PRESS RELEASE

TSCF

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TSCF proposes new growth strategy to tackle debt problem

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Governments of the US, EU and Japan confront a huge funding problem due to the transfer of private debt to public debt in the aftermath of the so-called financial crisis of 2007-2009. The strategies adopted so far are not convincing and drive to a worsening of the economic and social situation, as can be stated in Greece.

TSCF opposes the accountant vision developed by the IMF, and recommends the adoption of new policies blending growth stimulation with austerity measures:

- More imagination should be shown in the budget cut policy. Massive government asset sales should be organized, be these assets industrial, financial, real estate properties or works of art,

- The concept of public finances should be clarified by distinguishing the government budget on one side and the social welfare expenses on the other side. Social welfare is associated with solidarity not with government, and should be left to mutual assistance organizations and private insurance. The social and mutual economy should be boosted.

- The ratings of indebted and insolvent governments such as the US and French ones should be downgraded as soon as possible so as to protect investment and force governments to reform,

- Growth should be boosted the way Argentina did in 2001 by redirecting the available funding to supporting those in need, and therefore boosting consumption and employment,

- Currency parities should be re-adjusted by un-pegging the economies artificially linked within institutional sets such as the eurozone,

- The tax system should be simplified drastically through the adoption of the flat rate tax system on all revenues,

- Civil society should be boosted by opening public funding by law to the civil society organizations pursuing the common good.