

Brussels, 17 October 2022

[German translation](#); [French translation](#); [Polish Translation](#), [Greek Translation](#)

Dear EU leaders,

The soaring cost of food and energy is plunging families across Europe into a cost-of-living crisis triggered by Covid-19-induced supply chain disruptions and worsened by the Russian invasion of Ukraine. The European Commission has proposed solutions, such as caps on profits from energy production. These short-term solutions are needed but must be complemented with a longer-term approach.

As civil society organisations think tanks and trade unions, supported by academics from across the European Union, **we believe this approach must address the underlying structural problems of our economic system.** The economy is not delivering for most people in Europe, for younger generations and for our planet. Long-term solutions include rapid progress on the EU tax agenda, including a genuine reform of environmental taxes, as well as a deep reform of the EU's fiscal framework - to support redistributive policies and a just green transition.

To ensure equity and justice, the wealthiest should carry the heaviest burden. We are urging you to tax polluting activities. The tax system must be strengthened, with socially balanced and progressive taxes. The richest should contribute the most and an ambitious and strict minimum corporate tax rate should be established across the EU to ensure the economy works for all. Without an ambitious progressive and gender-just taxation agenda, inequalities will continue to deepen, and the economy will continue to disproportionately benefit the wealthiest.

The Stability and Growth Pact - the rules that regulate national budgets - must be amended through a democratic and open process. Reform of such importance must not happen behind closed doors and instead should follow a democratic and transparent process that includes a formal role for the European Parliament (ordinary legislative procedure).

With the European Commission soon to launch its proposals to reform the EU's economic governance, especially regarding fiscal rules, there is a unique opportunity to start a fresh chapter in European economic policy-making. This new chapter must ensure the EU's fiscal rules are consistent with agreed EU macro-economic, social, and environmental goals, and establish a new approach to member state fiscal policies. Therefore, we are calling upon you to ensure the following principles are at the core of the reform:

- **Build a future-proof economy with jobs for all** - Allow fiscal flexibility to target a fully employed economy with decent and well-paid clean jobs available to all.
- **Fill the green funding gap and make Europe energy independent from fossil fuels** - Targeted and scaled-up green public investment is needed to remain below the 1.5 Celsius goal of the Paris Climate Agreement. A reformed fiscal framework should ensure the alignment of Member States' public spending with the Paris Climate Agreement, as well as other environmental objectives including reducing resource use and zero pollution.
- **Reinvest in public services and social protection** - Social expenditure must guarantee universal access to quality basic public services, as well as a social safety net, so no one falls through the cracks and the care economy is central.
- **Target human, economic and environmental well-being** - Make durable well-being the primary objective of EU economic policy by establishing adequate indicators within the EU's fiscal policy framework and making sure the rules do not translate again into austerity. Economic growth as a primary objective does not work and governments should rather aim to achieve improved human, economic and environmental outcomes.

Given environmental breakdown is a prolonged and structural crisis, rather than a temporary one, preemptive spending and investment today is a must. It will also mean guaranteeing a good quality of life for all, better public services, and a more sustainable ecosystem for future generations.

The new European economic governance framework and ambitious common taxation rules need to be fit for the decades to come. If designed in the right way, they could reduce social inequalities, reinvigorate trust in the EU and democratic institutions, and help build bridges between the people of Europe.

With this review, we have an opportunity to design a fairer system built around a future-proof economy with jobs for all, solidarity and sustainability. we urge you to seize that opportunity without further delays.

Yours sincerely,

Trade Unions

Arbeiterkammer, Austria

Confederation of Christian Trade Unions (ACV-CSC), Belgium

European Trade Union Confederation, European level

European Trade Union Federation representing retired, pensioners and elderly people (Ferpa), European level

Finnish Confederation of Professionals (STTK), Finland
General Union of Workers (UGT), Spain
IndustriAll Europe, International level
Italian General Confederation of Labour (CGIL), Italy
Italian Labour Union (UIL), Italy
La Confédération française démocratique du travail (CFDT), France
The Austrian Trade Union Federation (ÖGB), Austria
The General Confederation of Liberal Trade Unions of Belgium (ACLVB-CGSLB), Belgium

