



European Union

Only the Beginning

2 November 2017, by **Miguel Urbán Crespo**

EG In a recent speech you discussed why Spain was one of the few countries in Europe that has not seen a surge in support for the far-right. You quoted Marine Le Pen's explanation: "because Podemos exists." How do you view this relation between right and left wing populism?

MU Ten years ago a far-right party with parliamentary representation was the exception not the norm in Europe. Clearly we now find ourselves in a different context defined by austerity and the financial crisis, but also by a crisis of Europe's post-war political systems. This is exemplified by the continent's social-democratic parties. In moving to the neoliberal center in recent decades, they have abandoned the social and class interests they were created to represent, leaving large sections of society feeling unrepresented by the political system in the process.

The acceleration of the neoliberal project after 2008 has deepened this crisis such that in the electoral field "though not the social" there is now a degree of polarization comparable in intensity to the 1930s. Yet such polarization is much more diverse and contradictory than the classical antagonism between fascism and communism. For example, it can even take the form of a confrontation between the extreme right and the right as it is responding more to the opposition between the inside of the

system and an outside. What we have is a popular revolt against the establishment and the wider political regime.

Clearly with the far right you end up with a contradictory form of revolt which combines anger at growing social inequality with identitarian and xenophobic elements. Yet it can occupy this pole of protest across much of Europe in part because austerity has produced an imaginary of scarcity amongst the majority of the population "a sense that there is not enough for everyone. This lends itself to a terrain of political confrontation not only directed against the political system but which also pits the poor against each other. We have the second-to-last against the last, the native against the immigrant.

By contrast in Spain the polarization of the political field was determined through the cycle of popular mobilizations beginning with 15M then the Mareas [anti-austerity "waves"], PAH [anti-eviction struggle] and later Podemos. This imposed a logic of class struggle, which rather than demand the exclusion of particular sectors from existing forms redistribution, sought to criticize the inadequacy of this redistribution itself while, at the same time, pointing towards the elites as the cause. These movements also proposed a collective response to the crisis. You can see this in slogans such as *juntos podemos*

[together we can] and images of neighbors organizing to block evictions.

In Europe populism has traditionally been a reactionary phenomenon. Unlike in Latin America or in the United States with the People's Party in the late 19th century, we have no tradition of progressive populism. This is what we in Podemos have tried to construct as a vaccine against the popular right "speaking not so much of left against right but of those from below against those from above, of the popular classes against the elites.

EG Why do you think such a left populist challenge has failed to emerge in many parts of Europe?

MU Partly, as Perry Anderson explained in a recent article, because the extreme right is much more credible in its confrontation with the EU than the Left. Also, the Left is seen in many parts of Europe as part of the establishment. For example why has the Five Star movement had such success in Italy, a country with one of the strongest Communist and left-wing traditions in the world? This must be understood in terms of Rifondazione's decision under Bertinotti to enter a social-liberal government under Prodi in 2006. Without this discrediting of the Left as an alternative, the sense that they are all the same, part of the system, you

cannot understand how the Five Star movement could reach 30 percent at the polls within ten years. And it hardly exists as a party. It is held together by a blog and a Facebook page. There is no structure, nor any interest in having a structure.

Clearly their strength is not maintained by either their political achievements nor by any supposed coherence of their platform. Instead it is an expression of the anti-establishment revolt in Italy, which is not decreasing but growing. It is quite possible that in the elections next March, the combined strength of Renzi and Berlusconi will not be sufficient to govern. The window of opportunity for populist forces has not closed but rather, across the West, we are confronted by crises of political regimes that are only just beginning.

In this context the danger for parties such as Podemos or the extreme right is to try to normalize themselves, to appear like just another party. What counts electorally is not moderation but the ability to oppose the center from the outside. A key point of debate is whether such an anti-establishment protest vote can be sufficient enough to win state power. I think so. I think it is still increasing and there are examples such as Trump, Syriza and the near victory of the Freedom Party in Austria which show it is possible.

EG Recently, Pedro Sánchez won back the leadership of the Spanish Socialist Party (PSOE) by at least discursively moving to the Left. After the coup against him led by the party's old guard and their corporate allies, he even seemed to take on this role of the outsider in the primaries. How does his victory fit into this picture?

MU The so-called "Sánchez effect" has little to do with Sánchez himself, who is primarily interested in his own survival. His win is more indicative of the growing revolt amongst socialist activists against their own party hierarchies. We have the example of Benoît Hamon in France who won 70 percent of the vote against centrist Manuel Valls with a radical program, and obviously Jeremy Corbyn is another.

I like Ulrich Beck's idea of zombie

institutions and this is exactly what social-democratic parties became after abandoning those constituencies they were meant to represent. Their only *raison d'être* has been to secure the continuation of the neoliberal regime and they have even been willing to sacrifice themselves as parties so as to save the system. Look at the Hollande presidency or the Dutch and Irish Labour Parties who implemented austerity. Sánchez's win in the primaries is the activists' revolt against this zombification.

But this does not mean Sánchez now controls the party machinery. There are many complicated balances internally as power is also distributed amongst regional barons. [Party right-winger] Susana Díaz and her allies still govern in Andalucía, Castilla La Mancha and Extremadura, and so still control a massive network of patronage. And since Sánchez's re-election we have not seen PSOE turn left. They did abstain both on our motion of no confidence against Rajoy's government and on the vote on CETA which they had previously supported – but these are cosmetic changes.

I'm not necessarily against an agreement but it has to be based on our program and not theirs. Moving closer to PSOE and moderating our discourse so as to reach an agreement would leave us looking like one more party in the game.

EG How has Sánchez's victory affected Podemos's outlook? Eight months ago at its congress, the party chose to take a more radical path, turning away from cooperation with PSOE towards a position centered on social struggle.

MU For the most part the proposals at Vistalegre dealt with whether to position ourselves as a force that is more inside or outside of the political system. Our analysis in the Anticapitalistas, which was accepted by the majority grouping in the leadership led by Pablo Iglesias, was that we needed a new cycle of mobilization to break the current deadlock – to tip the balance of power in our favor and away from the existing institutional forces. Podemos's greatest period of

autonomous political initiative came just after the Vistalegre congress: the anti-corruption campaign around the tramabus, the motion of no confidence and the mobilizations that accompanied it.

It is too early to say how Sánchez's victory will affect this line but there are some very bad signs. Few people thought Sánchez would win. If Susana Díaz and the party machine had won, it would have further fomented the polarization between us and the regime. Now the majority in the leadership believe Sánchez has produced a wave of political hope not just among PSOE activists but among a wide sector of ex-socialist voters who Podemos have been trying to attract. Therefore, their analysis is that to appear unresponsive or indifferent to these expectations would damage Podemos.

However, for me, it would be better to look at the example of France Insoumise and Hamon. Hamon also generated such hope amongst party members. He got an initial jump in the polls and won the backing of Toni Negri and the French Greens with his proposals on basic income and ecosocialism. But Mélenchon did not move, did not adapt his campaign to this, and in the end was seen as the more credible challenge to the neoliberal center.

And it wasn't Mélenchon who robbed most of Hamon's voters but Macron. Mélenchon secured the votes of those who normally abstain, many of whom he was competing with the Front National to attract. Podemos must also compete more for those who abstain than for the support of classic PSOE voters. It would be very difficult to break their connection to the party without a new cycle of social mobilization, while, on the other hand, moving closer to the PSOE would do nothing to capture the protest vote.

EG Is it possible Podemos could generate an amount of anti-establishment support but without ideological commitment or a clear sense of what a process of political transformation would entail?

MU Ok, but we Marxists have to understand what period we are living

in. For example, on this 100th anniversary of the Russian revolution. We can look back with nostalgia or we can think through how to adapt as Marxist revolutionaries to a non-revolutionary moment. There is a popular saying in Spain, "if you are ten steps ahead of the people, you are leading the way but if you are a hundred steps ahead, you have lost them." I want to be ten steps ahead.

As a Marxist I have no problem with a formation like Podemos or the logic of above and below. Populism involves a form of confrontation that clearly divides the political field between opposing camps - "us" and "them." But, before populism, Marxism also defined the political field in terms of sharp divisions and so I feel very comfortable delimiting a "they," the elites, from "we," the popular classes.

What Podemos has shown is a capacity to set the political agenda in Spain. PSOE have felt obliged to debate topics and proposals we have put forward. And in framing our discourse in terms of above and below, in concentrating not on the scarcity of resources but how they are distributed, we have determined the political field is polarized along class lines. This has allowed us to speak about quite revolutionary themes such as the reduction of work, to work less so everyone can work, and the need for a new productive model which

points towards the type of wider transition required.

Podemos is not a revolutionary party but it is an anti-elite, anti-neoliberal formation with a mass constituency. It has been able to express popular anger through the ballot box but in itself this clearly is not enough. We must avoid the mirage of electoralism and a purely institutional politics. We need a new accumulation of social and political forces which is able, through a fresh wave of struggles, to open up a constituent process. We in Podemos have to work with other actors to forge links and generate new autonomous class-based institutions.

EG Catalonia will attempt to hold an independence referendum from Spain on October 1st amidst a crackdown from the Popular Party (PP) government in Madrid who claim it is unconstitutional. How do you view this process?

MU The October 1st referendum must be seen as a reaction to the damage the PP inflicted with their legal appeal in the Constitutional Court against the 2006 Statute of Autonomy for Catalonia. A few days after the court's ruling against Catalonia's autonomy there was a mass demonstration in Barcelona around the slogan: "We are a nation, we decide." Although there was such an immediate public reaction to this ruling, the PP has made no

effort to find a framework for negotiation since it came to power in 2011.

Catalonia has exhausted not only this route to securing federalized status but also its search for a negotiated referendum with the Spanish state, as was achieved in the cases of Québec and Scotland. Thus from a democratic perspective, the only option remaining is to recognize the legitimacy of this referendum on October 1st. It should be the Catalan citizens who decide whether or not to separate from the Spanish state, to arrive at a new type of relation, based not on force but on the free will of all the peoples of the state.

Against those *from above* who are terrified of this referendum as a kind of cataclysm, we *from below* must look to it as a moment for democratic reinvention, an opportunity to redefine the logic of participation in a politics amongst equals. I believe that the free celebration of the referendum with all possible guarantees, will contribute - "whatever its result" - to the deepening of democracy. It will be a stimulus for those of us outside of Catalonia to continue struggling against the regime and the Troika for the right to decide on everything that affects our lives, our rights and our freedoms.

Source : [Jacobin](#), 30 September 2017.

The EU After Brexit - A Political Crisis or an Insoluble Structural Crisis?

9 November 2016, by **Jakob Schaefer**

Even for those who, like us, reject the EU as an institution serving the needs of Capital and who seek a diminution of its power - and the people of Greece above all can testify to its dreadful impact - there is no cause for celebration.

For the ruling classes in Europe this event is also proving highly

inconvenient. Even though capitalists in the UK can manipulate the predictably deepening divisions within the working class, of greater significance for them are much feared trade restrictions. It is not surprising that more than 80% of the members of the CBI (Confederation of British Industry) declared themselves to be anti Brexit. Based on the analysis by

PricewaterhouseCoopers, the CBI assesses that the British economy by 2020 will suffer a total loss of approximately £100 billion. Nor for the finance sector does the situation look any brighter, for now there is a new distribution of European finance markets in the offing. The City (though more precisely all British banks) needs foreign investments if it is to continue

to contribute 8% to Britain's GDP. Given that the pound has already had to devalue and still remains under pressure, one might ask whether it makes any sense to invest there at all. (The majority of banks remain, however, relatively unaffected by Brexit, in particular the Derivatives and Foreign Exchange markets for which the city is world-renowned.)

Purely economic considerations are not, though, the only issue for every sector of the Bourgeoisie. The British Bourgeoisie (at least as far as their political representatives are concerned) was and is divided. The question now is whether, in respect of the long-term interests of the bourgeoisie itself, this 'industrial accident' on the way to a deeper integration of European capital was actually avoidable, or whether there are actually deeper causes for this very public crisis.

Brexit: Expression of a Political Crisis?

