



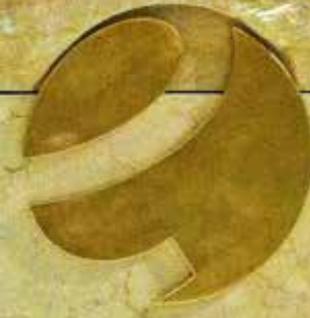
Fool's Gold

How Canadian mining company Eldorado Gold is devastating the environment and local livelihoods in Greece and avoiding taxes by using Dutch mailbox companies

SOMO

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**Research into corporate tax avoidance
and human rights**



eldorado gold

The Canadian company Eldorado Gold has recently bought up every advanced-stage gold project in Greece. It has started building a large, open-pit gold and copper mine at Skouries, in the north-eastern region of Halkidiki. These mining operations require the clearing of a large swath of ancient forest and extensive groundwater pumping. The developments are also threatening to pollute air, water and soil with a poisonous mixture of heavy metals and other pollutants. Unsurprisingly, there is massive resistance to the mining operations from local communities in the region. This ranges from the lodging of complaints to large demonstrations, which have been heavily criminalised by the Greek state and have been met with police brutality.

Eldorado Gold and Skouries have become symbols for the protection of public goods in the midst of the biggest economic crisis the country has seen since the Second World War. The investment was promoted by the previous government as a way out of the economic crisis, arguing that generated tax revenues would restore Greece's budget and jobs created would reduce the country's soaring unemployment figures. However, Eldorado Gold uses a complex web of Dutch and Barbados mailbox companies to avoid paying taxes in Greece and the Netherlands, a tax planning structure that is enabled by EU and Dutch legislation. Together with other tax planning opportunities at the company's disposal, this aggressive form of tax planning could wipe out future profits in Greece.

The legal presence of Eldorado Gold in the Netherlands raises questions about the ultimate fiscal and economic contribution that a company with such an intricate tax planning structure will have in a crisis-ridden country such as Greece. This report addresses the direct civil and human rights violations and potential environmental impacts resulting from Eldorado Gold's

Fool's gold

noun [U] UK /ˌfuːlzˈgəʊld/

1. a yellow metal that looks like gold
2. something that you are very attracted to that you later find is not worth very much



operations. Second, to assess the company's purported economic contribution to Greece, the report looks into the various forms of state support the company receives. Third, it analyses Eldorado Gold's aggressive tax planning structure and its impact on Greek state revenues, as well as critically assessing the role of Dutch and EU fiscal policies that facilitate corporate tax avoidance. Fourth, looking beyond this individual company case, foreign direct investment (FDI) data is analysed to identify the biggest tax leaks for the Greek economy. Finally, the report discusses Greece's tax regime from a public interest perspective, including the recent Troika-imposed fiscal consolidation measures.

The assessment of the purported contribution of Eldorado's operations to public finances raises questions about whether this pursuit of foreign investment really does result in sustainable economic development in terms of costs to the economy, environment and democracy, but also whether it actually benefits the country financially.

