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EuroCOP position paper on the financial crisis

IMF and EU loan conditions create social unrest and pave the way for corruption and organised crime.

- Some governments facing important financial crises have had to ask the EU and the IMF for support. The IMF has reacted in its customary way demanding the usual loan conditions when lending money to countries in distress. These include government spending restraint, public sector cuts, minimum wage freezes and social deregulation.
- Police services in some Member States, are underfinanced already today. As evidenced by several Eurobarometers public trust in the police in these Member States is far below EU average. Cutting police budgets in further will have a devastating effect on the progress that has been achieved. Moreover it will diminish the ability of these Member States to assume their part of the responsibility for the fight against crime in the EU. Internal security in the EU is dependent of the weakest part of the chain.
- Citizens across the EU will have to bear the sustained burden of short-sighted austerity measures far beyond the current financial crisis through higher levels of crime and corruption. The EU needs to stand together to prevent this from happening.
- High levels of corruption and organised crime are an obstacle to investment and economic growth. Abstaining from deep cuts into police budgets as well as maintaining an efficient and capable public administration is a necessary precondition for Member States to be able to participate to the best possible extent in the economic recovery.
- EuroCOP is opposed against attempts to use the economic crisis to coerce workers and their unions into more flexibility, more competition, wage freezes, weakening of rights and other concessions on pensions, minimum wages and social protection.
- Police trade unions and staff organisations stand ready to assume their responsibility in dealing with the financial crisis. EuroCOP rejects one-sided policies such as the calls by the ECB and Euro zone Finance Ministers for wage moderation in the public sector.

A fair deal for police in the crisis.

- Governments should stop singling out police and other public sector workers. Several governments have singled out police and other public sector workers to pay a price for the crisis with proposals for wage freezes and even wage reduction, and cutting public service jobs. Such proposals are also part of the International Monetary Fund conditions for financial assistance.
- The draconian cuts in Irish, Latvian, Lithuanian and Hungarian public sector wages partly (to finance pensions) are unilaterally imposed on public sector workers and their unions. They are violating the EU model of social dialogue and free collective bargaining. They will also have a negative effect on the economic crisis by reducing demand in the economy.
- The arrangements to finance loans to Latvia are particularly interesting as they involve not only the Banks but also the European Commission and 7 governments (Czech Republic, Denmark, Estonia, Finland, Norway, Poland and Sweden) who all support the conditions imposed including the serious interference in the autonomy of the social partners.
- These policies need to be seriously questioned. Not only are they likely to throw a country deeper into recession, they will also significantly worsen its chances to benefit from an economic recovery in the future.
- EuroCOP strongly supports the ETUC's argument to ban the IMF's structural maladjustment programs from Europe. Instead, financial support to member states should be linked with European Social Model principles. EuroCOP strongly opposes the arbitrary system of benchmarking between EU countries that the IMF has introduced. This benchmarking system is based on an assumption that less public is better, thus stimulating a downward spiral of government spending in public services.