It was undoubtedly party-centric motives of the British Conservatives (underlined by personal career aspirations) that provided the spur to seeking their salvation in a referendum. It is through this that they wished to secure their power in the face of ever increasing doubts and even categorical rejection among large parts of the population. Above all, though, the opposition to 'Europe' has been driven, and not just of late, by chauvinism.

The breeding ground for these endeavours may be seen in the fact that a growing number of people were, and continue to be, in limbo, and not only as a result of Thatcher's policy of de-industrialisation. The 2007-2011 crisis, and indeed attitudes towards southern Europe, were expressed by many, in the absence of a credible left alternative, in a traditional chauvinistic manner. The consequence was: "We categorically don't want this and we don't want workers from Eastern Europe (particularly Poland) competing with us for jobs on lower wages; and we

don't want more refugees. We want secure borders!"

The politics of the EU and of the Troika have recently provided a considerable catalyst for the intensification of the rejection of the EU. The political, economic and institutional background of this structure, however, is actually the cause of the eruption of this crisis. Galia Trepere explains this well, and we refer to her contribution and quote briefly from it:

The European Bourgeoisie has succeeded in creating a unified market, a single market with the free movement of goods and capital and a common currency. They were not in the position, however, to give up their own national states, which largely provided them with their privileges, and which afforded them the ability to fool the workers in their own country that they shared a common interest in the 'national' capital. The various crises experienced by the EU just prove that there are actually no common politics in Europe but, at best, compromises in the context of a balance of power, pursued by the richest and most powerful states, in particular Germany and France...

The origin of all these crises lies in the basic structure of the EU - namely in the expansionist tendencies of the EU and the overcoming of national borders on the one hand, and, on the other, the self-interests of the prevailing national Bourgeoisie which lead to the continuance of nation states.

In other words, it is not the fault of respective governments that the EU has credibility issues and cannot progress with increased integration. Those goals declared in Maastricht and Lisbon of standing up to other powers as a united economic force are fading into the distance. If the nation state actually belongs to the past and Capital accordingly is becoming transnational, why is it not then possible to go further than an economic and currency union - creating a European economy.

To do that would require a federal state. The question is why this has not come about, and, why it cannot under

the conditions of the 21st century. A brief look at the current structural tendencies of Capital will now be taken.

National or Transnational Capital

Without any doubt Capital is advancing in concentration and centralisation irrespective of borders. What is the basis of the economic and political principles of the ruling class? Ernest Mandel writes:

By its very nature Capital cannot tolerate geographical limitations on its expansion.

Mandel emphasizes:

However: Capital tends to combine international expansion with the development and consolidation of domestic markets.

All of this does not occur without the use of political power, which is why Mandel writes:

The relationship between national and international expansion as well as that between capitalist laws of development and the conscious use of state power to economic ends take on a new dimension.

And further:

The general division of the world between imperialist powers, itself a result of the limitations of capitalist competition in the domestic market, has, as a result, an intensification of international competition on a world stage, in inter-imperialist competition and in moves towards periodic redistribution of world markets, even through means of armed force i.e. imperialist wars.

Mandel adds:

In late capitalism multi-nationalism becomes the defining form of high finance... [the real reason for that lies in the fact that] the expansion of productive resources breaks through the limits implied by the nation state i.e. the minimum limit of productivity

with which goods may be produced and may be sold at a sufficient level.

How then does the international concentration and centralisation of Capital actually now behave, where does the controlling power lie and what does the relationship between one particular capital and a specific state actually look like?

Winfried Wolf writes:

It's no accident that the UK did not take part in EADS [European Airbus Defence & Space] and that the British armaments giant BAE is more deeply rooted in the USA than in Europe. This division within the British capitalist class may be laid at the door of the lack of a European Capital, giving rise to a minority faction that was pro-Brexit.

He declares that:

The key reason for the non-existence of a European bourgeoisie is: the persistence of all large national bourgeoisies, and especially the striving for power of the ruling classes in Germany. Secondly, such an EU failed because the decisive first steps towards capitalist unity, the common currency, led to internal division in the EU and came up against sharp 'national' opposition.

By way of explanation it must be said that irrespective of the desires of any particular government, the introduction of a common currency for such a variety of national economies such as those in Europe, has for structural reasons, catastrophic consequences: weaker economies cannot protect their industries by means of devaluation – at the outset such countries may benefit from reduced interest rates but fairly soon they are out-competed and are defenceless. Thus, instead of divisions in the EU being narrowed, they actually become deeper.

As early as 1972 and with the rigour of sober politico-economic analysis, Mandel explains:

A common currency, trade policy, taxation policy and system of (infra)structure-changing public works is ultimately impossible without a Europe-wide government whose

taxation and financial sovereignty is underpinned and supported by a repressive state machine – in other words a common state.

The EU, particularly the Eurozone, is now mired in this problem. To create a unified state in a European context is impossible, largely due to the huge economic inequalities evident here. The costs of equalising living standards simply cannot be borne, and this is quite apart from any further difficulties arising from institutional aspects such as culture (including language) and politics. If moves were made to achieve this through the much-feared depression of general living standards then we would quite rapidly see new exit referenda (in Holland and France etc.) and time would be up for the EU.

The EU cannot, therefore, get beyond being a common market and if the Euro is to be kept then the problems will simply not diminish. And, irrespective of whoever is Minister of Finance in Berlin, we will see the issue of Greece inevitably repeated. Italy might, for example, be next. The banks there are in such a bad state, sitting as they do on more than 360 billion Euros of bad credit, that the Italian state would have intervened long ago were it not for EU-imposed constraints (too many small savers are affected; an insolvency would cause a run on the banks and the total destruction of the finance sector with implications far beyond Italy itself).

The EU will (still) not permit "helping" this bank, as it would 'set a precedent'. EU stipulations in this respect are not merely due to the absolute promise made, for political reasons, to a furious public, that the 2008-09 free sale of banks would not be repeated – the real reason is that the finances of public authorities are currently severely limited, and ultimately the bank recovery programme would drop the crisis squarely on the shoulders of the national budgets of many countries (and then indirectly on the EU by implication).

Finally there remains the same problem for European capital described by Ernest Mandel when discussing the former EEC:

Just as no hegemony can be tolerated within this international structure, neither can, in the long run, a form of common economic government provide supremacy over other states of a single bourgeois nation state or over the loose confederation of sovereign states. This can only be achieved through a transference of sovereignty rights to a designated super-national common state.

It is precisely here that the key issue may be found for the EU in the 21st century. For any such transmission of sovereignty to take place there are only the following solutions: If it is forced through with fire and brimstone as with the unification of Germany in 1871 then this is unlikely to breed success. In the context of advanced internationalisation of production the impact on profit over years, and even decades, would be simply too serious, even without taking into account the actual military capacity and the prospects of any political success of such a venture.

The second possibility might be through an economic dynamic, a unification to which all relevant countries would subscribe almost 'willingly'. This precise dynamic, however, does not exist, and is absolutely not foreseeable in the context of the stagnating, even in places recessive, phase of the current long wave of capitalism. On this basis the hitherto relative dominance of the German bourgeoisie (or even capital largely based in Germany) cannot be broadened to effect an all-encompassing absolute dominance. This would be only be possible if the German economy comprised, for example, 75% of the EU GDP (currently: it is 29.14% of the euro-zone, and 20.72% of the EU-28, figures taken from the European statistics bureau www.statista.com) or if economic development showed high growth consistently across the whole of Europe.

At the moment we see the opposite. Economic inequality in individual countries is so great that an equalisation of conditions under capitalism is not possible, and not just on account of the massive transfer of economic resources necessary to ensure a functioning national economy

(which actually would require the development of a Europe-wide single rate of profit). Currently, even the gap between Germany, the Netherlands and Austria on the one hand and the other 'core' countries of the EU (for example France and Italy) is growing. This is exacerbated by the fact that Germany profits from servicing the debts of other countries as the purchase of German government bonds at present provides only negative interest rate for buyers resulting in actual savings for the German Chancellor of the Exchequer. In economically uncertain times it is always only 'safe harbours' which prosper - a fact that can and will deepen the divide.

Power blocs and multinational companies

There is another difficulty. In the international struggle for spheres of influence and access rights to raw materials etc. power blocs continue to play a significant role. The triumvirate that has existed for centuries (North America, Europe, Japan) has changed significantly.

A number of emerging national economies (BRICS) are now important on the world stage and are able to compete with companies from former imperialist power blocs.

China, in particular, is determinedly expanding its power base (buying land in Africa, purchasing raw materials and developing infrastructure mechanisms throughout the world, the state purchase of hi-tech industries - KUKA [an important mobile robot producer in Germany] being one example). These power politics, meanwhile, are being secured militarily (e.g. the occupation or creation of 'artificial' islands in the south China sea).

The USA is economically weaker than in the 70s and is increasingly relying on its military superiority as well as, ever more, on the leading role of its currency.

In brief:

The EU cannot, on account of its structural problems, make use of the damage to the economic dominance of the US. It is, of course, a key market but tending towards becoming of diminishing importance as a collective power. This is not just evident in the reduced significance of the Euro as a reserve currency - the military capacity of the EU (in comparison with the major powers) is decidedly modest. Thus the EU continues to be dependent on the USA. An independent or even hostile political simply not possible due to its insoluble structural problems. A disintegration of the EU would be of no interest to the USA - as a serious power political challenger it is (definitely) second league.

Specific companies, i.e. those that have their ownership in a particular bloc (even more so, when only in a particular country) rely on the backing by that bloc or nation. This is particularly so when, in an economic crisis, state support plays an even greater role than it did say in the 19th century or at the beginning of the 20th. On the basis of the experience of the tapering off of the expansive phase of capitalist development after WW2 Mandel concludes:

The only prognosis, which one can discern from this, is that multinational businesses not only need a state but indeed a stronger state than that of a 'classic nation-state' if they are to overcome, at least partially, the periodic threats to their enormous assets by economic and social contradictions [inherent therein].

According to Mandel's analysis, multinational companies neutral towards state power, should be regarded as an intermediate rather than a transitional form. For, sooner or later, even these companies, with their multinational ownership will seek 'the use of state power to defend their own interests against competitors'.

The disintegration of the development of a European state is certainly sobering for those businesses based in Europe. The support by a close-knit Europe, hoped for even 15-20 years ago, has little likelihood of coming to fruition in the context of competition

from extra-European capital. The fact though that these businesses in Europe very likely have the support of EU institutions when it's a question of further privatisation, welfare cutbacks, reduction of trade union rights etc. should not be underestimated.

The fact that the EU is not about to get much further than the early stages of a proto-state has the following consequences:

a. It cannot shift the balance of power to its own advantage (and nor concomitantly to the advantage of its mainly European-based capital).

b. The crisis of the EU as a political-economic project and the self-preoccupation of European institutions will irrevocably continue, irrespective of whomsoever occupies the seats of power and supports the interest of Capital (i.e. particularly in the core European governments).

c. Depending on the actions of the executive committee, other countries might be prompted to leave, sharpening the crisis yet further. If right wing extremists gain a foothold then such a crisis may occur even without further referenda. Even the continuation of the politics of extortion such as seen against Greece (and increasingly against Portugal) will not calm the waves of political anger.

These aggravating conditions are, of course, well known to Capital and to governments. It is likely that we will very soon see an increasing drive towards a focus on a core Europe - a Europe of two different speeds. The realization of such an option is, however, unlikely for political reasons (the basic treaty would have to be renegotiated), even apart from the fact that Poland and other eastern European countries have to be kept on board, playing as they do such a critical role in the politics of isolation in respect of Russia.

Forms of Opposition and

Alternative Models

From the above we can see that the EU is not simply badly, or wrongly, led with a range of democratic weaknesses. The free movement of labour was introduced for example as a mere side issue, as the path to deeper integration necessitated a free workforce unrestricted by regional (or even pre-capitalist) restraints. Taking the people 'with you' was not only politically important, but reflected capitalist rationality. If the EU on sober analysis does not constitute a project that is in the interests of the majority of the people and is also not reformable in the way we understand it, then for the majority of people the matter is not resolved, and certainly not resolved in the core countries. Even in Greece the EU has not been fundamentally rejected by large sectors of the population, because the EU is understood as producing a variety of benefits (above all freedom of travel, the financial boom at the beginning of the 21st century, the influx of tourists etc.).