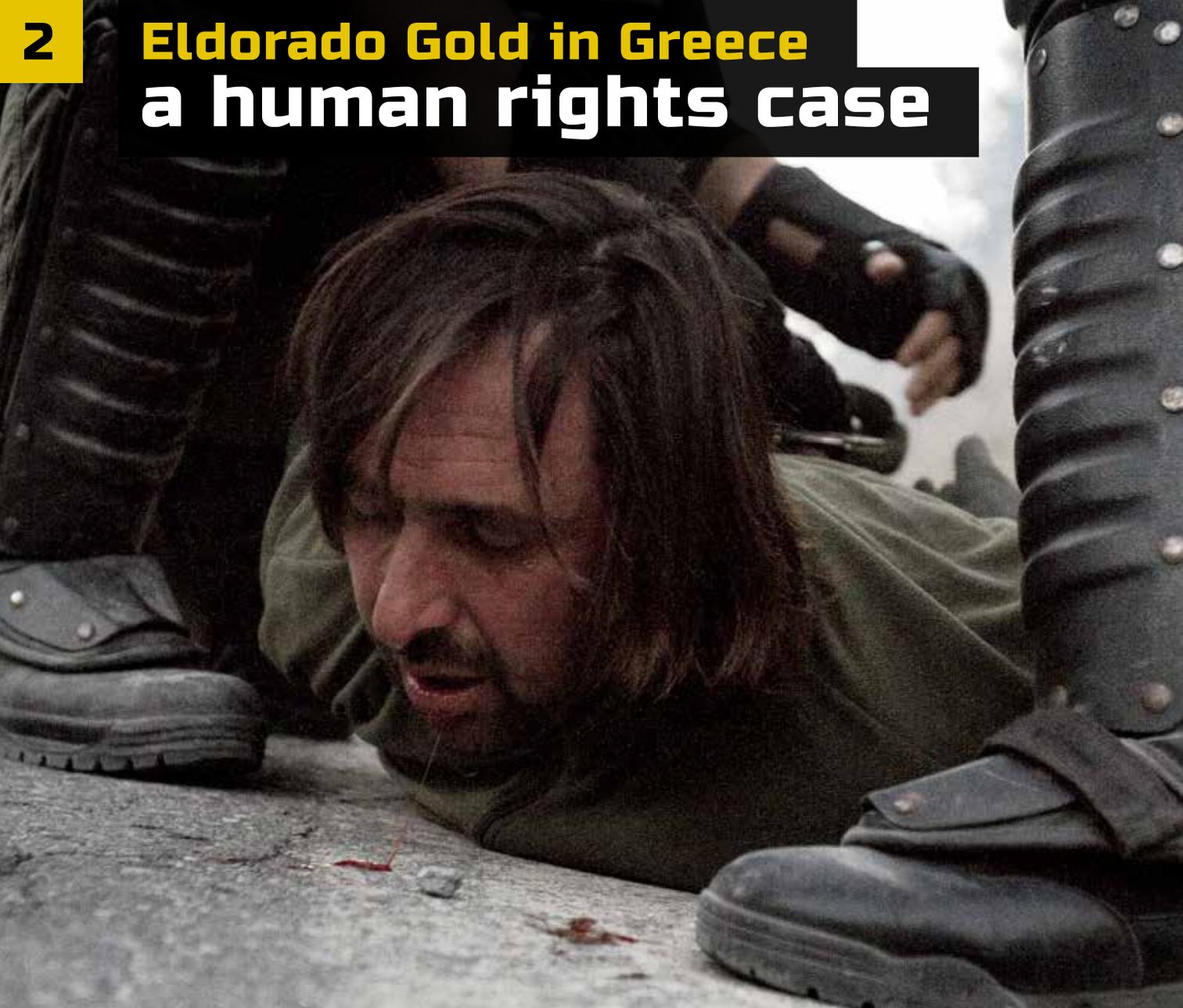
Investment in mining does not solve the debt problem

Greece has been hit by a debt crisis so severe that the country is dependent on external financing and is subject to structural adjustment programmes imposed by the European Union (EU), European Central Bank (ECB) and the International Monetary Fund (IMF) – known as the Troika. The country's debt crisis and its promotion of natural resources to foreign investors in an attempt to improve its finances evoke images of Africa and Latin America in the 1980s. However, resource extraction in the context of weak administrations and political corruption has not led to equitable or sustainable development, largely because of tax avoidance and evasion.

Tax revenue is the most important leveller when it comes to inequality, as it allows the redistribution of wealth within a society. Corporate tax avoidance creates by far the biggest hole in government budgets, and is rampant in developing countries, as well as in Greece. Tax avoidance and evasion in the extractive industry is particularly widespread. The reality of mining operations and large-scale profit-shifting in the extractive industry therefore stands in stark contrast to what investors and often governments promise their citizens and the communities impacted by mining, namely, the creation of jobs and the generation of public revenues.

