



**PARTIDO COMUNISTA DE ESPAÑA**

**Partido Comunista de España**  
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## A reconstruction plan for Europe is urgently needed

The EU must face structural changes in the production model and in defence of the public sector.

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The Eurogroup agreements are disappointing: a set of measures that do not respond to the urgency of the moment, to the severe crisis caused by the pandemic. It is therefore necessary to adopt ambitious measures that help the most affected countries face the health emergency and the economic crisis that has already flared up.

The European Union cannot disregard that, in addition to many more resources to contain the pandemic, we need a proper reconstruction plan for Europe that does not abandon to their fate the millions of European citizens who are suffering the consequences of the economic standstill and its resulting downturn –among which we find self-employed workers and small businesses that need emergency aid to avoid permanent closure.

The European Union approves a set of measures that will make half a trillion euros available to governments and companies, without requiring, for the moment, counterparts to be assumed by the most affected countries through economic restructuring programs or adjustments. Those, as it happened during the 2008 crisis, brought enormous sacrifices for the population; however, the door is still open for future adjustments.

The Netherlands and Germany apparently lowering their demands should not hide the fact that they intend to compel the countries that receive the credits and aid to bear the costs. The measures taken by the Eurogroup, although better than the failure from just a few days ago that meant abandoning to their fate the most affected countries (Spain



and Italy), are insufficient. A great European reconstruction plan is necessary, together with the issuing of Eurobonds that provide liquidity to the countries and do not imply a debt that suffocates their economies.

The increase in public debt and the deficit that each country will assume, especially in southern Europe, can be a heavy burden on their economies if the European Union does not adopt more ambitious measures and promotes a true reconstruction program, undertaken by the Union as a whole, that does not sink countries in difficulty. Furthermore, leaving the aid and credit distribution mechanisms in the hands of financial institutions and banks can further hinder the essential solidarity in the face of the greatest challenge that Europe has faced since 1945. That is the way to follow, not the refusal to any type of joint assumption of the debt. The European Union must work within a framework of solidarity and strengthening of the public sectors –the ones who will ultimately bear the costs to combat the pandemic. Accepting insufficient measures, such as those decided by the Eurogroup, brings to light the fact that the European Union can fail: harmonizing measures to promote trade and industry in northern Europe at the expense of the deindustrialization of the South and opting for the private benefit of large corporations and banks is the sure recipe for failure and break-up.

The European Union should promote public mechanisms, in the hands of governments, to deal with the crisis, using the European Central Bank to finance the states' debt, injecting interest-free resources and limiting the intervention of private banks –whose goal will be, as in the past, to gain immediate benefits even at the expense of the suffering of the population and the debt burden of many countries. We should not renounce increasing taxes on companies and large fortunes that must contribute –as workers, self-employed workers and small businesses do– to strengthening the resources of each country and each state in order to face this extremely severe crisis.

The European Central Bank, as the Bank of England and the US Federal Reserve have done, should approve an ambitious aid and reconstruction project. The Bank of England will finance the British government and the Federal Reserve has approved a plan of more than two trillion dollars, with the purchase of government debt, to face the situation. Fear of inflation, although real, cannot block essential measures to combat the pandemic and the economic crisis that comes with it. But, above all, the EU must face structural changes that lead to a Reconstruction Plan and envisage a change in the production model and the strengthening of the public sector.

However, although the decisions of the Eurogroup are insufficient to face the emergency, the Spanish left should not do the dirty work of the right-wing forces and create a scenario of political crisis. This would only aggravate the situation in a moment when the right wing's strategy is to harass the Sánchez government.

Due to the current situation, the PCE and the rest of the organizations of the European left must coordinate efforts to set in motion the reconstruction plan, without subjecting it to the enforcement of neoliberal austerity measures –which, in the past, made the



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working class pay a high price to leave crises behind. Our only strength lies in building a broad alliance of left-wing political forces in southern Europe –one that brings together a bloc of countries capable of joining forces to achieve a reconstruction at the service of the majority.

Now is the time to call for more ambition and more commitment from the European Union to support the countries that are suffering the most from the pandemic. Now is the time to further insist on new measures that protect workers, self-employed workers and small businesses, to implement a minimum income that allows the most vulnerable sectors to subsist, and to press for a European reconstruction plan that will necessarily be shared in a fair and equitable way. As the pandemic and the economic crisis intensify, it is time to strengthen the UP-PSOE coalition government to develop socially advanced measures in favor of those who are suffering the consequences of the crisis.