It is, therefore, simply inadequate to criticize the EU and offer an alternative ideal model instead. What we, the left in Europe, must be clear about, particularly after the predominantly xenophobic Brexit vote is that we cannot create, more or less from nothing, a movement for a new Europe. There is simply no basis for that at present. Any such left initiatives are pipe dreams.

We are dependent on a development, where opposition movements arise that are not simply anti-EU bureaucracy and the like. It is only with these movements that we can usefully connect those which are not anti-immigration etc., but which are building cross-border solidarity. Such movements are scarce commodities indeed at the moment, even in the trade union movement where opposition to business politics are more than ever necessary. Even the opposition to job cuts at Alstom (now General Electric) is a tortuous business and scarcely gets beyond minor actions on a national level. (It's not everywhere that there is such a firm ground for action as in Mannheim.)

In the face of this, it is important and expedient to agree on the fundamentals, as a purely defensive struggle with no clear concept of any future long-term goals might quickly take us down a blind alley.

1. The emphasis of our activities in respect of EU politics (i.e. the Troika) cannot rely on propaganda promulgating socialist European states (irrespective of the fact that even this can only represent an interim stage for our ultimate goal; all social and political boundaries must be eradicated in the interests of a humane society). We must focus on supporting defensive struggles as, unfortunately offensive struggles are currently unrealistic.

2. Our argumentation, however, is not a secondary matter. It should not only be comprehensible but also, in the long term, coherent. Therefore we should not be arguing for a broadening of democracy in EU institutions, as this would create the impression that we fundamentally believe the EU to be reformable. Ultimately the EU, for the structural reasons already mentioned, can never become a social Union.

3. Nor can demands for an expansion of the powers of the European Parliament provide coherent and forward-looking argumentation for us. The European Parliament will not be forced to become an instrument of democracy if we enhance its competence. The key question is -competent for what exactly and in whose interests? More competence for dealing with thousands of interest groups more effectively? The European Parliament cannot be uncoupled from the whole capitalist EU venture and its functioning should be seen as that of a bourgeois parliament, in that case a very weak one.

4. Our vision of a different Europe for which we argue when engaging in these struggles must be based fundamentally on the following issues made clearly comprehensible to those not on the Left:

a) The critical force for the implementation of a different, united, future-proof, peaceful and ecologically

sound Europe is the working class. The Trade Unions have to be convinced of these goals, and defensive struggles against the politics of business must be coordinated internationally.

b) This new future Europe can only meet the interests of the great majority when capital is expropriated. Unavoidably, then, this is a question of power. A just and socially determined economic and social system is not possible under capitalism. A planned economy is necessary. This cannot co-exist with Capital, just as participative and co-operative economic strategies cannot exist within capitalism.

c) Politically such a new order of society cannot be effected using bourgeois instruments of power, with a distant government fixed for 4 years or longer. The hitherto best form of political participation and social power structures (i.e. for taking decisions on social issues) is a committee of representatives (workers council). All questions should be decided on by the relevant bodies (on the shop floor, then on the local and regional level ...) on the basis of open and democratic debate.

d) A 'Stage Theory' according to which we create a more democratic EU and then move on, is based on pure illusion, and a dangerous one because it sidesteps critical questions and inevitably leads us into a blind alley.

e) Absolutely no-one on the Left, if they wish to avoid folly, should duck these key questions, pandering to populist attitudes in the way that, for example, Sahra Wagenknecht [leading figure of the left in Die Linke] repeatedly does in respect of the refugee question. This only creates confusion, weakening us and our argumentation substantively. Any serious-minded member of the left should distance themselves publically from such errors.

There is still much to be done in the building of revolutionary forces involved not only in the development of a broad, possibly international oppositional front but also in the articulation of future perspectives.

Europe: No “LEXIT” without “Another Europe Possible” - based on struggles in/outside/against the EU

21 September 2016, by Catherine Samary

Isn't it time for a “Europe Debout!” [1], plural but opposed to the dominant policies and institutions, constructing an alternative European political space within/outside/against the EU? [2] The alternative left in the EU's dominant countries – notably in France and in Germany – has a major responsibility in the possibility of blockage and challenging of the harmful powers of the EU in an optic which is not only a “discharge” (from the EU) but “constituent” [3] of another European project, organically linked, from below, to the mobilizations of those most dispossessed of their rights and “peripherized” in Europe's east, south, and centre. Challenging Treaties and policies at the European level is a strategic issue weighing on geopolitical, ecological and socio-political struggles at the national and internationalist level.

1 - *The story of the Greek Oxi is neither written nor terminated*

2 - Facing the European strategic issues

3 - Brexit, an act of “discharge” (from the EU) without an act “constituent” of a European progressive alternative

4 - The EEC/EU is not “Europe”- the appropriation of words, a major strategic and ideological democratic issue

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1- The story of the Greek OXI is neither written nor terminated

The OXI of the Greek people was a mandate of *opposition* to the new austerity plan negotiated with the Eurogroup. It did not express a choice of *exit* from the euro, still less from the EU. But it is not true that the capitulation of the Syriza leadership *would prove* that the sole alternative to submission would have been exit from the EMU and indeed the EU. [4] Rejection of such an exit was reducible neither to a *support* for the logic of the EMU or EU, nor to *illusions on a “good EU” that could be democratically reformed*, without crisis, and without challenging these Treaties. *Several proposals expressed before and after the OXI implied opposition and disobedience to the dominant policies* and acts of unilateral rupture with the Troika, without a prior adoption of exit from the Euro as main axis of mobilization

expressed before the OXI. [5]: suspension of payment of the debt and support to the citizen's audit analysing the causes of the debt, with a refusal to pay the unsupportable and illegitimate, indeed illegal, part of it; socialisation of the banks and control of capital movements; creation of a fiscal currency allowing the financing in particular of public services and support for vital food production, and so on.

The fear of an absolute peripherization through being outside of the Euro zone is not a phantasm or an irrational fear that can be overcome through a good “pedagogy”. It can be turned against the current Treaties. And the idea that another Union of European Peoples could be founded with its ad hoc monetary system using the Euro “otherwise” and on the basis of equal rights is no less concrete a utopia than the hypothesis of a “sovereignty” which could be acquired by the return to national currencies.

The OXI expressed in its way this hope without knowing how to realise it. It was not only in radical conflict with the forces dominating the EU but also with the Greek oligarchy, the powers of repression, the fascist far right weighing also on Greece's state apparatuses: the strategic stakes were first those of class, *organically national and European*, with or without the euro [6]. *If we draw out the lessons of the fragility of the relationship of forces in summer of 2015, they are located both at the European* (which is the responsibility of all the components of the anti-austerity and anti-racist left) and

national levels: at all these levels, the possible scenarios depended on the combination of political/ideological battles (against all the relations of domination both in the EU and in Greece) and the extension of *popular self-organization on the bases of solidarity (egalitarian, anti-racist), minimizing international commodity relations and dependence on the euro*: the experience of the self-managed dispensaries in Greece for health - with their support in France - indicated a logic that a Syriza government could have supported. Public funds and a tax currency could revive employment and the public services and support survival agriculture.

In reality, the main positive lesson of the Greek experience is that the OXI was “intolerable” for the Eurogroup because it was *dangerous for the EU - which is, thus, fragile*. Yannis Varoufakis has stressed that it was France and its protective legislation that was targeted. And it is true. The “Nuit Debout” against the employment law has shown that resistance is still there and the future is uncertain.

But above all, it can never be said how much a victory for the Greek OXI was *dangerous in Germany itself*, as in the whole of the EU, if it “spoke” to the peoples and *not to the leaders of the EU*, like Hollande and Merkel.

The experience of Syriza remains that of the first (and not the last) of battles which are both national and European, in/against the EU and against its role in the globalized social war. To submit to the leaders of the EU and their desire to lock down more than ever opposition to their projects is as suicidal as renouncing the fight in/against the EU from the first battle lost. The story of the OXI is not over, in Greece or in Europe.

2 - Facing the European strategic issues

Euroscepticism can only be provisional (conjunctural) and linked to the real difficulty of European struggles and an unfavourable

relationship of forces: there are big differences in the capacity of initiative of “those at the top” and “those at the bottom” and of the European trade union and socio-political movements. Pessimism and its binary choices - leave or submit - can obviously by comforted by the double note of the real submissions to the Eurogroup going on in Greece, and the “Ordoliberal” orientations of the EU leaderships which seek to inscribe in the Constitutions their own choices while muzzling any opposition.

However, the same social resistance to the same policies exists de facto in the atomization and diversity of EU states; and the difficulty of building a European movement does not invalidate its urgent necessity. We should neither reject national struggles while awaiting impossible consensuses, nor denigrate as “submission to the EU” the search for collective scenarios, to have an effect on the relationship of forces, to help the most vulnerable counties and to delegitimize the politically and socially unbearable policies imposed by the Eurogroup and the ECB. The alternative left in the countries of the “centre”, in France, in Germany - or in the United Kingdom - has particular responsibilities on this level.

But it is then necessary to go beyond the *theorizations* that pull the Greek example in the sense of their own denial of a European strategic stake. This involves on the one hand the argument concerning the absence of a “*European people*”. We can allow this *against any idea of a statist and unitary European federalism* that can and must be fought, as well as the idea that any supranational federalism would be necessarily more progressive than a nation state, without any concrete analysis of the one and the other. But such abstract federalist viewpoints can be fought very well in the optic of “another Europe” in which diverse institutional variants can fully recognise the free determination and evolutive diversity of peoples, itself not contradictory with the expression of subjective feelings of multiple feelings of belonging, including a “European” one.

The absence of a European people does not imply that there is no

European strategic issue for the internationalist left and that Europe should be placed “between parentheses”. This is however the viewpoint which has been expressed notably by Stathis Kouvelakis, Cédric Durand and Razmig Keucheyan in defence of a new type of internationalism which would pass above the European issue, starting from the reconquest of nation states. [7] In substance, their position starts from the denunciation (obviously shared by the whole radical left, whatever their positions on Europe) of the internationalism of multinational firms and markets - or those who submit to their laws, incarnated notably in an EU which is that of these oligarchies. *No disagreement at this level*. The debate starts from there.

It is concretized (beyond the question of the “European people” evoked above), in two unproven affirmations: first, the idea that any rejection of leaving the EU would be a submission to the latter, using an “internationalist” discourse to hide a betrayal of “real internationalism” anchored in national struggles, by rallying to an “internationalism of capital”. This first affirmation is in practice “illustrated” by the reneging on the Greek OXI by the Tsipras leadership when it agreed to manage itself the “bad agreement” negotiated with the EU leaders. It is correct to say that this amounted to a choice by Tsipras and not only a “coup” by the EU. And the choice of this supposed “lesser evil” is still a serious trauma in Greece and in Europe. The risk of “Pasokization” of left formations continues to weigh everywhere in the EU and the world, in the context of unfavourable relationships of forces.

But, even supposing that leaving the euro zone would have been unfavourable then, it was not inevitable to choose between going and remaining in government to pursue a policy which had previously been rejected. It was not inevitable either that the radical left did not fight to make the audit on the Greek debt a central issue - in Greece and in the EU - against the dominant policies, their challenge to basic rights and their lies. None of the real “choices”, between submission and exit, have been

implemented. All these options are necessarily hidden by a standpoint that seeks to exclude from the debate any European strategic stake and any possibility of resistance in/against the EU. These rejections are “consolidated” by another “theoretical” tilt which denies that the EU can be a “battlefield”, characterising it as a “prison”- which must then be physically escaped from at any price.” [8]

Yet the Greek example can illustrate the opposite: not only was “European construction” permeable to social struggles but we can see *the proof of a specific social and political vulnerability of the EU*. in the violence exercised against Syriza’s actually quite moderate programme.

More broadly, far from being reducible to the EU and to having the euro as its main tool, the *social war* which has been effectively waged by the EU has been on the agenda since the 1980s under Margaret Thatcher’s “TINA” slogan and has been followed at the centre and in peripheries, via all the Free Trade Treaties with or without the euro. This is more true than ever since the crisis of these policies in 2007/2008 in the context of the “neoliberal night” as Dardot and Laval stress. [9]

But it is not a logic without contradictions and resistance. The situation of crisis and instability is accompanied by polarizations, including in the EU. The instability and difficulty of “governing” the EU testify to this. But *in the absence of a European progressive and credible alternative*, it is xenophobic nationalisms which can push towards a reactionary disintegration. Not to “see” and “work” on the European strategic stake as *necessary support* for both national and internationalist struggles, is not only false, but dangerous.