2

Eldorado Gold in Greece a human rights case



There are serious environmental and human rights controversies related to Eldorado Gold's activities in Halkidiki and Thrace. Open-pit mining with large excavations and everyday use of explosives, as well as massive dewatering of the aquifer, will cause considerable damage to the environment and livelihoods and will result in many more job losses in the existing sectors of the local economy. Independent scientific reports have found serious gaps and flaws in the company's Environmental Impact Assessment and an overall underestimation of the project's negative impacts. The studies predict that in addition to chemical pollution, mining operations and related clearing of forests on mountainous terrain will cause serious soil erosion, water and air pollution and deplete local water resources.

In addition, there are serious doubts about the legality of the contract between Eldorado Gold and the Greek state. The construction of a gold plant and domestic processing of the ores is the most fundamental obligation under the contract. However, the applicability of the selected processing technology on the specific metallic ores of Halkidiki is contested.

Local resistance to Eldorado Gold's operations has been heavily repressed by the Greek state and has met with police brutality and far-reaching criminalisation. The mining operations thus come at a high cost to local communities as well as to the environment. Any meaningful democratic control of the community relating to Eldorado Gold's projects is absent. Locals say they have not been properly consulted and necessary information to assess the potential impacts of the operations has not been provided by the company.

3

How Eldorado Gold benefits from state subsidies



Assessing whether foreign investments will provide an overall economic benefit to Greece's economy requires a cost-benefit analysis. Jobs and tax generation from investment should be offset against benefits for investors in the form of tax cuts, exemptions or other forms of financial support from public funds. In the case of Eldorado Gold, state support ranges from export credits from Canada and fiscal, procedural and contractual incentives in Greece, to fiscal benefits in the Netherlands and Barbados.

- **The Canadian Export Credit Agency (EDC)** provided Eldorado Gold with between CA\$ 25 million and CA\$ 50 million in the form of a 'general corporate purposes' loan, whilst warnings about the project's negative environmental and social impact have been ignored.
- **The company's Perama Hill project** has been selected to benefit from **Greece's** fast-track investment programme, which includes generous fiscal incentives. Yet no cost-benefit analysis in the public interest has been conducted.
- **Greece** has provided Eldorado Gold's subsidiary Hellas Gold with very generous terms in the contract transferring the mines and land: the company is relieved of any claims that might arise from the mining activities of the previous owners.
- **Eldorado Gold** directs its investments through **the Netherlands and Barbados**, allowing for substantial reductions in tax payments in Greece that can be viewed as a form of state subsidy.

States have a duty to protect human rights by imposing due diligence requirements for businesses incorporated in their jurisdictions. This research shows that there are serious risks for the states that are facilitating Eldorado Gold's operations in Greece, including Canada and the Netherlands. Yet the provision of state subsidies and fiscal benefits has not been made conditional to socially and environmentally sound corporate conduct.

4

Avoiding tax through the Netherlands



“In the current international fiscal environment, the Dutch holding company regime is still the most popular holding regime in the world. The primary reason for this popularity is its tax efficiency (mostly 0% tax), the flexibility of Dutch corporate and tax law and its relatively low cost of incorporation and annual maintenance.”

Tax Consultants International

Evidence suggests that the extractive sector is associated with aggressive tax planning. Extractive companies can minimise their tax contribution through legal and illegal methods; ‘aggressive tax planning’, which is in the legal grey zone, shifts income from high-tax jurisdictions via related companies in conduit jurisdictions to low-tax jurisdictions. Publish What You Pay research found that, after the US secrecy jurisdiction of Delaware, the Netherlands is the second favourite jurisdiction of the 10 biggest extractive companies in the world for incorporation of their subsidiaries. Indeed, on paper, the Netherlands is the biggest investor in the world, because it attracts so much tax-related investment through mailbox companies.

