport, energy), to **fairly paid labour** within their own communities, to **adequate social housing**, to a **high-quality health and education system** and to a **sustainable environment** in their home country.
[see Infosheet (6/9): *The Solidarity Program for Europe*]
4. **Sharing profits from capital and assets**: In the growing digital economy, goods are increasingly a product of our collective data but the profits continue to be privatised. In order to avoid stagnation and rising dissatisfaction, a technologically advancing Europe must introduce guidelines to distribute the dividends of digitisation among all its citizens.
[see Infosheet (7/9): *The Universal Basic Dividend*]
5. Instead of leaving **macroeconomic management** to non-elected technocrats, it must be **democratised** once again and placed under the control of sovereign peoples. This requires taming of the financial markets, re-politicising money creation, **regulating banks** and setting up a new public digital payments platform.
[see Infosheet (2/9): *Taming finance and re-politicising money creation*]
[see Infosheet (3/9): *The Public Digital Payments Platform*]
6. Pan-European coordination of monetary, fiscal and social policies

More info sheets on the topics:

- Taming finance and re-politicising money creation (2/9)
- The Public Digital Payments Platform (3/9)
- Balancing Cash-Flows in the Eurozone (4/9)
- The Green Investment Program for Europe (5/9)
- The Solidarity Program for Europe (6/9)
- The Universal Basic Dividend (7/9)
- The Eurozone must be fixed before it destroys Europe (8/9)
- Financing the European New Deal (9/9)