Brexit is a stern warning of this.

3 - Brexit, an act of “discharge”

(from the EU) without a “constituent” act of a European progressive alternative [10]

Certainly, no “vote” is “pure” or unequivocal. This one was necessarily composite: Brexit dominated in England and Wales, but Scotland and the North of Ireland voted to remain; it won a majority among older people, but not among young people (who were more abstentionist than their elders); it was massive among a part of the workers “of English descent”, but *rejected more massively still* by those who were “racialized” or “othered” as “invaders”. No sociological, “national” or political over-simplification would make this a “plus” for progressive struggles. At best, it was “a kick in the backside” for the EU and a “slap for the British establishment” as Tariq Ali puts it. [11].

Undoubtedly it was also a slap to the EU’s enlargement policies and their pretensions, but not an internationalist, solidarity based and progressive gesture: on this level, it chimes with the vote in the Netherlands during the referendum organized on 6 April 2016 (with 30% participation) where the EU’s proposed association with the Ukraine was rejected by more than 60% of those voting. But in what sense? With what underlying stakes? In the event, it was about the EU extending its free trade treaties (without the perspective of joining), presented to its neighbours as specific “partnerships”, seeking in Eastern Europe to force several countries located between Russia and the EU to “choose” an orientation towards the latter. How should one vote if both radically critical of the EU and this disastrous free trade agreement, but also against any logic of choice of Putin’s Russia against the EU (or the other way round)? How to respond to Ukrainian popular hopes – especially amongst youth – of rapprochement with the EU?

Whatever the vote, there would be no progressive option in the false dilemma of this referendum, which Alona Liasheva has analysed very well *“The real solutions of issues of geographical division can come only by turning the question “EU or Russia?” upside down and instead asking: The EU, Ukrainian and Russian elites or the people of Europe, Ukraine and Russia?” This can be done only by creating networks of solidarity between the oppressed residing around all of the those territories..* [12]

In the same way that making European links “from below” with the Greek people was and remains essential in defence of their OXI, we can hope that in Ukraine there will emerge, against the “partnerships” proposed by the EU, coalitions of associations of civil society, as in Tunisia or in several black African countries who oppose the “Partnership Agreements” by which the EU is supposed to “aid” them [13], as it claims it is aiding Ukraine, notably against Russia. In all cases, and from all sides these different forms of free trade agreements escape the control of society and dismantle protections and social rights. But seen from the Ukraine, they can appear as a possible “stage” towards future EU membership, which is *perceived by a part of the population as a means of escaping absolute peripherization and the reign of the oligarchs*. This viewpoint should be understood, as it has also been present in the internal (semi) peripheries of the EU.

Demystifying illusions cannot occur with a logic of “veto” by the Europe of the rich coupled with racist rejections. A euphoric vision of these “slaps” of the EU risks also blindness on the fact that they do not lessen the risk of consolidation of a hard core of the EU or the Eurogroup which would impose de facto its norms on different “circles” of members and non-members of the EU. *Brexit is far from weakening this menace*, even if we cannot yet measure all the effects – the United Kingdom (UK) is a great financial power which was not one of the founder members of the EEC, not part of the Euro and is capable of negotiating – yesterday as tomorrow, after Brexit – many arrangements with

the EU bodies. Its leaders have, *inside the EU*, been a major obstacle to any policy aimed at limiting social and fiscal dumping. Far from turning against the European austerity plans forced by the euro, the British ruling class has been an exemplar for them, for decades, under Margaret Thatcher or Tony Blair, without the euro.

The British (in fact English) affirmation of “sovereignty” against the EU, dominated by far right forces, does *not* target the economic policies but the “free circulation of workers” imposed by the EU. Hence this nauseating campaign against oppressed populations, according to whether they are perceived as “native” or stigmatized as “invaders” or “taking jobs” and incomes which have become extraordinarily precarious and miserable. Brexit will not put an end to the destruction of social rights and the jobs without social protection which has spread using the pressure of a poverty coming from Eastern Europe, but according to a logic which makes fire from any wood, inside or outside the EU.

The British referendum did not allow opposition to this logic. In the absence of a concrete and progressive European alternative, the British subaltern populations have taken one or other of the sole votes possible, by rejecting various relations of domination without any credible progressive orientation: the components of the internationalist radical left that supported Brexit – thus a Left exit/LEXIT – *stressed the responsibilities of the EU* and not those of the British ruling classes (inside and outside the EU) as to the social damage suffered for decades, and the logic of the binary choices led them to assimilate all the partisans of “Remain” to “defenders” of the EU. Symmetrically, a part of the left which fought for “Remain” blurred the critique of the EU by calling for a Remain voted based on “rights defended in Europe” – notably the free circulation of workers, and by assimilating any Brexit vote to a racist vote. This “campist logic” – where anything that could give “arguments” to the adverse vote is blurred – dominated this booby-trapped referendum, erecting walls between

the internationalist currents of *Lexit* and those inside Remain who campaigned not to *support* the EU but *to fight it* with the horizon that Another Europe Is Possible (AEIP).

In such a context, the common points (anti-racist and anti- social dumping) of the two sides could not be brought together; it was not possible in the various currents of the alternative left to fight together the dominant policies in both the UK and the EU, nor the reactionary political forces on the two sides; this context did not allow clarification of the semantic blurring or the real divergences that should be debated, behind the diversity of the political sensitivities manifested both inside *Lexit* and in the radical left of *Remain*.

Going beyond such impasses is urgent. Which means initially clarifying the discourses and analyses of “Europe” – that from which we wish to “exit” (from the left) and that which we wish to build (from the left).

4 - The EEC/EU is not “Europe” - the appropriation of words, a major democratic, ideological and strategic issue

The semantic battle is one of the stakes of the class and democratic struggles: we must remove from the dominant the privilege of “words” and interpretations which they have constructed in defending their specific interests while legitimating them as supposed European “values” which are necessarily progressive, indeed universal. To designate explicitly the EEC, become EU, by its name, is to treat it as a “historic construction”, socio-political, institutional – which can be gone beyond; and to reject, in so doing, hiding the other geo-political realities which have fashioned and divided the continent. It is to stress the genesis and context of a project in evolution, to designate its sponsors, to analyse the crises which

have induced the unforeseen institutional transformations and to lay bare the contradictions. But also to analyse, with the peoples concerned, the illusions or hopes linked to these projects, not the same here and there, or in various past phases. It is to stress the haziness of the political debates which underlie the appellation “Europe”, apologetic or worse, arrogant and dominant – like the USA calling itself “America”.

The rejection of naïve or apologetic positions towards the EU does not imply accepting, in the opposite sense, analyses obscuring the conflictual diversity of the “bourgeois” projects and their contradictions.

Established during the Cold War, the EEC has been subject to different viewpoints from the leading forces of the countries concerned, and in conflict with other equally capitalist projects (like the European Free Trade Association /EFTA, supported by the USA, itself composite and evolutive). Understanding this “construction”, with its *continuities and discontinuities*, does not come from simply reading the Treaties. Free trade was recorded as an objective in the Treaty of Rome (and the USA, the dominant industrial power, pushed in this direction). But during the post war boom, the EEC was dominated by policies giving a predominant role to state intervention and bank finance (notably in France and Germany). But it never stabilized as an univocal project between the different national bourgeoisies: no consensus was consolidated as to the role of national governments, markets and supranational institutions, or again on relations with the USA, USSR and then post-Soviet Russia. It has never been (even when it became the EU) a simple free trade agreement, like NAFTA (which has neither “budget”, nor parliament, nor political pretensions). The free circulation of capital was forbidden by exchange controls until the Single Act of 1986 which dismantled these controls – after the neoliberal turn of the French Socialist Party from 1983. The free circulation of capital in the EEC, effective from 1990, was an essential institutional and economic turn which fragilised the European Monetary System, based on the Ecu and the

national currencies, while establishing the “big market” of capital, commodities and workers which would characterize the EU. The latter was, then, fully committed to neoliberal globalization.

Joined by most of the EFTA countries, with different profiles among the richest countries in Europe, but also opening towards the poorer southern countries emerging from dictatorship in the final phase of the Cold War, the EEC became the centre of gravity of “European construction” in the capitalist and imperialist world without being a simple instrument of the USA in Europe. Nor did it imply any agreement between member states on NATO (notably inside one of its founder members).

To attract to its institutional system a growing number of countries endowed with a strong historical reality, it was obliged to combine “federal” dimensions and a very strong inter-governmental and confederal reality. In the same way, the introduction of redistributive budgetary funds and a parliament with restricted powers, but elected by universal suffrage, from 1979, formed part of the arguments presented to the peoples during the referendums on joining in their countries. It was not a “German Europe”. It was the Franco-German core which played a key political role in its different phases, from after Nazism to after German unification, via the Single Act and the Maastricht negotiations.

None of all this makes it an egalitarian democratic system close to the peoples: it still acted as a project of the dominant forces and classes. But in a context of Cold War, the rights and principles recognized – which could be described as “smoke and mirrors” to legitimate and facilitate the enlargements – nonetheless also constituted a “political” dimension and the source of some difficulties. For the financial lobbies and all the forces of neoliberalism, these traits were increasingly bypassed and/or challenged so that the system was increasingly organized on “Ordoliberal” bases, framing a free trade zone that the governments of the union supported, under all labels.

The gap between principles or discourse (egalitarian and democratic) and reality forms part of the common lot of all parliamentary “representative” systems based on the capitalist market economy – which explains their current crisis of legitimacy, in a context where their anti-social and thus anti-democratic drift is affirmed everywhere. This is then not only an EU reality. And it is not even obvious that this drift is less strong in the French nation-state than in the European institutions; nor that the French government acts only under the pressure of European prescriptions. Every progressive struggle must be waged on two fronts, national and European.

5- Past crises have bequeathed an unstable construction incapable of responding to progressive European aspirations

It was “great crises”, and not some pre-established unequivocal project which pragmatically impelled the major transformations of European construction – obviously all decided by the dominant social and political forces and “from above”, but without a united “bourgeois” vision.

It was thus international monetary crises that led to the establishment of the European Monetary System (EMS) in 1979 around the Ecu, then Economic and Monetary Union (EMU) around the Euro after the Maastricht agreements in 1992. On another level, it was the Yugoslav crisis of the 1990s parallel to the breakup of the USSR which favoured the putting in place of a Euro-Atlanticist “management” of the Balkans, allowing the maintenance then redeployment of NATO in Europe after the dissolution of the Warsaw Pact and the end of the cold war.

The “systemic crisis” of transformation of the eastern European systems unfolded under the pressure of the standards and criteria of membership imposed by the EU on the countries which were in its orbit. Social destruction, disastrous for the great majority of people in these countries, was accompanied by a financial, monetary and commercial integration in the EU which was completely specific [14] – several countries being moreover rearguard bases for German industrial and export strategies. In the absence of a capital market and a previous capitalist accumulation, privatization of banks was subjected, in the context of global financial liberalization, to a radical “peripheral” integration to the big west European banks, supposedly a stabilising influence, until the crisis of 2008/9 which affected Eastern Europe more seriously than the old Europe.

Globally, the peoples of Eastern Europe were exploited to implement a radical policy of social and fiscal dumping on the continental scale: the “convergence” between old and new Europe took place on the bases where the only winners were the minorities at the head of all these countries, without popular legitimacy, seeking EU membership as a substitute “programme” because the EU had all the same a certain attractive power – albeit illusory.

The union was in any case enlarged on the basis of a discourse and claim of stabilising and pacifying the continent. But the neoliberal turn was organically contradictory with any social and political cohesion, at the internal and international levels. The EU became involved (without any votes from its parliaments) in the first NATO war on the continent (in 1999 in Kosovo) and it was incapable of positively affecting the origins of the wars in which it was implicated in various forms. It was equally incapable of contributing to the social wellbeing of the great mass of people when it was co-responsible for the destruction of old social protections of various kinds and rising inequality. It was also incapable of providing a welcome to migrants and refugees, while the “free circulation of workers” has been experienced (in the East) as

a response to great poverty, and (in the West) as the “theft” of jobs and resources which have become increasingly precarious.