Eldorado Gold’s tax planning structure involves a number of Dutch subsidiaries that are linked to the tax haven Barbados. Eldorado Gold uses Dutch mailbox companies to finance mining operations in Romania, Greece and Turkey. With the exception of one subsidiary, none of the Dutch companies has any employees, while owning assets that are together worth almost € 2 billion. The structure became consolidated with the acquisition of European Goldfields in 2012, when Eldorado Gold inherited a corporate structure in which Dutch subsidiaries played a central role. The company has since built up and expanded this structure, by incorporating a cooperative (Eldorado Gold Coöperatief UA) and setting up a financing structure with a Barbados group company.



Corporate income tax
revenue loss for Greece
€ 1.7 million



Withholding tax
revenue loss for Greece
€ 0.7 million

 **ELDORADO GOLD
BARBADOS LTD**



**ELDORADO GOLD
NETHERLANDS BV
GREECE BV**

 **HELLAS GOLD SA**

Eldorado Gold's profit-shifting structure

In profit shifting, costs are created or inflated in operational subsidiaries and subtracted from the profit, thus reducing corporate income taxes. This report only looked at one tax avoidance opportunity, namely, profit-shifting through loan financing: Eldorado Gold's Greek subsidiary Hellas Gold SA finances its operations by issuing bonds, which are a form of loan and on which the subsidiary has to pay interest to bond holders. All bonds have been bought up by Dutch subsidiaries, two of which are financed by loans from a Barbados subsidiary. Interest is therefore shifted from Greece to the Netherlands and from there to Barbados.

This Dutch financing structure – rather than direct financing by the Canadian parent company, for instance – has saved Eldorado Gold (and cost the Greek government) more than €700,000 in withholding taxes in five years and €1.7 million in corporate income taxes in two years. The past two years, the company has exponentially increased the amount of financing from Dutch mailbox companies. If this trend continues, future revenue losses can be expected to be much greater.

What are withholding taxes?

A withholding tax (WHT) is a tax automatically deducted from a payment between two parties. The most common form is income tax withheld from an employee's wage by the employer. Withholding taxes are also levied on passive income (i.e. income that has not been generated by material activities, such as interest, dividends and royalties) between subsidiaries of a corporate group across jurisdictions. These

are important taxes, especially in countries with poor tax administrations, because they are an easy-to-collect form of revenue, and because they stop tax base erosion by way of loan financing or royalty schemes such as those used by Apple, Google and Starbucks. The taxes are later offset by corporations under relevant domestic or treaty laws that prevent the same income from being taxed twice.

0%



PARENT COMPANY/
SHAREHOLDER
(TAX HAVEN)

LOW(NO) TAX COUNTRY

- No or low corporate income tax
- Bank secrecy



HOLDING
MAILBOX COMPANY (NL)

CONDUIT COUNTRY

- No withholding tax on outgoing payments
- Participation exemption
- Tax ruling

Insufficient financial transparency to detect abuse

 Double Taxation Agreement
No or Low taxation at source

 EU Directives
No taxation at source



COUNTRY OF OPERATION



PASSIVE INCOME
SHIFTED OUT OF HIGH TAX SOURCE STATE

EU and Dutch tax laws erode Greece's tax base

The EU Royalty and Interest Directive and Dutch domestic tax laws facilitate this type of profit-shifting through interest income. The EU Directive stipulates that Greece cannot levy withholding tax on outgoing interest payments between related subsidiaries located in EU Member States. If the Greek activities were financed directly by its Canadian parent company, Greece could have levied withholding taxes of 10 per cent.

Dutch law also fails to ensure the taxation of this interest income. Interest payments paid out to Barbados are not subject to withholding taxes, since the Netherlands does not levy withholding taxes on outgoing interest and royalty payments, even if these are made to tax havens. Moreover, the Dutch subsidiaries are allowed to deduct interest payments from their profit; here also, no anti-abuse rule exists that exempts payments to tax havens.

