**Statement of the PERC Executive Committee:** **End the Cost of Living Crisis: Increase Wages, Tax Profits, Protect People!**

Wages are not the cause of inflation. Workers are the victims of this crisis, with the value of their wages falling while prices for everyday goods are rising. At the same time, the value of pensions and of income support is decreasing in real terms. This situation is increasing existing inequalities, with low paid workers and vulnerable people hit the hardest.

This crisis is being driven by excess profits – not wages. We are experiencing a profits-price spiral not a wages-price spiral. For example, energy and food companies have doubled their profits in 2022.

There is an urgent need for measures to tackle the cost-of-living crisis by ensuring pay rises, emergency support for struggling families, a cap on prices, taxation and redistribution of excess profits and wealth. Anti-crisis measures based on solidarity must be established, including support targeted for the most vulnerable. Minimum wages need to increase and collective bargaining need to be promoted and supported. Social protection systems must be protected and strengthened.

Interest rates increases are the wrong remedy and harm workers and businesses, and will prevent the public and private investment needed. Struggling families are now hit with higher mortgage and loan repayments.

We are increasingly concerned about inaction or adopting the wrong response, such as interest rate increases, calls for pay freezes and the return to the failed austerity agenda.

The Executive Committee of PERC calls for a strong solidarity approach do tackle the cost-of-living crisis. Protection of the most vulnerable must be an absolute priority. Also, this is not a time for national interest with the richest countries limiting support measures to their own citizens and businesses. This is unacceptable and damaging for working people everywhere. Any attempt to return to discredited austerity measures must be firmly rejected!

The Executive Committee of PERC calls for:

* Pay rises to meet the increase in the cost of living and ensure workers receive a fair share of productivity gains, as well as measures to promote collective bargaining, as the best way to achieve fair pay and a sustainable economy. The argument that wages are causing inflation must be rejected. No wage should be lower than a living wage and pensions and benefits must increase.
* Public procurement and all financial or other supports should only go to companies that engage in collective bargaining and have in place proper due diligence procedures;
* Payments targeted for people struggling to afford their energy bills, put food on the table and pay the rent; the right to food and a warm home are human rights and must be protected. People in poverty cannot be expected to pay unaffordable bills. There needs to be a ban on disconnections from energy and other utilities;
* Price caps or cost caps especially on the energy bills and a watertight tax on excessive profits of energy and other companies to ensure they are not allowed to speculate on this crisis, along with other measures to stop profiteering, such as curbing dividends and limiting CEO pay and bonuses, and to prevent speculation on food prices; This is a profits spiral not a wage spiral. Taxation – including more progressive taxation – is part of the solution!
* Anti-crisis support and solidarity instruments to protect incomes and jobs in industry, services and the public sector, including provisions to finance social measures to cope with this crisis and just transition processes.
* Reforms of the energy market. Recognise that energy is a public good and invest to tackle the root causes of the crisis, such as the under-investment in green energy and the consequences of privatisation.
* A seat at the table for trade unions to design and implement anti-crisis measures through social dialogue. This is the proven method to successfully manage crisis.