European Union

The Challenges for the Left in Europe and the Eurozone

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As from May 2010 the question of the debt became a central concern for Greece and for the rest of the Eurozone. The first programme imposed by the Troika provoked a brutal increase in Greek public debt. This was also the case in various forms in Ireland (2010), Portugal (2011), Spain (2012) and Cyprus (2013).

The policies dictated by the European leaders have six fundamental objectives:

1. Bail-out the private banks with public funds so that they may avoid the damaging consequences of their own private credit bubble.

2. Give to the new public creditors, who replaced the private creditors, enormous coercive powers over the governments and institutions of the peripheral countries in order to impose policies of radical austerity, deregulation, privatisations and stricter authoritarian controls.

3. Preserve the Eurozone perimeter (in other words, keep Greece and the other peripheral countries within the Eurozone), which is a powerful instrument in the hands of the multinational corporations and the major economies of the Zone.

4. Bring neoliberal policies to bear more heavily on Greece, in particular, but also on the other Eurozone peripheral countries as an example for all the European populations.

5. Reinforce a Europe-wide authoritarian form of governance, without resorting to new experiments resembling Fascist or Nazi regimes or that of Franco, Salazar or the Greek colonels (1967-1974).

6. Impose easier labour legislation and lower wages to render European goods and services competitive on the world market and to increase the rate of profit.

A large part of the radical left who have sitting members of Parliament had and still have a mistaken idea of what EU integration and the Eurozone are. To say it simply, they seem to see more advantages than disadvantages in the EU. They consider that the EU, as much as the Eurozone, is compatible with a return of social-democratic policies, somewhat less injustice and a Keynesian style relaunching of the economy.

This is profoundly wrong.

We should be clear: EU is not only a neoliberal project of integration. It is also a project of big capital. It is a tool to integrate the peoples of Europe into a single market in which they are made to compete one against the other and in which they they are also competing with all the other peoples of the planet.

During the 19th and 20th centuries, there have been three failed attempts to unify Europe: the first with the Napoleonic wars at the beginning of the 19th century, the second and the third one lead by big German capital that caused WW1 and WW2. The fourth attempt is succeeding peacefully piloted by the big Capital of the main economies of the continent. It is not only a victory and an achievement of the German bourgeoisie, it is a big victory for the European bourgeoisies of the core countries and also for the bourgeoisies of the peripheral countries which
have no national projects of their own.

The European bourgeoisies are using the centre/periphery relations inside the EU as a tool in the class struggle.

There are lessons to be learned from the failure by the government of Alexis Tsipras in 2015 to break the bonds of austerity. Also, it is necessary to realise the limits of the socialist minority government of Antonio Costa in Portugal.

Alternative policies in the people’s interest must at the same time deal with austerity, public debt, private banks, the Eurozone and oppose authoritarian tendencies without forgetting the climatic and ecological crises, the humanitarian crisis caused by Europe’s fortified-borders policy, the Middle East crisis, the far-right and the rise of racism.

Since the election of Donald Trump, and also since the appearance of the radical movements that gathered around Bernie Sanders, the European radical left, trade unions, feminists and ecologists must create links with the forces of resistance in the U.S.

Considering the experiences of 2015, it is fundamental to strengthen an authentic ecological and socialist alternative in rupture with the EU, as it exists.

Neither the EU nor the Eurozone can be reformed.

The first lesson comes from the capitulation of the Syriza government: The People and the authorities entrusted to break with austerity programmes cannot put an end to the Human Rights violations perpetrated by the creditors and the big corporations unless they take strong unilateral measures of self-defence.

Having said that, the way-out of the crisis is not of a Nationalist nature. As much as in the past it is necessary to adopt an Internationalist strategy and aim for a European integration that binds all the peoples opposed to the present form of integration that is totally dominated by the interests of big capital.

If Syriza had adopted a correct strategy in 2015 it could well have been a turning point. It didn’t happen. Without doubt, the force of popular mobilisation will be an important decisive factor. If the pressure for real uncompromising change does not invade the streets, the neighbourhoods and the work places, the future will be very dim.

Ten proposals for social mobilisation and actions to be taken immediately and simultaneously by any government that is truly functioning in the interests of the people (see this article).

**First : a left-wing government must, in line with its prior commitments, clearly and openly disobey the European Commission.**

The party or coalition of parties (the example of Spain comes to mind) which claims to govern should refuse to obey the austerity measures from the outset, and pledge to refuse measures for the sole reason of balancing the budget. They should announce:

â€œWe will not yield to the European treaties’ diktat of a balanced budget because we want to increase public expenditures in contradiction to anti-social and austerity measures and embark on the ecological transition.â€

â€œWe will create public monopolies in the financial and energy sectors and transform them into public services.â€
Second: a determination to call for popular mobilisation both at the national and the European level.

In 2015, it was obvious that the European social movements in solidarity with the Greek people did not achieve great success in calling for demonstrations, which did take place but were not up to the strength required.

