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« International Conference »

Financial Repression: The Lesser Evil or Institutionalised Theft?

Place & date: 18/10/2013, 9am-14pm, Vienna Insurance Group (1011 Vienna, Schottenring 30)

Description: International Conference on «The Financial Repression of Savers and Investors» to be held on 18 October 2013 in Vienna.

Brussels, 02 October 2013 Most of us don't know it, but we now live in an age of Financial Repression. The term was coined to denote the combined set of financial policies that allow governments to keep real interest rates low or negative. This, in combination with additional regulation to coerce a captive market into investing in government bonds, allows governments to continue issuing sovereign debt at an artificially low cost, obliterating the real value of people's savings in the process. Adding insult to injury, several EU countries have seen this value further reduced by increased taxes on nominal investment income. And a worrying form of financial repression is now proposed by the IMF to levy a tax of 10% on households' net wealth.

Lately Financial Repression has revealed itself as a definite favourite among European policy makers, but since it represents a form of wealth confiscation by the states, it is unlikely to be mentioned by any politician. Pension funds, insurers and bankers will continue to be hard-pressed by governments to buy into sovereign bonds and since these offer low or even negative real returns, funds will deplete. European pensioners and small investors in particular feel the full blow of Financial Repression, as they are less capable to escape it than large financial institutions that can easily move their financial assets offshore.

EuroFinUse and the Austrian Shareholder Association (IVA) invited prominent international authorities from the private and public sectors at a conference on 18 October in Vienna. High-level representatives from the European Commission, the Austrian Central Bank and Financial supervisor, DZ Bank, the Vienna Insurance Group, and the European Crowdfunding Network, amongst others, will provide and clarify their perspectives on this dramatic issue, assess the alleged inevitability of Financial Repression and propose some countervailing measures to stop the impoverishment of European savers and investors.

About EuroFinUse: The European Federation of Financial Services Users is an independent organisation of public interest and a centre of expertise advocating and defending the interests of the end-users of financial services

vis-à-vis the European public authorities. To this end EuroFinUse aims to influence financial regulation policies to benefit all financial services users including shareholders, investors, savers, life insurance policy holders, borrowers and other stakeholders who are independent from the financial industry.

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For more information on the topic of Financial Repression and the Conference, or to schedule an interview with one of the interlocutors, please send an email to houdmont@eurofinuse.org.

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