A sociological analysis of the Brexit vote illustrates these realities. [15] The EU propagates an “egalitarian” discourse anchored in the ideology and mechanisms of “free trade”: it is with the pretext of male/female equality or the right of Polish workers to find work in the UK that many protections and rights have been suppressed, competition allowing the alignment of everyone at the lowest common denominator. But at the same time the EU is stigmatized by far right atheist or religious forces as “decadent” for the rights it effectively recognizes. Seen from the countries where the dominant forces do not bother with the niceties of social rights, the EU can also appear as a “protector”. [16] In the same way, the French authorities have been correctly condemned by the European courts for their attacks on civil liberties and the odious conditions in French prisons.

In short, according to the immediate issue or the country from where you are looking, the EU can be *perceived* as a framework to combat wildcat capitalism, or as a tool of destruction of precarious protections; or again be supported as a bearer of feminist, anti-racist and anti-homophobic values whereas increasingly precarious employment weigh notably on women and racial minorities: the equality of rights it defends is that of the fox and the chickens when the henhouse is destroyed.

In other words, it is equally false to present an apologetic and dishonest version of EU “values” or to underestimate its contradictions. And far from denigrating and concealing popular “pro-European” *aspirations* past and present, they should be turned against the reality of the EU to the benefit of progressive alternative projects.

The inappropriate use of the word Europe also makes it hard to fight what the EU really is and to clarify what one is fighting for.

6 - To give meaning to “the other Europe”, construct a Europe Debout!

The slogan “for another Europe” can span diverse logics that should be clarified. It can mean 1) minor changes which do not contest the essence of the EU’s anti-social and anti-democratic dimensions; 2) a “sum” of nationalist xenophobic and reactionary practices; 3) progressive objectives in opposition to the current Treaties and institutions of the EU in defence of egalitarian and environmental rights, against commodification and the privatization of common goods.

We should reject any *alliance* on superficial “anti-EU” bases with racist and xenophobic currents; it would be organically contradictory with any progressive coherence of the national struggles themselves: because it is necessary to distinguish oneself from far right currents both on what the “nation” is and on the finalities of an “other Europe”, solidarity based and egalitarian. We must reject false alternatives between national and European struggles, and distinguish the defence of national rights (notably in a free union) from xenophobic nationalism. The debate is necessary because the radical lines of exit at any price are expressed in the context of debates on “plans B”. A red line of rapprochement with the FN has been crossed by Jacques Sapir or Jacques Nikonoff. [17] It is not inevitable. [18] And it is also important to push the debate on the content of what a “popular sovereignty” could be: the defence and implementation of a control of choices, by the diverse peoples of the union, on democratic and egalitarian bases should not be assimilate to a statist and racist vision of sovereignty, and can be understood at various territorial levels (not only “national”).

It is obviously the third variant of “Another Europe” in opposition to the EU treaties that should be defended -

distinct then indeed opposed to the first which is content with “trifles” to bring about a “good EU”. But we should not confuse forces consciously engaged in a policy of social wrecking and currents or individuals who criticize these dominant policies while hoping for “reformist” transformations of the EU. We should then specify the stakes and the criteria of fronts.

The affirmation that *the EU is “irreformable”* is both correct and the source of false and bad debates. It is correct in the sense that the harmful effects of EMU - that is, the choices made in the construction of the EU - are not there “by chance” (or are not simple errors). But we cannot deduce from this any conclusion denigrating the interest of “reformist” battles *in the sense of concrete objectives or partial measures advanced even inside the EU*, compatible with diverse logics. People or political, associative, trade union forces, can engage in struggles against the dominant policies with different perceptions as to the possibility of “reforming” existing institutions and systems (indeed the hope of “saving “them from something perceived as worse). Revolutions have never been brought about by demanding “the revolution”, but on the basis of concrete demands and struggles in the “system” against its mechanisms and effects. And we will never know in advance by which scenario (with whom?) a struggle in the system transforms into a struggle *against it* (with what we can sometimes call a “transitional” logic forming the bridge between reforms and struggles for a change of system): when a legitimate combat is blocked and repressed by the dominant institutions and forces, “in the name” of this system, it is possible to capitulate or go further in the confrontation. Nothing is decided in advance.

Saying all that does not mean that analyses and propaganda that are “anti-capitalist” - or against the EU - are not useful. They are very important. But they are nobody’s exclusive property and those who develop them should demonstrate their capacity to convince and/or to open a democratic debate, thereby possibly educating others. And it is not necessary to have a “clear” conception

of what the EU is and the possibility of “another Europe” to engage in progressive and egalitarian struggles, by perceiving their conflict with the dominant policies and institutions, at all levels, notably in the EU.

Hence the importance of the creation of a European pluralist and alternative hegemonic bloc, which works to put in place a European alternative autonomous space – a sort of Europe Debout! based in embryonic fashion on the meetings of Nuit Debout! in France with multiple territorial relays and its thematic networks that conferences and internet can help to animate. Such a space and socio-political movement should, like the meetings of Nuit Debout !, be closed to xenophobic currents or those who defend an “Employment law” but “open” and pluralist on the rest, on the basis of democratic and egalitarian basic principles and objectives. “Motions of defiance” against the dominant policies of the EU are expressed on the social level as well as in relation to refugees. The open character of the debates on “which other Europe” and “how” should rest on the principle that a new Union should precisely emanate from a democratic constituent process.

The scenarios of crisis and mobilization allowing us to go towards Another Europe are unforeseeable. And they will be linked to crises in one or several countries and/or in the EU. They will be progressive and egalitarian to the extent they have been prepared by a “Europe Debout!” from below, mutualising and amplifying what already exists, and reactive to the unforeseen. The debates should transcend the false dilemma: nationalism or European federalism in favour of the search for a path which articulates national and European rights, defending at all levels egalitarian and ecological policies, and following a democratic principle of subsidiarity according to the subject. [19]

But we must face the strategic debate: is exit from the euro the precondition for progressive struggles?

7- “Exit from the Euro” - what does it mean?

It has been admitted by many economists for a long time that EMU, through its heterogeneity is not an “optimal monetary zone” and that a single currency, without substantial budgetary counterweight, deepens the gaps in a capitalist commodity context. Disagreements, inside the radical left notably, *do not concern this*. And the idea that another system is needed (thus “exiting” from this one) can be broadly consensual. *But that says nothing on “how” and toward what we “exit”*.

Nor do the divergences *concern the* (socially and ecologically disastrous) *balance sheet* of the EU, or the fact that a monetary policy and a single currency have aggravated the imbalances between member countries without protecting them from speculation – because the markets have targeted not exchange rates (which no longer exist inside the Euro system) but the budget and trade deficits of the most fragile countries, in a system lacking any solidarity.

The real debates concern a series of choices, marked by various possible bifurcations and options, which can be summed up succinctly here.

The first set of debates concerns logically the importance of a return to national currencies in the EMU. Is this a precondition for effective progressive struggles, social, democratic and ecological? The analyses critical of this viewpoint dispute the *primary* accent put on the currency – and thus the idea that the change in currency would be a mobilizer and precondition for struggle; either/and because the return to national currencies alone in the current European context seems problematic. It amounts then to reflecting on another European monetary system, that of “another Europe”. Grafted on here are discussions on the criteria of functioning of this other system taking account of on the one hand the failure of the previous EMS based on the

common official currency, the Ecu, and the national currencies, but also taking account of different visions of what should be the common European confederative or federative institutions.

The second set of debates concerns the strategy for passing from EMU/EU to something else. It is obvious if you believe it is necessary to put Europeanism “in parentheses” by stressing the beneficial character of a return to national currencies, indeed that this is a precondition to any progressive struggles, you logically need a *strategic slogan of exit at any price and everywhere from EMU and the EU* – with possible divergences on the question of “alliances”.

If on the contrary, you believe we need “another Europe” equipped with an ad hoc monetary system, combining a European currency and an arrangement allowing national monetary policies, then the need for a common strategy takes strength. Certainly, the lack of synchronization of struggles between countries can encourage an option of unilateral “exit” from the current system rather than staying in the EMU (the question remains pertinent for Greece). But in the context of a collective strategy, leaving or “staying” without giving in, are variants of a logic which seeks in all cases to articulate national struggles (going as far as possible in the satisfaction of the anti-austerity programme and advancing rights) and to weigh collectively on a crisis or blockage of the EU: so this implies seeking common battles in the greatest possible number of countries, and “significant” regroupments. All the tactical debates are obviously legitimate, and should be anchored in the national conditions of struggle, different from one country to another and expressed by those affected in the country concerned, with all their specificities.

Whatever the case, isolating the currency – the euro – *from the system which surrounds it* is a theoretical and practical error. Not that the currency is “neutral” – it condenses multiple social relations and powers. But it is the latter which need to be highlighted. And it is not obvious in the current context of instability and

social explosions that the main issues and mobilizers will be monetary. In a context of crises which are "societal", ecological and "systemic", and of very great instability, the need to think about other fundamental "choices" of society should also inform debates which tend to be too much confined within the perspective of capitalist commodity.

Should not "structural" European investment funds (planning) work for a reduction of productive inequalities involving simultaneously social objectives, the redeployment of public services and an "ecological transition" in terms of transport, for example? Should not a "social" and egalitarian (indeed socialist) Europe or a Europe Debout democratically elaborate rules to limit discrepancies of income and organize the defence and extension of access to non-commodified public services which would be redeployed on the basis of solidarity at a European scale? [20]

Are not the debates on control of tax havens and the free circulation of capital, or again on the dismantling of "systemic" banks, the development of socialized banking poles, the protection of household savings, the return to a public financing of public expenditure (via taxes and the central banks) priorities on the European scale? [20]

Also it is urgent to share the reflections on the "Eurodrachma" as "oxygen balloon against the euro" without exit from EMU expressed during the Greek crisis. [21]. The critique of the privatization of the central banks in the EU needs to be extended, going back to "fiscal currencies" transforming the content of public debts. [22]

These urgent and serious debates (among others), have major consequences on how to envisage an "exit" from the Euro-system (and not "from the euro") - thus another use of the euro challenging the functions and status of the ECB, but also the tax and budgetary policy in the EU. It is not the same debate as that which could be had in 1985 on the Single European Act concerning a common or single currency (in the context of an EMS existing since 1979 and based on

national currencies, capital control and the Ecu). [23] Subsequently, there was the crisis of the EMS after German unification, the rush to create the euro, the enlargement towards Eastern Europe, the crisis of 2007/8 extending in 2009, and new threats of crises which could open supposedly closed debates.

The banking crisis of 2008/9 has already modified the discourse and "paradigm" of the financial institutions as to the supposed "virtues" of the banking integration of the New Member States (NMS) in a "peripheral" fashion: the essence of their banking assets originated from west European banks, which before the crisis was presented as a "security" and condition of a "catching up". And that counted (much more than the euro) on the supply and demand for credit experiencing strong growth before 2008. With the crisis there was no more talk of catching up: austerity was imposed, and an emergency device, the "Vienna Initiative", was urgently put in place involving all the big European and world banking institutions, to avoid a disastrous capital flight from the subsidiaries in several eastern and south-eastern European countries. Conceived as temporary, this "Initiative" had to be relaunched in 2012 and has been maintained since then in the face of persistent dangers and instability [24]. Throughout the union, new banking and financial crises are possible given the fragility of the banks, with everywhere close intertwining of assets and national and European policies.

It would be aberrant if the European radical left advocated a "monetary" and banking free for all instead of seeking solidaristic and progressive resources to face possible crises. This is urgent against the pseudo-policies and mechanisms of "aid" and banking control past and present, linked to the IMF and the EU, which are instruments seeking to impose new social sacrifices and the disastrous reforms and "structural adjustment policies" that the IMF has imposed everywhere.

