



Hannes Swoboda addresses Istanbul Finance Summit: 'We need a social pact and investment in the real economy'

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Today in Turkey, the President of the Socialists and Democrats in the European Parliament, Hannes Swoboda, called for a European social pact and for public and private investment in the real economy. The third **Istanbul Finance Summit**, taking place 24-25 September 2012, focuses on the current state and future direction of world finance.

Speaking at the summit, Hannes Swoboda said:

"The economic crisis, caused primarily by the financial markets, is unfortunately being defined by the neo-liberals and conservatives as a crisis of government spending – against all proof to the contrary.

"This is one reason why the solutions being proposed by these forces do not work, and even aggravate the disastrous economic and social situations we see in several European countries.

"Instead of Troikas for growth and jobs, we have Troikas for recession and unemployment. Austerity has given us recession, unemployment and rising debt instead of growth, employment and decreasing debt.

"We must redirect money from the financial markets to the real economy. Greater public and private investment is vital.

"We have to take the financial sector to a level where it serves the real economy and supports economic growth instead of diverting precious resources from it. This must be done through regulation and taxation.

"It is absolutely essential that we apply the right policies to curb tax avoidance and evasion once and for all.

"We need a financial transaction tax at last, so that the financial markets make at least a small contribution to fighting a crisis for which they share a great deal of responsibility.

Calling for a social pact for growth and investment, he concluded:

"We have a fiscal pact, a growth pact – though still weak – and now in the strongest terms we call for a social pact.

"I cannot accept the Commission's double standards on social welfare in Europe: on the one hand, the Commission's commitment to the European social model and on the other the support for the Troikas' neo-liberal recommendations which threaten to destroy it."

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