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Poverty is not an unavoidable consequence of recession

A press release by PCTVL MEP Tatjana Zdanoka

Austerity measures taken by certain European states in response to the global financial downturn should not be allowed to increase poverty levels according to MEP **Tatjana Zdanoka** from Latvia. Ms Zdanoka was taking part in a debate at the European Parliament in Strasbourg on the EU's role in helping central and eastern European member states deal with the financial crisis.

Ms Zdanoka strongly criticised the Latvian government's response to the crisis which has seen pensions and benefits cut for the most vulnerable in order for the country to qualify for EU and IMF handouts. Zdanoka has also launched a written declaration in the European Parliament which reminds the European Commission and EU Member States of their responsibilities to protect people's social rights when combating the economic crisis.

Campaigners from Latvia handed out leaflets to MEPs in Strasbourg urging them to sign the declaration.

Latvia 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. This has led to 10% cuts in pensions, 70% cuts in pensions for working pensioners, 50% cuts in parental allowances for working parents, and cuts in the non-taxable minimum income.

Speaking during the debate, Tatjana Zdanoka said:

"I come from Latvia - a country hit severely by the financial crisis. Due to the irresponsible policy of right-wing governments Latvia risked going bankrupt had there not been outside financial assistance.

"Now we are speaking of different financial and economic solutions which could change the situation for better. Of course, we must properly discuss them all, including the speedy introduction of the euro as legal tender and the availability of subsidy mechanisms.

"In the meantime I'm afraid this financial and economic perspective is only one side of the coin. We have to discuss the social perspective as well.

"Now the EU institutions are perceived as "the bad guys" by many residents of Latvia. The bad guys

who make our poor government cut pensions and benefits. The bad guys to blame for social exclusion and poverty. And there are a lot of politicians who cultivate this perception [?] mainly inside the ruling coalition. Because if someone will believe that the current social crisis is the government's fault, the government won't survive the forthcoming general election in autumn 2010.

"Do I believe that Latvia and other countries of the region urgently need the EU's helping hand? Yes, I do. But I strongly believe that we need a strong mechanism for control. And we need very strong conditions in the field of social policy. EU money should, first of all, save common people, not banks or state bureaucracy."

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