We can repeat today what was true for Greece in 2015: the refusal to obey the Troika and pay an illegitimate debt

"involves protecting oneself from the blackmail of the Eurogroup by unilateral measures like what was proposed in Greece but not applied (or applied too late and in difficult condition: control of the banks and capital movements, preparation of a parallel currency, suspension of payment of the debt, in the very first place. The proposals of a "fiscal currency" limiting dependence on the euro and the world market could prepare an alternative conception of a European monetary system where the functions of the euro would be transformed, but would also be provisional forms of resistance". [25].

In this sense it is interesting to evoke proposals that Frédéric Lordon had made in 2013 concerning "fiscal currencies" of the Eurodrachma type mentioned above (without using this notion). [26] Far from subsequent polemics against a "good euro", he proposed a euro radically transformed in its functions, by making it a common currency - without going back to the national currencies, and keeping a European Central Bank whose status would obviously change (should one polemicize against a "good ECB"?).

It is worth citing it:

"Between the impossible single currency and the national currencies under EMS, the common currency restores the possibility of exchange adjustment - excluded by construction of the single currency - while avoiding the instability of a system of separate national currencies. But not in just any configuration. The common currency only produces benefits under an architecture which institutes a European currency (the euro) but leaving the national denominations in existence - there would thus be â, -Fr, â, -Lira, one could even say, for the pleasure of the imagination, â, -DM, and so on ... The strategic point is then the following: 1) the national denominations are convertible between themselves (obviously), but only through the European Central Bank... which functions as a kind of bureau de change. Thus, direct convertibility between private agents is forbidden and there are no intra-European exchange markets; 2) the fixed parities of the national

denominations in relation to the euro (thus the exchange rate of the national denominations amongst themselves) can be adjusted but according to political processes, completely separated from the (destabilizing) influences of the exchange markets â€” thus, by construction, the latter have been suppressed inside the zone.

There are supplementary provisions which produce in some ways the best of two worlds. The common currency has the same functional property as the single currency of providing a screen between inside and outside the zone, in this case by protecting the national denominations from the international (extra-European) exchange rate markets. The convertibility “at the counter” (in the ECB and at a fixed rate) of the national denominations then adds the suppression of intra-European exchange rate markets, with the result being an effect of internal monetary stabilization equivalent to that which the single currency produces. But, unlike the single currency the common currency /national denominations system offers possibilities of intra-European exchange rate adjustment by construction excluded from the current euro... and this, unlike a renewed EMS, in a completely stabilized internal monetary environment”.

Wasn't then Frédéric Lordon a supporter of “Another Europe”? This debate should be taken up and collectivized seriously with all the contributions on national fiscal currencies, inside the European strategic discussions post Brexit.

8 - From the euro to Germany - and to the German people

In the article cited, Frédéric Lordon sees the trauma suffered by Germany under the hyperinflation linked to past wars as the essential cause of the rigidities and imbalances of the euro-system. And he believes that Germany would “exit” from a system of the type

evoked above. He is both right and wrong. Wrong in his pessimism on Germany. Right to raise this concrete and historic question, which has certainly weighed on the Maastricht negotiation and the criteria adopted, as I have stressed elsewhere. [27] But the current instability of the EMU and the EU could reopen debates seen as closed, in Germany above all, where the European anchoring is perceived (positively, beyond the dominant positions) as strategic.

Indeed Lordon's proposal would respond much better to concerns of monetary instability (notably those of the Bundesbank) than the current system, if they were consolidated in a cooperative and egalitarian manner: they would also allow a better protection of the European monetary system against the speculation of the financial markets than the old EMS.

On the other hand the Maastricht criteria concerning budget deficits are in no way “scientific”. They expressed an aversion by the German negotiators to the “budgetary laxity” of the “club Med” of southern countries. But this was accompanied by an explicit clause in the European Treaties making German unification accompanied by *colossal budgetary transfers*, a (colossal) exception. Nothing prevents (from the “constituent” angle of another Europe, critical of the current EU) disputing these criteria that Germany itself (like France) has not respected – *without rejecting the importance of common rules*. But the latter are not “respectable” when they have a “variable geometry”, and are thus neither egalitarian nor truly “common” – all the more so when their efficacy is not demonstrated. A procedure of levelling of the rules but also of European mechanisms which have increased public debts would be in every respect more effective, in the context of new crises. An alternative European left should fight for this.

But above all we must stress how much the debate on *another logic of social and economic relations in Europe* also concerns the social conditions and the transformation of property relations which have marked German unification and the transformation of systems in Eastern Europe. This balance sheet could also

be made with the peoples affected. It is the separation by the (social and fiscal) competition imposed on the backs of all the peoples which prevent the *perception* of common interests. This is reinforced by the absence of “social movement” and European political spaces where it would not be difficult to show the convergence of many strikes that are doomed to failure because they are atomized.

The great mass of employees have been the losers, as much in Germany as in the new peripheries, even if the “average” gaps between countries remain significant. It is not the euro which is *first* the cause of this. It is the social war and the dismantling of all the old protective statues in all European countries, playing on the competition between the least protected (in the east) and all the others, with or without the euro.

The hope of joining “the Europe of the rich” and if possible “the centre”, where the big choices are made – the Euro zone – is a profoundly legitimate aspiration that should be turned against the institutions, criteria and mechanisms of the dominant social and economic policies, well before being turned against the “Euro”.

We should add that we should defend the free circulation of workers and students, as much as *the right to have a life, a job, conditions of study and quality research in one's county of origin*. We start from there, and from the way in which “another Europe”, cooperative and solidarity-based, could protect all these rights.

9 - BREXIT, a “shock”? In what way?

We can take divergent orientations from Brexiteer, debate whether or not it is a “historic shock” [28] but be certain that its future depends notably on the lessons learnt from it in the European alternative left.

If the “Lexit” orientation means that “*the left*” should everywhere demand *referendums of the same type* as the UK without the “content” of this Lexit

being concretized by the construction of a European alternative, we will remain in impasse and division. [29] We are still “between two”. But we can go fruitfully beyond poorly conducted debates by starting from a common base which affirms that any solidarity-based and progressive struggle in Europe should challenge the current EU Treaties.

Stathis Kouvelakis, during an intervention at a meeting of Greece’s Popular Unity, drew as the first lesson of Brexit that “*opposition to the EU* establishes very clearly the strategic question of the struggle for political and ideological hegemony in Europe today”. But he continued: “the choice today is not between a “good” and a “bad” EU, between one version or another of the euro zone, as the bankrupt European ideology continues to claim, but between a conflict with the EU of the right or of the left”. [30]

We are still far from such a clarification. While we can of course agree with Kouvelakis on the fact that “opposition to the EU” is a key element of strategic positioning (linked to the struggle for ideological hegemony), the argument that Brexit and all the popular referendums concerning the EU *have rejected the latter and with it all “European ideology”* is fallacious. It does not appreciate the diversity of what the referendums have expressed in their different contexts: the OXI criticized the policy of the EU but did not reject it; our left “Non” against the EU Constitutional Treaty in 2005 in France was accompanied by principles for another Europe; on the other hand we have stressed above the poverty of the *booby trapped binary choices* in the UK and Dutch referendums. Also, we should not minimize the high rate of abstention and the fact that rejection of the current powers of Brussels or the Euro group is totally *compatible with the aspiration in favour of “another Europe”*, of peoples and rights, against an authoritarian federalism. The case of Scotland underlines that “Europeism” (if understood in an open fashion and not reduced to the projects of the financial oligarchy) is not contradictory with a “national” and strongly pro-independence sentiment.

Finally as shown above in the text by Lordon, the radical critique of the EU is compatible with *another use of the euro and the ECB*. It is certainly not about a “good EU” but *another union, another ECB, another euro: other Treaties* would determine their final form. That is why (to clarify the issues) “another Europe” should take another *name* than the “EU”.

We hope that Frédéric Lordon, Stathis Kouvelakis and other radical left activists who share their viewpoint fully agree to joint struggle with an opposition to the EU of this kind.

10-No Lexit without “Another Possible Europe”: build it against the “values” of competition, xenophobia and all relations of domination, local or global0,,,

The new European network built around a call for “LEXIT” seems embarrassed by Brexit and open to a real debate. [31]

The hope of a “paradoxical effect” of a Brexit radically opposed to the hypothesis of an end of “Europeism” is evident in several recent contributions. Bernard Cassen thinks that one of the lessons of Brexit “applies to the partisans of one form or another of “Leave” or a refoundation of the EU”. [32] Evoking the boomerang effects and an impasse of BREXIT, he adds: “a majority of voters disapprove of the policies (and some the very existence) of the EU and the euro, but another majority disapproves those *who fight them without formulating credible alternatives!*”. “The path is then very narrow” he says “*for those who believe another Europe – solidarity based and progressive – is not impossible*” [my emphasis]. That is

why, even if it is unleashed by a sovereign national decision, any implementation of a plan B needs alliances with a critical mass of forces of other European countries sharing the same objectives”.

That would imply a somersault in the European alternative left and going beyond binary choices (national or European movements and rights; submission to the EU/EMU or exit) and the characterization as “opposition to the EU” of the sole option of “exit”. The clarification of these debates could allow notably giving the “formula” of “Lexit” the broad sense of an “opposition to the logic and Treaties of the EU”, without a united “line” of “exit”, learning the lessons of Brexit, that it is urgent to construct an alternative on a European scale. It should take shape as a *progressive hegemonic bloc* which should build a European “alternative political space”, a kind of Europe Debout! linked to all the ecological and egalitarian resistance against the policies of the dominant institutions.

Any left opposition to the EU in a given country could be organically linked in the networks of this Europe Debout in many other countries. Instead of managing the issues of the debt in dispersed order and in a head to head with the ECB and the Eurogroup, a people engaged in a similar struggle to that of Syriza could, after a citizens’ audit, decide on a moratorium on the payment of this debt while fighting with Europe Debout for a European conference on the public debts, which would decide common rules. All the negotiations and demands emanating from the European leaders would be made public throughout the EU and confronted with other proposals concerning all the peoples of the Union, towards a process of collective democratic rebellions demanding a constituent process, or grouping around common projects.

A “Europe Debout” would influence the possible alternatives from below, with its own agendas of struggle and debate, supporting all progressive campaigns and rebellions against the dominant “rules”, in defence of basic rights and needs. It could

"Europeanize" struggles which are currently fragmented, ruptures attempted but without credibility and a relationship of forces, allow convergences - allow the pluralist appropriation from below of balance sheets of the struggles and revolutions of the twentieth century, without nostalgia, but against the criminalization of past and present resistance.

But Europe Debout should be anchored - like Nuit Debout - in the new generations and offering also spaces for intersection of life experiences and viewpoints. The popularity of transnational free circulation among young people must become a conquest for a student movement for another Europe, spectacular in its diversity but defending the same "common goods" in its initiatives and plenums, open to civil society and to struggles, as in Croatia. They can be rendered "visible" on the European scale and mutualize the key experiences of remunicipalization of water, in Italy or France, or the defence to the right to housing against the expulsions and toxic credits of the banks - as in the Spanish state. Against trade unionism embedded in national or European institutions, we need also to mutualize and Europeanize the experiences of transnational strikes, and struggles

associating workers and consumers against multinational firms.

Moving on, in time and in the greatest possible number of countries, we need to concretize and extend common projects between *rebel towns*, defending egalitarian social rights and ecological goals, active solidarity towards migrants and refugees, opposition to all racism. Like the actions and campaigns of blockage of Treaties like Tafta, we need to make public and block the projects of new internal treaties in the EU (like those of the "five presidents"), by deconstructing their anti-social and anti-democratic goals and procedures. Far from leaving the leisure to express this type of denunciation to xenophobic and nationalist forces, it is necessary to counterpose to them a solidaristic, European, egalitarian, anti-racist opposition turned towards the demand of democratic processes of re-examination of all the Treaties. Reciprocal solidarities should be generalized like the positions of Blockupy international in support of Nuit Debout and resistance to the Employment Law in France [33] The initiatives of Altersummit should be mutualized and debated, like the projects of the Diem25 network or the European network for Lexit which has just been launched. [34]

On the basis of projects already

elaborated and discussed notably in Altersommet, a Europe Debout site could make visible all these initiatives and reflections, and help the updating of a Manifesto in Defence of Common Goods and European Rights which could be a common basis for future elections against the dominant policies, national and European. People can get involved in such a dynamic whether they have been *or not* a Syriza member, whether *or not* a member of its left, whether *or not* then a member of Popular Unity, partisan *or not* of Brexit or the campaign "Another Europe is Possible" in the context of the "Remain" campaign - on the condition of respecting democratic debate and excluding any hegemonic behaviour; but also by practical engagement in favour of mobilizations from below as essential condition of the construction of a position which resists quagmires and setbacks. Such a front would oppose wars "of civilization" and *all policies* of placing subaltern populations in competition and dismantling of egalitarian rights - at the social level, in terms of gender or "race" - in defence of common goods (from nature to goods and service managed in common) the construction of a Europe Debout would be an essential support for struggles both national and internationalist, stretching toward other continents.