There is a clear trend that Dutch bond financing of Eldorado Gold's Greek subsidiary is increasing. This tax base erosion in Greece represents a significant corporate income tax loss when the Greek operations are set to make profits in future. In times of limited operational activity and profit, this could mean wiping out all taxes due in a given year. It should be noted that only one tax avoidance mechanism was analysed here. Together with other tax avoidance opportunities the company has – in particular transfer (mis)pricing – it might well be that the losses incurred through tax avoidance are so substantial that this mining project represents a financial loss for Greece, even without calculating 'externalities' such as environmental destruction.

5

Investments between Greece and EU tax havens



“It may be legal, but it is immoral to allow the plunder of natural resources in any part of the world for the benefits only of the investors.”

Jamie Kneen, Canada Mining Watch

Looking beyond this individual company case, an analysis of Greek bilateral investment positions shows that the Netherlands, as well as Luxembourg and Cyprus, are serving as common tax havens for companies operating in Greece. Large investment stocks and flows usually indicate that there is an active economic relationship between two countries. If a major proportion of the investments, however, takes place through mailbox companies, it can also be an indication of tax planning through these jurisdictions. All three countries offer generous tax incentives and serve as large financial turntables for multi-national corporations (MNCs), indicating significant tax base erosion of the volume of taxable transactions between these tax havens and Greece.

Calculations of Dutch investments related to mailbox companies in Greece on the basis of IMF and OECD investment data show that almost 80 per cent of direct investments from the Netherlands to Greece are routed through these conduit entities. This means they are not genuine Dutch investments but rather investments re-routed for tax purposes. Calculations cannot be made at this bilateral level for Luxembourg because Luxembourg does not disclose this data. However, the global mailbox company share of Luxembourg's investment flow is around 90 per cent. This suggests a similar proportion for Luxembourg investments in Greece.

Foreign companies using Dutch and Luxembourg mailboxes to invest in Greece

FDI data therefore suggest that the Netherlands and Luxembourg are the preferred choices for companies to restructure their investments to avoid paying taxes in Greece. Investment data also indicate that corporations from Greece, Italy, Portugal and Spain have increasingly structured their investment through the Netherlands and other EU tax havens to avoid tax since the crisis began in 2007, most likely to avoid corporate income tax increases introduced in response to the public deficit.

A number of large foreign firms that structure their investments in Greece through the Netherlands are identified in this report; a selection of these is presented below. Although the list is incomplete and further research is required to prove specific instances of tax avoidance or evasion, it indicates the widespread use by foreign companies in all economic sectors of aggressive tax planning structures.

This should alert tax authorities in Greece to carefully screen such structures, and Luxembourg and the Netherlands should cooperate with Greece to close the loopholes. The findings should certainly create a sense of urgency among policy-makers – not only in Greece, the Netherlands and Luxembourg but also in the EU – to take political and policy steps to coordinate better and implement binding legislation to end tax base erosion and profit-shifting by large multinationals.

**Company****Industry****mailbox company in**

Babcock & Brown (Australia)	Investment / consultancy	Luxembourg
BAWAG PSK (Austria)	Banking	Luxembourg
Bayer (Germany)	Pharmaceutical	Netherlands
BMW (Germany)	Automobile	Netherlands
Coca-Cola HBC AG (Switzerland)	Beverages and bottling	Netherlands
Dole (USA)	Packaged foods	Netherlands
Edison Spa (Italy)	Energy	Netherlands
EFG Group (Switzerland, Greek-owned)	Banking	Luxembourg
Eldorado Gold Corp (Canada)	Mining	Netherlands
EMC Corporation (USA)	IT Hardware	Netherlands
Euronet Worldwide Inc (Delaware USA)	Electronic Payments	Netherlands
Footlocker (USA)	Sportswear & Footwear	Netherlands
Havells India Ltd (India)	Lighting	Netherlands
Mondi Plc (UK)	Packaging & Paper	Netherlands
Robert Bosch GmbH (Germany)	Household Appliances	Netherlands
The Sol Group (Italy)	Medical, Industrial Gas	Netherlands

Sources Bloomberg, Bureau Van Dijk (Orbis), Dutch Chamber of Commerce, ThePressProject/ICIJ