However, it is also true that Syriza’s strategy did not include calls for popular mobilization in Europe, or even in Greece. And when the Tsipras government did call for mobilization by means of the referendum of July 5, 2015, the will of the 61.5 percent of Greeks who refused to accept the creditors’ demands was not respected.

Let’s remember that starting in late February 2015 and up until the end of June 2015, Yanis Varoufakis and Alexis Tsipras made statements aimed at convincing public opinion that an agreement was in sight and that the situation was improving.

Imagine that instead, after each important negotiation, they had explained what was at stake through press releases, statements to the media, and declarations in public places in front of the headquarters of the European institutions in Brussels and elsewhere. Imagine that they had revealed what was really going on. It would have led to gatherings of thousands or tens of thousands of people, and the social networks would have relayed this alternative discourse to hundreds of thousands or millions of citizens.

Third: launch a debt audit with citizens’ participation

The situations in the EU countries, and of course within the Eurozone, are diverse. In some European countries as in Greece it is a matter of utmost necessity and priority to suspend debt repayments, in order to make an absolute priority of meeting social needs and guaranteeing basic human rights. It is also a key element of a self-defence strategy. In Spain, in Portugal, in Cyprus, and in Ireland, it depends on the balance of power and the current economic picture. In other countries, it is possible to carry out the audit first and then decide on the suspension of repayments.

The audit should take into account the experience of the Greek Debt Truth Committee that had been created by the president of the Hellenic parliament in April 2015. The concepts of illegitimate, illegal, unsustainable and odious debts should be used to analyse the public debts.

A tool in the hand of a leftist government against the ECB : the suspension of payment on the sovereign bonds accumulated by the ECB during the QE.

In the case of Spain: for instance, the ECB owned a total of ~253 billion of Spanish sovereign bonds (see: https://www.ecb.europa.eu/mopo/implement/omt/html/index.en.html).

Fourth: Establish control of capital flows

Fifth: Socialise the financial sector and the energy sector

Socialising the financial sector does not merely mean developing a public banking hub. It implies decreeing a public monopoly on the financial sector, including the banks, insurance companies and other financial corporations. That is, a socialisation of the financial sector under citizen control.

In other words, turning the financial sector into a public service.
Of course, socialising the energy sector will also remain a priority during the ecological transition. Ecological transition cannot take place without a public monopoly over the energy sector, both in terms of production and distribution.

The socialisation of the financial and energy sectors should be done through simple expropriation without compensation.

Sixth: Creation of a complementary, non-convertible currency and the unavoidable debate on the Euroexit

Whether it is a case of exiting the Eurozone or remaining, it is necessary to create a non-convertible complementary currency, a fiscal currency. In other words, a currency that would be used only locally, for exchanges within the country âEuros" for example, for paying increased pensions, salary increases for civil servants, taxes, public services etc.

Of course, we cannot avoid the debate on the Eurozone. In several countries, exiting the Eurozone is an option that must be defended by political parties, trade unions and other social movements. Several Eurozone countries will not be able to truly break away from austerity and launch an eco-socialist transition without leaving the Eurozone.

Seventh: radical tax reform

Remove VAT on basic consumer goods and services, such as food, electricity and water (up to a certain level of consumption per individual)1, and other basic necessities. On the other hand, increase VAT on luxury goods and services, etc. We also need to increase the taxes on corporate profits and incomes above a certain level âEuros" in other words, a progressive tax on income, wealth, and luxury residences. Owner-occupied homes will not be targeted. The reform of taxation must produce immediate effects: a very significant decrease in indirect and direct taxes for the majority of the population and a very significant increase for the wealthiest 10% and for major corporations. Also, strict new measures will be taken against fraud and tax evasion.

Eighth: deprivatization âEuros" Take back the control of privatized companies

Compensating with no more than a symbolic sum (if at all), those who have benefited from privatizations would be an appropriate gesture and would strengthen and extend the public services under citizensâEuros" control.

Ninth: implement a broad emergency plan for creating socially useful jobs and for justice

Reduce working hours with no reduction in wages. Repeal antisocial laws and adopt laws to remedy the situation of abusive mortgage debt; countries such as Spain, Ireland, Greece, etc. are the most concerned. This could well be fixed legislatively, to avoid court actions (to protect households from having to face repossession). For example, a Parliament could pass a law to cancel mortgage debts below 150,000 Euros and so put an end to such cases. A vast program of public expenditures would be implemented in order to stimulate employment and socially useful activity by encouraging local schemes.

Tenth: initiate a genuine constituent process

This does not imply constitutional changes within the existing parliamentary institutions. It involves dissolving the Parliament and electing a Constituent Assembly by direct vote.
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Breaking away from austerity policies cannot be achieved if radical measures against big capital are not taken, from the very start.

Eco-socialism must be put at the heart of the debate, not left aside.

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