Was Brexit a Working-Class Revolt?

14 September 2016, by **Kim Moody**

Although the Conservatives split between Remain and Leave factions, most of the other parties supported Remain. [35] Cameron and most politicians assumed a Remain victory. Instead a significant majority voted for Brexit (Britain + exit), as leaving the EU has become known.

From left to right, many have seen the large working-class vote for "Brexit" as a revolt against the elites responsible for the devastation of many working class communities and

who have ignored the plight of the victims. On the left the British Socialist Workers Party weekly paper Socialist Worker declared the vote "A Revolt Against the Rich," while the right-wing tabloid Daily Mail crowed that June 23 "was the day the quiet people of Britain rose up against an arrogant, out-of-touch political class and a contemptuous Brussels elite."

That working-class people feel anger at these conditions and the politicians who are partly responsible for them is

beyond doubt. That the EU referendum was a rare chance to stick it to the politicians in Westminster and "elites" in general also seems clear. But the forces that have left so many working-class communities without work or hope go back at least to the Thatcher era when mines were closed, shipyards and steel mills abandoned, council (public) housing sold off and "home grown" neoliberalism introduced with no intervention from the then European Economic

Community.

This reality, of course, was largely absent from the current debate since both sides harbored some of the culprits in these crimes. There is, nevertheless, a strong feeling that Britain's political and social elites have left these communities to rot. The political elites who bear responsibility for this and who are the objects of frustration and anger today, however, are typically beyond the reach of unorganized ordinary people – insulated by institutions, wealth and/or distance.

More convenient targets are the immigrants who, we are told over and over in the daily press, are flooding the schools, public housing and National Health Service (NHS), "taking our jobs," or alternatively luxuriating on welfare benefits that hard-working people (other than migrant workers, of course) pay for. (Sound familiar?)

These themes, more recently combined with fear of "terrorism" and anti-Muslim rhetoric had already appeared in the 2010 general election and the recent London mayoral contest – where, in fact, the city elected its first Muslim mayor, Labour candidate Sadiq Khan. The Brexit campaign further mined and encouraged this blame-the-other-victim mindset.

The concerted effort to direct middle- and working-class anger away from the ruling elites began well before the referendum. As Owen Jones wrote in his book *The Establishment*:

"Ever since Britain was plunged into economic disaster in September 2008, there has been a concerted attempt to redirect people's anger – both over their own plight, and that of the nation – away from the powerful. Instead, the British public are routinely encouraged to direct their frustrations at other, often more visible, targets, who have long been vilified by elite politicians and the media alike: immigrants, unemployed people, benefit claimants, public sector workers, etc." [36]

The malevolent genius of the Leave campaign was that it managed to go

one step further and direct the anger of many previous working-class targets of derision at the even more vulnerable immigrants.

The findings of the major polls taken during and after the referendum vote reveal strong xenophobic and anti-immigrant currents among Leave voters. When asked in the largest poll if they felt something was a force for "good" or "ill," of those Leave voters who answered the question two-thirds thought multiculturalism a "force for ill" and 82% found immigration also "ill." [37]

The YouGov exit poll revealed similar attitudes, though slightly less severe, with 65% of Leave voters saying immigration was "bad" for the country, while 62% of Remain voters thought it "good." Whatever the shortcomings of polls, the margins make it clear that anti-immigration sentiment was a major factor in the Brexit vote and not entirely absent among Remain voters.

Dave Prentice the head of UNISON, the UK's largest public employee union, argued that the entire campaign was "typified by hatred, vitriol and misinformation." Weeks before the vote, Unison condemned the official (mostly Conservative) "Vote Leave" campaign for the "racist, xenophobic rhetoric employed by some leading campaigners for Brexit." This included the claim that Turkey was about to join the EU, meant to stoke anti-Muslim prejudice.

UNISON also condemned UKIP leader Nigel Farage for his "outright racist claim that women are at risk of sexual assaults from immigrants." Almost as outrageous a piece of Brexit campaigning was UKIP's "Breaking Point" poster featuring a photograph of thousands of Middle Eastern migrants – who were actually trying to enter Eastern Europe, not the UK – with the slogan "We must break free of the EU and take back control of our borders."

Anti-immigrant hate crimes soared in the wake of the Brexit vote, many directed indiscriminately at non-EU foreigners. Nationally, police reported that hate crimes increased by five times the weekly average in the seven

days after the referendum. The Metropolitan police registered nearly 600 such crimes in London alone in the week after the vote.

There have also been demonstrations around the country in support of immigrants and opposed to the hate crimes. Nevertheless, the dramatic post-Brexit rise in anti-immigrant and racist abuse and assaults reported on TV, in the press and by the police, like the pre-Brexit nasty campaigning of UKIP and Tory right-wing demagogues, make it clear that immigration and xenophobia were at the heart of this campaign – not "democracy vs. Brussels' bureaucracy" or free trade, much less big bucks for the National Health Service (NHS) as the Leave Campaign promised if the UK could stop its payments to the EU.

Who Voted for Brexit?

Who were the Daily Mail's "quiet people of Britain" who voted for Brexit? Of the four nations that make up the UK, England (53.4%) and Wales (52.5%) voted Leave, while Scotland (62%) and Northern Ireland (56%) chose Remain.

London favored Remain by almost 60%, as did other English cities with significant or large working-class populations, including Liverpool, Manchester, Leicester, and Leeds. A couple narrowly squeezed by for one side or the other, such as Newcastle for Remain (50.5%) and Birmingham for Leave (50.4%). Perhaps most interesting, however, is the social breakdown of the Brexit vote.

Table I
% Brexit Vote & Adult Population by Social Class*



Source: Lord Ashcroft Poll, Table 2; Lambert & Moy, Social Grade Allocation to the 2011 Census. GfK NOL. Totals don't equal sums due to rounding of samples.

Polling showed that the "Blue Collar,"

skilled and unskilled lower-paid working class voted by 64% in favor of Leave compared to 51% of “Middle” class and 43% of “Upper” and “Upper Middle” class voters. This is usually the basis for seeing this as a working-class rebellion. But while the working class, defined here as manual skilled, unskilled and unemployed workers, make up 46% of the adult working-age population, they composed only 41.7% of the Leave vote.

Economically well off upper- and upper-middle-class voters compose less than a quarter of the adult population, but counted for over a third of the Leave vote “not that far behind “the workers.” The “Middle Class” made up a quarter of Brexit voters, slightly less than their 31% of the adult population, but possibly enough to tip the balance toward “Brexit.”

In short, the so-called “Revolt Against the Rich” came heavily from the “Upper” and richer social stratum itself, reinforced by much of the “Middle” class. Together, those from the upper half of society composed almost 60% of the Leave vote.

Left commentator Paul Mason explained the role of middle-class voters when writing about the Brexit vote in Sheffield. This was formerly a northern steel producing city, but for some time its employment has been dominated by universities, big teaching hospitals and so on “much like Pittsburgh in the United States.

As Mason wrote in The Guardian (July 5, 2016), “Once the former steel city voted 51% for Brexit it was clear that the anti-EU camp had broken out of its heartland of poor, suburban and ex-industrial towns “and was going to win.” As he summarized, “Leave got into the mindspace of a middle class that we assumed would be endemically pro-EU.” In other words, it was professionals and service workers who put Sheffield’s Leave vote over the top.

Perhaps the sharpest social divisions in the referendum vote were those between generations and races, as 73% of those 18-24 years old and 62% of those 25-34 years old voted Remain, while majorities of all the older groups

voted Leave.

The vote also split sharply along ethno/racial lines. While whites voted by 53% in favour of Brexit, Asians voted 67% to remain, as did 73% of those classified as black, 70% of Chinese, 70% of Muslims, and 65% of “other” ethnic minorities.

Although the plight of white working-class communities across Britain is real and levels of unemployment high, it should be borne in mind that blacks and Asians on average are still significantly worse off. While 20% of whites live in low-income households (60% or less of median household income, or £15,360), the percentage of Indians and Caribbean blacks is 30%, those of black Africans 50%, Pakistanis 60%, and Bangladeshis 70% “most of them working class. [38]

Role of Immigration and Elites

Forty-nine percent of Leavers said having decisions made in the UK (“taking back control”) was their number one reason for voting Brexit, while 33% put immigration at the top. Issues of EU “powers” and expansion got a poor 13% and the economy and trade only 6%.

Clearly, neither the internal affairs of the EU itself nor the economy and trade had much weight for Leavers. This is ironic considering that the Remain camp pushed hard on the negative effects of Brexit on the UK economy, and that free trade is a central policy of neoliberalism.

Free trade was certainly responsible for job losses in steel, shipbuilding and other industries in the heavily Brexit north of England and elsewhere. And the Transatlantic Trade and Investment Partnership (TTIP) was being negotiated between the EU and the United States even as the Brexit campaign unfolded.

Mention of the TTIP, however, was absent from the debate, despite the fact that it would further strip some British industries of jobs and impose

privatization on the very public services on which the economically devastated communities of Wales, the Midlands, and Northern England depend, including the NHS.

Brexit could have been argued as a way of avoiding the TTIP and its consequences. As it turns out, however, the UKIP and Tory leaders who pushed for the referendum in the first place and determined the focus of the Brexit campaign are among “the strongest TTIP supporters,” as one executive committee member of the big public sector union UNISON pointed out.

As Table II shows, concerning the importance of immigration alone the combined 1st and 2nd priority results show a strong tilt toward immigration by all groups of Brexit voters. As the UKIP poster described above reminds us, however, even the “take back control” slogan meant control of immigration and borders for many.

A majority of all those who voted Leave ranked immigration and border control as their 1st or 2nd reason. Those in the top social rank were less likely to give this as their first reason than others, but all groups were the same for 2nd choice and all Leave voters put immigration high on their list. Anti-immigrant and xenophobic views were prevalent in all social groups. This is not meant to be a comforting conclusion.

Table II
“Best chance for the UK to regain control over immigration and its own borders” as 1st or 2nd Priority for Voting Leave



Source: Lord Ashcroft Poll, Table 59.

The centrality of immigration in the campaign should come as no surprise given the roles of UKIP leader Nigel Farage, the erratic former Conservative mayor of London Boris Johnson, and Tory “Eurosceptic” and “Little England” Members of Parliament in initiating and shaping the Brexit campaign — people who are disproportionately privately educated and definitely not working

class.

Ruling classes and their hangers-on are always divided by various interests and political views and the Brexit supporters among them represent the right-wing, more xenophobic faction of Britain's social and political elite. The Remain campaign itself was not only initiated but also organized by members of Britain's elite.

Most banks and high profile multinational corporations advocated remaining in the EU. Nevertheless, a substantial minority of British business leaders favored and funded "Brexit." A letter signed by over 300 business leaders argued "Outside the EU, British business will be free to grow faster, expand into new markets and create more jobs. It time to vote Leave and take back control."

A frequently cited March survey by the Confederation of British Industry (CBI) found that 78% of those surveyed favored Remain. However, this survey of 400 businesses employing 1.5 million workers, averaging nearly 4000 workers per firm, clearly overrepresented the UK's largest businesses. In contrast, a survey taken by the British Chamber of Commerce in May found that 37% of "senior" business people favored a Leave vote, while a BBC poll of 2200 business leaders found that 33% of exporters and 43% reliant on the domestic market would vote Leave.