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Regressive taxation and Troika measures



Troika-imposed fiscal and investment measures promote the privatisation of areas of public interest, with devastating social and economic consequences. Over the six-year period from 2007-2013, GDP shrunk by nearly one-fifth in Greece, investment shrunk by more than one half, domestic demand reduced by a quarter, while the public debt has risen by more than two-thirds. In 2012, 35 per cent of the population in Greece was at risk of poverty or social exclusion, while the rate was higher for children under 15 (38.7%) and for women (35.2%). Income inequality was also high and rising. Research has shown that austerity measures in Greece have left nearly a million people with no access to healthcare, leading to soaring infant mortality, HIV infection and suicide.

Central to economic injustice in Greece today is the country's regressive tax regime. A regressive tax regime is one that works against the interests of the poor and middle classes by disproportionately levying indirect taxes on consumption (such as Value Added Tax) rather than raising revenues through direct taxation of income or inheritances of wealthy sections of society, such as large corporations and elites. The regressive nature of the Greek tax system has been exacerbated by the 'fiscal consolidation' measures imposed by the Troika. The burden of the increase in taxation has fallen on salaried and waged workers, and the lower and middle income groups have been hit especially hard. At the same time, reform has benefitted large corporations through investment-friendly measures. Tax evasion has been recognised by the Troika, in particular the IMF, to be a significant problem for resource mobilisation. Surprisingly, foreign companies such as Eldorado Gold or others highlighted in this report have been largely excluded in public and policy discussions. This omission has also meant that the responsibility of European member states in the erosion of Greece's public finances has been ignored.

7

Conclusion and recommendations



CUT THE DEPT
IMF GO HOME



There are serious human rights concerns regarding Eldorado Gold's large-scale mining operations in Halkidiki, Greece. These range from land, water and air pollution to the violent repression of legitimate local opposition to the project, which is threatening local livelihoods. The company's Environmental Impact Assessment is flawed and its proposed technology is questionable. So why was such a controversial project supported by the previous Greek government? The answer lies in the misconception that foreign direct (and large-scale) investment benefits economic development. The creation of jobs and purported tax revenue is supposedly imperative for debt-ridden Greece. However, an analysis of the company's loan financing structure shows that future profits in Greece will be significantly reduced. Moreover, loan financing is only one tax avoidance opportunity for globally operating businesses. Others, such as transfer mispricing, are particularly rampant in the mining industry. Furthermore, economic benefits of any future tax revenues should be seen in the light of the costs to public finances so far, which include generous state support provided to the company by Canadian, Greek and Dutch governments.

Looking beyond this individual company case, an analysis of Greek bilateral investment positions shows that the Netherlands, as well as Luxembourg and Cyprus, serve as common tax havens for foreign companies operating in Greece. This tax base erosion deprives Greece of much-needed public resources to protect the human rights of its citizens in times of economic crisis. The responsibility of states lies not only in stopping the tax base erosion permitted by the harmful tax regimes they actively sustain, but also in stopping the negative impact of businesses incorporated in their jurisdiction. This is a shared responsibility between Canada (which hosts the company's headquarters), the Netherlands (which hosts the direct parent of the Greek subsidiary) and Greece (host to the controversial operations).

The full report provides a number of detailed recommendations. Some of the most important ones are as follows:

Eldorado Gold

- **The company** should refrain from using aggressive tax planning techniques and publish all its financial accounts of subsidiaries located in Barbados, the Cayman Islands and the British Virgin Islands.
- **The company** should respect the opposition to its mining plans by the local community and refrain from promoting and pursuing mine development in the face of clear community divisions and opposition.

