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Zdanoka welcomes EU Commissioner's intervention

Press release by EFA MEP Tatjana Zdanoka

Latvian MEP **Tatjana Zdanoka** has welcomed an indication from EU Economic and Monetary Affairs Commissioner Joaquin Almunia that he will remind the Latvian government of its responsibilities to its citizens as it deals with the economic crisis.

The Commissioner was responding to an oral question tabled in the European Parliament this week by Tatjana Zdanoka, Jean Lambert, Alejandro Cercas, Marian Harlin and Liz Lynne on the social consequences of the economic crisis and the financial aid given to certain countries. These include Latvia which has been particularly badly hit by the financial crisis, with the government adopting deep cuts in public spending on social protection in order to satisfy conditions for an EU backed financial stimulus package.

Commissioner Almunia was also extremely critical of the Latvian government's lack of preparedness to face economic difficulties and noted how other EU countries had been far better prepared and not had to seek emergency loans.

Responding to Commissioner Almunia's comments, **Tatjana Zdanoka** said:

"The Commissioner made clear that he blames the Latvian government for getting the country into this economic mess. As he pointed out, other EU countries have been far better prepared to face the financial crisis and have not had to seek emergency loans from the EU or IMF.

"He indicated that he will remind the Latvian government of its responsibilities in dealing with the crisis and using the EU loan, but left the details of implementation to the member states concerned.

"I understand that there are limits to the Commission's responsibilities, but I would have liked a clearer assurance that Latvia will be reminded of its responsibilities in providing adequate social protection to its people. Maintaining adequate social protection should be a clear pre-condition of any future loans of this nature."

Speaking in the earlier debate, Ms Zdanoka explained the situation in Latvia:

"Latvia is a country severely hit by the financial crisis. Due to the irresponsible policy of right-wing governments Latvia risked going bankrupt without financial assistance from outside.

"We received assistance from the EU and IMF. However, the Latvian government had to cut budgetary spending as a precondition. And it did so - by reducing pensions by 10% and pensions of working pensioners by 70%, reducing family benefits and maternity benefits for working parents by 10%, as

well as reducing non-taxable personal income tax threshold.

"The approach - as you see - was egalitarian: whether one's pension was 100 euro or 1000 euro, 10% off. The Commission has welcomed those cuts done in such a scandalous manner - and signed the Memorandum of Understanding with Latvia. It was clear from the very beginning that such unselective cuts would hit the most vulnerable ones - on the eve of the European Anti-Poverty Year.

"Social rights are legally binding for the institutions of the European Union. It means that everything that the institutions do must be measured against social rights. In other words, the Commission is obliged to verify ex officio the social policy of the Member State in receipt of a Community loan and check it against taking into account the EU Social Protection and Social Inclusion Process. If the Commission signs a Memorandum of Understanding, not only economic or financial, but also social commitments of the Member State must be included."

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