Civil Society

Bond Beter Leefmilieu, Belgium
Bund für Umwelt und Naturschutz e.v., Germany
CATAPA, Belgium
CEEweb for Biodiversity, Hungary
Clean Air Action Group, Hungary
Climate Action Network Europe, European level
CNCD-11.11.11, Belgium
Czw Climaxi, Belgium
Degrowth Collective Toronto, Canada
Deutscher Naturschutzring, Germany
Electra Energy Cooperative, Greece
Eurodiaconia, European level
European Anti-Poverty Network, European level
European Environmental Bureau, European level
European Youth Forum, European level
Federation of Environmental Organisations in Cyprus (FEOC NGOs), Cyprus
Finance Watch, European level
FiscalFuture, Germany
France Nature Environment, France
Fridays for Future, Sweden
Friends of the Earth Europe, European level
Green Liberty, Latvia
Greenpeace, European level
Greentervention, European level
Lifelong Learning Platform, European level
Mange Ram Adhana, India
Mensa Civica, Spain
Naturefriends Greece, Greece
Naturfreunde Internationale, International level
Nyt Europa, Denmark

OBESSU - Organising Bureau of European School Student Union, Denmark
Oikos - Cooperação e Desenvolvimento, International level
OXYFIN, Belgium
Polish Zero Waste Association, Poland
Positive Money, United Kingdom
PowerSchift e.V., Germany
Public Association Republican Center "Gutta-Club", Czech Republic
Rural Area Development Programme (RADP), Nepal
SDG Watch Europe, European level
Social Platform, European level
Solidar, European level
SumOfUs, International level
TDM 2000 International, Italy
Umanotera, Czech Republic
Umweltdachverband, Austria
Urgenda Foundation, Netherlands
VšĮ "Žiedinė ekonomika", Lithuania
WEED - World Economy, Ecology and Development, Germany
Womens Empowerment Against Poverty of Nepal (WEAPoN), Nepal
WWF Latvia, Latvia
Young European Federalists (JEF Europe), European level
Youth Express Network, France
ZERO - Association for Sustainability of the Earth System, Portugal

Think Tanks

Association for Promotion Sustainable Development, India
Eco-union, Spain
European Economists for an Alternative Economic Policy in Europe, European level
Feasta, Ireland
Foundation for European Progressive Studies (FEPS), European level
Modern Money Network, United States
Nevin Economic Research Institute, Ireland
New Economics Foundation, United Kingdom
Nicos Poulantzas Institute, International level
Our New Economy, International level
Policy Research in Macroeconomics (PIME), United Kingdom
Sustainable Finance Lab and Erasmus University Rotterdam, International level
Transnational Institute, Netherlands
Trinità dei Monti, Italy
Veblen Institute for Economic Reforms, France

Vienna Institute for International Economic Studies, Austria

Academics

Abderrahim Taamouti, Liverpool University, United Kingdom

Alessio Moneta, Scuola Superiore Sant'Anna, Italy

Alexander Guschanski, University of Greenwich, United Kingdom

Andrew Jackson, University of Surrey, United Kingdom

Angela Pérez , Friedrich Alexander Universität , Germany

Apostolos Vetsikas, University of Thessaly, Greece

Bastiaan van Apeldoorn, Vrije Universiteit Amsterdam, Netherlands

Bert de Vries, Utrecht University, Netherlands

Christina Tipen, HWR Berlin, Germany

Constantin Gurdgiev, Monfort College of Business, University of Northern Colorado, USA