The Netherlands

- **The government** should refrain from providing fiscal benefits to Eldorado Gold. In addition, the government should implement the general anti-abuse rule as proposed by the European Commission in its Action Plan against tax fraud and introduce a minimum withholding tax on outgoing interest payments.
- **The government** should take coordinated measures together with Greece to identify corporate tax avoidance through its jurisdiction, close loopholes in existing tax laws and impose fines on companies found to engage in aggressive tax avoidance.
- **The government** should require by law that Eldorado Gold undertakes and publicly reports on specific human rights due diligence measures with regard to its human rights impact in its foreign operations, including Greece.
- **The government** should refrain from pursuing an austerity-led reform programme through the Eurogroup and support the current governments' reform programme in Greece, amongst others, in form of a debt write-off.

Canada

- **Canada's export credit agency** EDC should end its financial support to Eldorado Gold on the basis of the evidence presented to it by Hellenic Mining Watch and in this report.
- **The government** should propose and implement a binding law for enhanced due diligence by EDC to ensure that Canada is in compliance with its international human rights obligations.

Greece

- **The Greek government** should review its contract with Hellas Gold SA and assess whether the mining project serves the public interest.
- **The Greek government** should investigate the incidents of reported police brutality against protesters in Halkidiki, protect the democratic right to protest and end the criminalisation of the local community resisting Eldorado Gold's mining operations in Halkidiki.
- **The local community** should be given direct and unequivocal decision-making powers with regard to the land they live on and derive economic subsistence from. Declarations of national interest or eminent domain over the land should require the highest standard of proof.
- **The Greek government** should lift the current exemption of the Skouries / Mavres Petres and Olympias areas of Halkidiki from protection under the recently (2014) approved River Basin Management Plan (RBMP) for Central Macedonia and fully implement the EU Water Framework Directive 2000/60.
- **The Greek government** should carry out an impact assessment of the claimed future economic contribution of Eldorado Gold to Greece's economy, including the quantification of externalities and the cost of fiscal incentives or any other public support extended to the company.
- **The Greek government** should devise a more progressive tax regime and put an end to large-scale tax avoidance and evasion by wealthy individuals and above all, large corporations.

The European Union

- **The EU** should amend the Interest & Royalty Directive to end tax base erosion in the EU and initiate a full parliamentary inquiry into tax avoidance scandals to ensure public and independent scrutiny of this form of tax base erosion.
- **The European Commission** should end its austerity-led reform programme in European debtor states and support SYRIZA's reform programme in Greece, amongst others, in form of a debt write-off and provision of liquidity.
- **The EU** should work with all member states to implement the general anti-abuse rule proposed in the Action Plan against tax fraud into national law.

Further research

- **An analysis** of other profit-shifting methods that may be used by Eldorado Gold in Greece and potential tax base erosion in all operating countries, in particular Romania and Turkey.
- **Research** on the company's human rights impacts in countries of operation and the responsibility of countries offering state support, including Netherlands and Canada therein.
- **Further research** into fiscal justice in the European Union; this entails an analysis of corporate tax avoidance in relation to human rights and austerity.

“It’s citizens doing politics. If the citizens don’t get involved in politics, others will. And that opens the door to them robbing you of democracy, your rights and your wallet.”

Pablo Iglesias, Secretary General of Podemos



ELDORADO
~~X~~ GOLD
GO HOME



Call to action

A historical opportunity

At the core of the current political and economic system in Europe are policies that generate financial and social losses at the expense of the public. At the same time, private profits are actively being promoted and protected by European governments. In Greece, this status quo has recently been shaken by the overwhelming victory of the anti-austerity party SYRIZA. In Spain, 150,000 people recently gathered in Madrid's Puerta del Sol for a rally by the one-year-old left-wing party Podemos ('We Can'), which stands a real chance of winning in this year's general elections. The mandate given by the public to these new political parties is clear: stop austerity measures and redistribute wealth from the rich to the poor. This demand provides us with a unique window of opportunity to change the political responses of Greece, Spain and the EU to the European debt crisis and to develop alternatives that promote social and economic justice.

