

SWIM AGAINST CURRENT

Posted on 15/06/2010 by Naider



A few months ago, international organizations recommended generosity to countries in their stimulus policies to fight the crisis and get out of recession and almost certainly, the speed of the United States and, to a lesser extent, Europe to implement expansive fiscal and monetary policies are the cause of the crisis not having degenerated into a great depression like that of the 1930s.

Now, when the hole has not yet come out and the financial crisis is more present than ever, the tables have turned and the recommendations that come to us from all quarters are to tighten our belts and reduce public spending no matter what, with the promise that this will generate economic growth.

Well, know that I do not agree and that I am convinced that the restrictive policies, now that jobs have not yet begun to be generated, will further depress the economy and bring down our timid recovery. At least in Spain, the panorama that we have, if we add those of the public sector to the hardships that the private sector is going through, can be bleak. Cuts in public investment, lowering the salary of civil servants and pensioners, etc. they will immediately and automatically mean less growth and less employment. If not, ask the companies that are building the AVE, which will already be articulating their restructuring plans to face the more than likely drop in demand.

I have the feeling that in Europe we have become nervous right away and that our own political inertia, accustomed to fiscal consolidation policies, leads us to a crazy and increasing drama that we could relax simply by rethinking some rules that we have imposed on ourselves. I am referring to the totem of the 3% deficit over GDP of which I wonder if it really has any basic foundation or if it was chosen, as a reference for public accounts by chance, and 6, 8 or 10% could have been selected. The same could be said about the percentage of outstanding debt to which we have set the limit of 60% and no one is very clear why.

Europe, moreover, is showing without hesitation all its embarrassments that were already quite clear before, but that with the crisis have become evident. The scandal of the European action with respect to Greece that has been dizzying the partridge and feeding the speculation of the markets is an example that should make us think. Do you imagine that the Americans would do the same with Texas? It doesn't even cross my mind.

It is increasingly clear that the common monetary policy is of little use if we do not agree on a much more harmonized fiscal policy than the one we have and which, in my opinion, should be clearly expansive in order to decisively activate the exit from the crisis and quickly implement the important reforms that Europe needs: a determined boost to R&D&I, the fight against climate change, greater flexibility in labor markets, reforming financial markets and reinventing our entire welfare system. All this requires not less public investment, if not much more and directed with a large dose of audacity and imagination.

I do not want to be a doomsayer, but I am afraid that we Europeans are not capable of creating common institutions that guarantee fiscal co-responsibility and steps are taken to implement a much more advanced Fiscal Union framework, the Monetary Union of which We were so proud when we were growing up, its days are numbered.

In my opinion, the bridge towards this scenario should be consolidated through the creation of an institution that, with access to the resources of the European Central Bank, is in charge of refinancing the countries' debt through unconventional monetary policies (putting more money into circulation) as it has been done to save private banks from disaster. I don't think that at this time we have to worry about inflation which, in any case and given the circumstances, would be a lesser evil for Europe.

Does this mean that Spain does not urgently have to face important structural changes? Of course I do, but I'll leave this for another time.

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