Daniele Tori, The Open University Business School, United Kingdom

David Bokhorst, European University Institute, Netherlands

David Cayla, University of Angers, France

Deepa Driver, University of Reading, United Kingdom

Dirk Ehnts, none, Germany

Eladio Febrero, Universidad de Castilla-La Mancha, Spain

Elke Weik, University of Southern Denmark, Denmark

Emanuele Citera, St. Lawrence University, USA

Ettore Gallo, The New School for Social Research, USA/Italy

Felix FitzRoy, University of St. Andrews, United Kingdom

Gary Dymski, University of Leeds, UK

Giorgos Kallis, ICTA-UAB, Spain

Giovanni Dosi, Sant'anna School of Advanced studies, Italy

Gracjan Bachurewicz, Gdansk University of Technology, Poland

Hans Schenk, Utrecht University, Netherlands

Isabelle Ferreras, FNRS/UCLouvain/Royal Academy of Belgium, Belgium

Jan Schulz-Gebhard, Plurale Ökonomik Bamberg, Germany

Jason Hickel, ICTA-UAB, Spain

Jayati Ghosh, University of Massachusetts Amherst, United States

Jens van 't Klooster, University of Amsterdam, Netherlands

Jeremy Leaman, Loughborough University, Emeritus Research Fellow, United Kingdom

Jim Jin, University of St Andrews, United Kingdom

Jo Michell, University of the West of England, US

Johannes Schmidt, Karlsruhe University of Applied Sciences, Germany

Jonas Van der Slycken, Ghent University, Belgium

Jonathan Perraton, Sheffield University, United Kingdom

Jorge Uxó, Universidad Complutense de Madrid, Spain

Joscha Wullweber, Witten/Herdecke University, Germany
José Antonio Pérez Montiel, University of the Balearic Islands, Spain
Josh Ryan-Collins, UCL Institute for Innovation and Public Purpose, UK
Klaas van Egmond, Utrecht University, Netherlands
Ladislau Dowbor, PUC-SP, Brazil
Laurence Scialom, université Paris Nanterre, France
Lea Steininger, Vienna University of Economics and Business, Austria
Lisa Herzog, University of Groningen, Netherlands
Louison Cahen-Fourot, Roskilde University, Denmark
Luisa Giuriato, Sapienza University of Rome, Italy
Malcolm Sawyer, University of Leeds, United Kingdom
Marc Lavoie, University Sorbonne Paris Nord, France
Marco Di Pietro, Sapienza University of Rome, Italy
Marcus Miller, University of Warwick, UK
Maria del Pilar Domec Espinoza, São Paulo State University (UNESP), Brazil
Maria Nikolaidi, University of Greenwich, United Kingdom
Marie-Annick BARTHE, Université de Paris Cité, France
Marija Bartl, University of Amsterdam, Netherlands
Mark Blyth Brown, University, USA
Mark Sanders, Maastricht University, Netherlands
Martina Metzger, Professor of Monetary Economics, Berlin School of Economics and Law /
Hochschule für Wirtschaft und Recht Berlin, Germany
Matthias Kranke, University of Kassel, Germany
Mattia Pettena, University of Genoa, Italy
Michael Edwards, University College London, UK
Michael Landzelius, University of Gothenburg, Sweden
Muhammad Ali Nasir, University of Leeds, United Kingdom
Neil Lancaster, De Montfort University, United Kingdom
Nick Fitzpatrick, NOVA Lisbon, Portugal
Nik de Boer, University of Amsterdam, Netherlands
Olga Mikheeva, University College London, United Kingdom
Ozlem Onaran, University of Greenwich, Institute of Political Economy, Governance, Finance
and Accountability, United Kingdom
Pasqualina Porretta, Sapienza, Italy
Peter Adamovsky, University of Economics in Bratislava, Slovakia
Philippe De Vreyer, Paris Sciences et Lettres - Université Paris-Dauphine, France
Rebecca Rutt, University of Copenhagen, Denmark
Rens van Tilburg, Sustainable Finance Lab Utrecht University, Netherlands
Richard J. White, Sheffield Hallam University, United Kingdom
Richard Murphy, Sheffield University Management School, United Kingdom
Rick van der Ploeg, University of Oxford, United Kingdom

Robert Calvert Jump, University of Greenwich UK
Roberto Grandinetti, University of Padova, Italy
Rogier Claessen, Utrecht University, Netherlands
Rosa Garcia-Hernández, UAB (Universitat Autònoma de Barcelona), Barcelona
Rosaria Rita Canale, University of Naples "Parthenope", Italy
Sergio Rossi, University of Fribourg, Switzerland
Simon Mohun, Queen Mary University of London, United Kingdom
Simon Schairer, University of Witten/Herdecke, Germany
Stefania Zanda, Sapienza, Italy
Stephanie Manea, SOAS University of London, United Kingdom
Stephen Keen, UCL, Netherlands
Steve Keen, University College London, United Kingdom
Sue Konzelmann, Birkbeck, University of London, United Kingdom
Susan Himmelweit, Open University, United Kingdom
Sylvain Zeghni, Université Gustave Eiffel, France
Thibault Laurentjoye, Aalborg University Business School, Denmark
Thomas E. Lambert, University of Louisville USA
Thomas Lagoarde-Segot, KEDGE BS and SDSN France, France
Tim Jackson University of Surrey, UK
Ulrich Demmer, LMU Munich University, Institute of Social Anthropology, Germany
Vincenzo Denicolò, University of Bologna, Italy
Vivien A. Schmidt, Boston University and Luiss Guido Carli University, USA and Italy
Yannis Dafermos, SOAS University of London, United Kingdom