In stark contrast with the governments of the past, the newly elected Greek government has publicly opposed Eldorado Gold's goldmine project. The new Deputy Minister of the Environment, Yannis Tsironis, announced that the government will review all permits issued to Eldorado Gold. However, a cancellation of the contract has not yet been announced and major interests are at stake: US\$ 2.7 billion – almost half of the company's global assets – are invested in Greece. A solution will also have to be found to any job losses resulting from a closure or scaling down of the mines.

There is now a unique opportunity to close the EU's tax gap and to change the bail-out policies of the Troika that have served largely private interests until now. Both are leading to a massive redistribution of wealth from the poor to the rich. German, French and other EU banks have given

risky loans with high profit margins to Greece. When the loans could not be repaid, the Troika bail-out turned this private debt into public debt. In 2010 the Greek public debt stood at 110% of Gross Domestic Product (GDP). After the Troika programme, this figure increased to 175%. The Greek crisis is in actual fact a crisis of European banks.

The corporate tax avoidance case of Eldorado Gold – as well as the vast amounts of money flowing through Dutch and Luxembourg mailbox companies out of Greece – illustrate that the responsibility for the Greek tax gap lies not only with the Greek state either. Greece's Finance Minister Yanis Varoufakis recognised that Greece “has a major problem with tax evasion through transfer pricing” and urged his German and European colleagues to support a cross-border solution. The Netherlands, Luxembourg and the EU have fiscal and investment regimes that facilitate tax base erosion and prioritise private above public interests. This is denying Greece much-needed domestic resources to pay for basic social services.

What has contributed to this changing political landscape is the (re-)emergence of grassroots, community-led solidarity movements. Social and economic support initiatives have developed in response to failing state services. However, as well as offering direct support, they are also practising democratic decision-making and collective action. One journalist commented on Greece's solidarity movement: “It's a whole new model – and it's working”. This quote is telling on two accounts. First, grassroots democracy and solidarity are not new but have a thriving history in Europe, yet their depiction as being novel shows the extent to which the Thatcherite ideology of ‘No Alternative’ (to capitalism) and ‘No Society’ (only individuals) has pervaded not only European politics but also the public imagination. Second, this comment suggests that the public imagination may currently be shifting towards the exploration of alternatives. Whether it will succeed is a matter of demonstrating the viability of social communities and resistance to market rule.

Protest and solidarity

Democratic and egalitarian economic alternatives are possible, but systems only change when people organise and hold the powers that be accountable. Then decision-makers will be forced to create conditions under which alternatives can be explored and implemented. An economic justice alternative thus also requires an alternative to the current system, which is closely intertwined with business interests. A necessary counter power requires broad-based movements built on democratic principles and solidarity. An alternative economic model for Europe that serves the public interest should be called for by all European citizens. This requires solidarity for Greece, based on the understanding that there is a material shared interest between ordinary people in all European countries to develop these alternatives. After all, the money lent to Greece under severe austerity conditions has ended up in European banks. Macro-economic imbalances require political-economic solutions, and the first steps in the right direction would be debt auditing, to analyse and criticise where public funds end up, as well as tackling tax dodging. European citizens should advocate for an end to their countries' support for austerity measures in debt-ridden European economies, and policies that erode other countries' public finances.

Building knowledge

Alternatives require knowledge, ranging from technical to political expertise. On a daily basis, movements, academics and organisations are building this expertise as an alternative to dominant institutions and political and economic elites. Inspirations for alternatives include trade unions, civil society groups, community groups and political organisations. Tapping into or contributing to existing organisations is one mode of action. 'Street level' community organising – in neighbourhood committees and self-organised economic production – can develop into flourishing alternatives to the current economic model. For more information and examples of concrete actions, see the following organisations and campaigns.

For more information and examples of concrete actions, see the following organisations and campaigns:

- › [TroikaWatch](#)
- › [Greek debt auditing campaign](#)
- › [Blockupy \(Dutch\)](#)
- › [Blockupy \(German\)](#)
- › [Ander Europa \(Dutch\)](#)



Colophon

The full report and research results, such as references to scientific studies, company accounts and investment data are available on SOMO's website › www.somo.nl

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