

TAKE ACTION! REGULATE GLOBAL FINANCE NOW!

It's time for citizens around Europe to raise their voices and demand for the fundamental causes of this crisis to be addressed! We need tough rules to stop the financiers' folly, and a new framework that better serves the public interest. **The financial crisis has turned into a massive social and economic crisis, with nearly 23 million unemployed in Europe. Today's crisis isn't just another economic downturn, it is a crisis of unregulated financial markets driven by neoliberal ideology that has sold out long-term investment, jobs, wages, the environment and the general well-being of the planet and its people for the benefit of a few.** Equality, social justice and solidarity should be considered our core global values. It's urgent that we increase the level of democracy, transparency and accountability of the institutions dealing with financial regulation and supervision. Our vision for the financial system we want is clear: we demand well-functioning and efficient financial markets that are capable of providing long-term, green, job-creating investments to achieve global development.

To sign the call to action: www.europeansforfinancialreform.org



Joseph Stiglitz, Nobel Prize in Economic Sciences:
"The financial markets need to be downsized but we want to expand the part of the financial system that provides venture capital. We want to downsize the gambling size."

OUR PLEDGES ARE:

1. FINANCIAL MARKETS CANNOT GOVERN US!

Establish democratic governance over financial markets.
Regulate all financial players; regulate bonuses!

2. OUT OF THE SHADOWS!

Transparency in the whole system, the touchstone of accountability.

3. WORKERS FIRST!

Protect workers and jobs from predatory practices.

4. MAKE TAX WORK!

Protect public finances, shut down tax havens.

5. STOP SPECULATION!

Sustainable finance for sustainable jobs, and a Financial Transaction Tax.

6. RESPONSIBLE BANKING FOR HOUSEHOLDS AND BUSINESSES!

Banks need to serve customers and support businesses

THE EFR COALITION:



solidar



JOIN THE CAMPAIGN!

More information at www.europeansforfinancialreform.org!

Global Progressive Forum – EFR Campaign
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www.europeansforfinancialreform.org



REGULATE GLOBAL FINANCE NOW!



**WE DEMAND:
CONTROL OVER EXECUTIVE & SHAREHOLDER BONUS AND REMUNERATION.**

A culture of massive bonuses has encouraged reckless risk taking and has had a pernicious economic effect, all while making social inequality worse. **Remuneration schemes must be regulated by law** to reflect and promote long-term economic, social and environmental performance and allow companies to allocate profits to the companies' productive and job-creating activities. **Remuneration of management and traders should be capped** in line with workers' pay and pensions and, in the case of financial services, linked to responsible sales and lending practices. **The cashing-in of bonuses and other performance-related schemes within five years should be prohibited.** And last but not least, **shareholders must be prevented from plundering the wealth of companies** during growth times through dividends and 'share buy-back' programmes, which leave companies with under-capitalised balance sheets during economic downturns.

THE 32.6 BILLION DOLLARS IN BONUSES RECEIVED IN 2008 BY THE MANAGERS OF THE 9 LARGEST US BANKS (WHICH HAVE ALL BEEN BAILED OUT), COULD COVER THE EDUCATIONAL NEEDS OF THE 68 POOREST COUNTRIES IN THE WORLD FOR 3 YEARS.



**WE DEMAND:
REGULATE SPECULATIVE FUNDS, SUCH AS HEDGE FUNDS AND PRIVATE EQUITY FUNDS. WE URGE YOU TO COME FORWARD WITH A COMPREHENSIVE, FAR-REACHING, EFFECTIVE REGULATION - NOW!**



Financial institutions making up the "shadow banking system" created a massive gambling den at the heart of the global financial casino. Hedge funds and private equity funds flourished in the shadows, far from the sunlight of regulation. **In the coming months, the European leaders will have to decide on the future of our financial system, and more specifically on the future of hedge funds and private equity.** In April 2009, the

European Commission proposed a piece of legislation to regulate hedge funds and private equity: the so-called "Alternative Investment Funds Managers" (AIFM) directive. European governments and Members of the European Parliament now have to decide whether to introduce effective regulation of speculative funds or not.



**WE DEMAND:
CREATE A FINANCIAL TRANSACTION TAX.**

In response to the current crisis, governments around the world have been stabilizing and protecting their economies and jobs with taxpayers' money. Many citizens ask themselves: Who's going to pay the bill for this? Are taxpayers the only ones to pay, or will financial markets and investment bankers be held accountable to pay parts of the burden? **Taxing the financial sector would enhance fairness.** Moreover, this will increase government revenue, which is badly needed to support the transition towards more inclusive, fairer and cleaner societies. **While dumping purely speculative, socially useless activities, a financial transaction tax would promote the sustainable, long-term investments that are needed to green our economies.** And last but not least, a global financial transaction tax of 0.05% could yield revenue of about 1% of nominal world GDP per year. This would provide funding for long-term public investments, to finance global development and climate change. **Only through such policies can solidarity at a global level be enhanced.**

A GLOBAL FINANCIAL TRANSACTION TAX OF 0.05% COULD YIELD REVENUE OF MORE THAN 1% OF NOMINAL WORLD GDP PER YEAR. IN EUROPE ALONE, WITH AN ADDITIONAL FISCAL STIMULUS OF 1%, YOU COULD CREATE 2 TO 3 MILLION JOBS. WE ARE TECHNICALLY ABLE TO DO IT.



**WE DEMAND:
CLOSE DOWN TAX HAVENS.**



Citizens pay taxes. Companies - including financial institutions that have been bailed out by the taxpayer - employ the best accountants in town to use tax havens to avoid tax. One fund manager admitted he paid less tax than his cleaning lady! It's unfair and unacceptable. The existence of tax havens also encourages capital flight and tax evasion, especially in developing countries. The money lost to tax havens could help plug the hole in the public finances and create tens of thousands of jobs. **We want to bring tax havens, offshore financial centres (OFCs) and bank secrecy jurisdictions in line with international standards. Automatic exchange of information, a proper multilateral agreement and strong sanctions against non-compliant territories and users are key in seriously addressing this problem.**

TAX AUTHORITIES LOSE 250 BILLION DOLLARS PER YEAR IN TAX HAVENS: THAT IS EQUIVALENT TO FIVE TIMES WHAT IS NEEDED TO FINANCE THE MILLENNIUM DEVELOPMENT GOALS TO ERADICATE POVERTY.



**WE DEMAND:
PROTECT CONSUMERS AGAINST TOXIC FINANCIAL PRODUCTS AND PREDATORY LENDING.**



The crisis has shown that toxic financial products can spread an economic virus with devastating economic and social consequences. Citizens need to be protected from high risk financial products and misguiding credit lending practices in the same way that they are protected against risky drugs and a financial consumer protection agency needs to be established. Bank employees should be able to give good advice to consumers.



**WE DEMAND:
DEMOCRATIZE FINANCE.**

We can no longer let central bankers and lobbyists from the industry decide alone on regulations and accounting standards. Social partners and civil society organisations need to have a far stronger say in the decision-making process! At the European level, trade unions and civil society organisations must have a seat on the European Systemic Risk Board, as well as on the European supervisory bodies. International institutions such as the Financial Stability Board (FSB) or the IMF should give civil society organisations and trade unions a consultative status. The FSB and the IMF should publish their draft reports on their website for public input.

SIGN UP NOW!

www.europeansforfinancialreform.org