When it came to funding the referendum campaigns, the role of the rich is even clearer. The Leave campaign outspent the Remain campaign by over £3million: £17.5 million to £14.2 million, according to the Electoral Commission. This does not even include money spent by the political parties or the £9.3 million the government spent on its pro-EU brochure. Small donations were not reported, but there is no evidence of "crowdfunding." Funding was overwhelmingly by the "in-crowd."

Theoretically, each campaign had spending limits: £7 million for the two officially designated campaigns, "Vote Leave" and "Britain Stronger in Europe." This, however, was easily circumvented by registering other campaign organizations such as

"Leave.EU Group Ltd," "Brexit Express," "Grassroots Out Ltd," or "Conservatives In Ltd," each of which could spend up to £700,000. The donations reported by the Electoral Commission include those from companies, organizations and individuals to all registered campaigns.

Nearly half of the Remain campaign's £14.2 million came from two billionaires and five U.S. financial firms. British supermarket mogul Lord David Sainsbury contributed £4.2 million, billionaire financier David Harding kicked in £1 million, and U.S. financial giants J.P. Morgan, Morgan Stanley, Citigroup, Goldman Sachs and Bloomberg together gave £1.75 million, totaling almost £7 million. Notably absent were the big British, European and American industrial corporations that function in the UK.

The bigger bundle of £17.5 million for the Leave campaign came from a somewhat broader array of Britain's millionaires and billionaires. Topping the list was Peter Hargreaves, a financial services billionaire worth £2.4 billion, who contributed £3.2 million to Brexit. Jeremy Hosking, a private equity investor worth £330 million, gave £1.5 million to various Leave campaign organizations. He was followed by Diana Van Nievelt Price, a Midlands manufacturing millionaire who donated £1 million to the Leave campaign, while International Motors, Ltd., which imports Asian-made cars into the UK and EU, gave £850,000.

Another Midlands millionaire, Gladys Bramall, donated £600,000. Hedge fund manager Crispin Odey, personally worth £1.1 billion, kicked in £356,000, followed by property developer Michael Freeman at £348,000. In fact, three of the five donors who gave £1 million or more in a single contribution supported Brexit, while of the 76 individuals and businesses who contributed £100,000 or more in a single donation, 40 gave to the Leave campaign. Several of these donors gave multiple contributions.

One could go on, but the point is clear. With the exception of £30,000 from

one trade union (National Union of Rail, Maritime, and Transport Workers) for Brexit, £7,320 from the liberal Roundtree Charitable Trust (Remain), and £600,000 in public funds for each side from the Electoral Commission, the referendum campaigns were paid for by members of Britain's capitalist class, feuding among themselves, with a little help from U.S. finance capital for the Remain side.

The Leave "revolt" was initiated within the elite itself, organized by its more xenophobic public figures, generously funded by many of its richer members, and propagandized for by a majority of its daily press. Its voting base was a cross-class coalition of convenience mobilized by nationalist, anti-immigrant and even openly racist appeals.

While most multinationals backed Remain verbally, when it came to putting their money where their mouths were, on average Britain's rightward-leaning and ideologically motivated rich gave even more generously to Brexit than their pro-EU class mates did to Remain.

One section of British corporate capital that threw its majority weight loudly behind Brexit was the daily press. Despite the decline of the print media in recent years, this is still a £5 billion a year industry that reaches millions of people every day. The major British daily newspapers are national in circulation with right-wing papers far outstripping those on the liberal or center-left of the political spectrum.

The Daily Mail, Daily Express, Daily Star, Daily Telegraph, and Sun, all known for their anti-immigrant bias and with a combined daily circulation of just over 5 million, supported Brexit. On the other side, The Guardian, Daily Mirror and Financial Times with a total circulation of 1.3 million supported Remain. It is the five pro-Leave dailies with nearly four times the circulation of the pro-Remain papers that reach most working-class readers daily.

The idea that this "revolt" was somehow progressive or an opportunity (as opposed to a serious

challenge) for the left in any way doesn't hold water" even though the anger of white working-class voters at some of their "betters" was real.

Not surprisingly Donald Trump, who benefits from similar downwardly mobile middle- and working-class anger, and who happened to be in Scotland during the referendum visiting one of his landscape-wrecking golf courses, praised the Brexit outcome. Far more ideologically consistent than Trump's erratic "populism," however, are the growing far right and neo-fascist movements in Europe hailing Brexit as the beginning of the end of the EU.

Already far right parties in France, Italy, the Netherlands, and elsewhere have called for similar referenda. In response to the UK vote Marine Le Pen, leader of France's far right National Front said, "I would vote for Brexit, even if I think that France has a thousand more reasons to leave than the UK." She called for a French referendum on the "decaying" EU. The Netherlands' anti-immigrant political leader Geert Wilders called for "Nexit," saying "Now it's our turn."

A leader of the right-wing German Alternative für Deutschland hailed Brexit, as did Greece's neo-fascist Golden Dawn which welcomed "the victory of the nationalist and patriotic forces in Great Britain against the European Union."

Similar statements came from the Sweden Democrats, the Danish People's Party, and Italy's Northern League, all far right groups. Some on the European far left welcomed Brexit as a slap at the EU and the devastation it has wreaked on Greece and others on the "periphery," but it is the right that is leading the charge against the EU and is certain to reap the benefits.

The Positions of the Unions

Most British unions urged members to vote to remain in the EU in order to protect workers' rights such as limits on working time to 48 hours a week;

equal treatment of full-time, part-time and agency workers; mandated paid vacation days; and paid maternity and paternity leave all currently guaranteed by EU directives or laws.

A letter from the leaders of ten of Britain's largest unions warned, "If Britain leaves the EU, we are in no doubt these protections would be under great threat. After much debate and deliberation we believe that the social and cultural benefits of remaining in the EU far outweigh any advantages of leaving."

The threat was that the Conservative government would move to eliminate these and other labor rights once EU standards no longer applied, as well as advancing their proposed "Trade Union Bill" that would make strikes even more difficult. To what extent these union leaders actually campaigned among their members for a Remain vote is not clear, and the unions did not appear central to the national debate.

Three unions usually associated with the political left, however, supported Brexit: two railroad workers' unions and the bakers. The joint statement from these unions argued, "The EU is anti-worker and cannot be reformed. We support a Leave vote in the forthcoming referendum because we believe the EU acts overwhelmingly in the interests of big business and against the interests of workers."

At the same time, referring to the mounting immigrant crisis on the borders of the EU, they opposed the idea of "fortress Europe," stating, "We profoundly regret that children and families fleeing poverty, persecution and war are not being allowed in to Europe." They also distanced themselves from the mainstream Leave campaign, saying "Unlike UKIP and others we don't believe Britain should be an island unto itself. Our country, and indeed many countries, are nations of immigrants."

Both the pro- and anti-EU positions of the unions assumed that the vote was really about economic issues and EU policies, good or bad, pro- or anti-worker. In fact for most Leave voters immigration per se had become a central or even the central issue.

Most unions did respond to the rise in hate crimes in the wake of the vote. Unite, Britain's largest union with 1.4 million members, said "it will be redoubling its efforts in workplaces and communities to challenge those seeking to spread fear and hate." Soon, however, most union leaders turned their attention to the political crisis that quickly emerged after the unexpected majority for Brexit.

Political Aftershocks

The political fallout of Brexit was fast and dramatic. David Cameron, who had been cock-sure that the "quiet people of Britain" would vote to remain in the EU, resigned as Prime Minister and Conservative Party leader. This precipitated a leadership struggle within the already deeply divided Tory Party. The bitter contest, however, rapidly turned into a coronation of Home Secretary Theresa May as opponents were stabbed in the back or dropped out.

Theresa May became the new Prime Minister on Wednesday July 13, delivering an out-of-character "populist" speech in which she expressed her concern for the masses. As Home Secretary she presided over immigration matters for the last six years. Although she supported the Remain campaign, she has been harsh on non-EU immigrants.

Unless the Conservatives call a general election in the fall and lose, under the prevailing five-year term rule put in place by the Conservatives themselves they will be free to impose their policies for nearly four more years. As the union leaders warned, May will no doubt impose the Tories' anti-union, austerity and creeping privatization agenda as soon as possible.

Just what sort of relationship she will negotiate with the EU is unclear. Membership in the Single Market, without political EU membership, à la Norway is frequently mentioned, but this would involve the continued free movement of labor. In any case, May seems determined to put off invoking EU article 50 which would officially

initiate negotiations with the EU over exit. Whatever the new relationship with the EU is, increased reliance on the United States is almost certain.

An even more severe crisis has struck the Labour Party. Last November the membership of the Labour Party surprised its mainstream leaders when left-winger Jeremy Corbyn was elected party leader by 60% of the membership along with the support of most trade union leaders. Thousands joined or rejoined the party to vote for Corbyn in hopes of turning Labour away from the Tory-lite, "Third Way" (Clinton-like) policies of Tony Blair and his fellow modernizers.

The "Blairite" majority of sitting MPs, however, never accepted Corbyn as a viable party leader capable of winning the next general election in 2020. For months they attacked Corbyn sometimes openly, undermined his leadership as best they could, and plotted his political demise. Brexit offered the plotters the opportunity to make their move.

Corbyn's less than aggressive campaign for Remain was blamed for the Brexit vote. While this was highly unlikely as two-thirds of Labour voters voted to remain, it nevertheless became the excuse to attempt a coup. Within four days of the referendum 20 of Corbyn's "shadow cabinet" had resigned.

Barely a week after the referendum, Labour MP's voted "no confidence" in Corbyn by 172 to 40. The vote, however, is non-binding. Only a vote of the membership can unseat the party leader.

In response to earlier attacks, Corbyn supporters formed a grassroots organization known as Momentum to defend the leader and advance left politics in the Labour Party. Momentum, which claims 100,000 members, has held rallies around the country and is preparing for the coming leadership election by "mobilizing supporters using technology with help from those who were involved in the campaign for Bernie Sanders," according to The Guardian (July 6, 2016)

As of July 11 Corbyn was officially

challenged to a leadership contest by "shadow" business secretary Angela Eagle, sparking an official leadership election. Eagle claims not to be a Blairite, but she voted for policies that Blairites voted for, including the Iraq War, university tuition fees, and the renewal of the Trident nuclear submarine.

Owen Smith, a newcomer elected to parliament in 2010 also threw in his hat. In the end a vote by Labour MPs convinced Eagle to withdraw, making Smith the "official" anti-Corbyn candidate. Amid bitter disagreements, on July 12 the Labour National Executive Committee (NEC) finally agreed to a leadership election with Corbyn on the ballot.

Of the thousands who have joined the party recently, only those who joined before January can vote. Supporters can sign up for £25 to vote, compared to £3 last fall. To further reduce any "movement"-like aspect of the election, the NEC also banned party branch meetings during the election period "a rule some have already ignored. Actual voting by paper ballot or online will take place between August 22 and September 21, with the outcome to be announced at the party conference on September 24.

Uncertainty is the crowning achievement of the EU referendum. No one really knows what the outcome of Brexit will be in terms of Britain's relationship to the rest of Europe or the future of its economy. Nor is the resolution of Labour's crisis at all clear. Even if Corbyn wins the new leadership election, which at least seems likely, it is difficult to see how that party can be united to be an effective opposition or win the next general election. There is talk of a split.

The hope, of course, lies with the movement from below that Corbyn helped to spark against the Blairite neoliberal agenda. The bull-headed determination of the Tories, despite Theresa May's "populist moment" upon taking office, to plow ahead with their plans to do what even the EU couldn't may in turn provide further fuel for resistance on the ground.

There was a left case for Britain leaving the EU, known "as you might have guessed" as "Lexit." As one writer recently summarized a common left view of the EU, "No one disputes that the EU is currently organized as an undemocratic oligarchy, which has helped both national and transnational elites impose punishing neoliberal policies on an entire continent." [39]

The institutions of the EU are indeed undemocratic, neoliberal at their core, hostile to unions and workers, vicious toward weaker economies, and probably beyond reform. In so far as there ever was a broader "social dimension" it was killed in 1992 with the Maastricht Treaty, largely at the behest of the UK government.

The problem for "Lexit," however, was that the actually existing referendum campaigns, slogans and arguments on both sides as well as the major concerns of most voters were not about the workings of the EU or its neoliberal policies. They were far more focused on the fate of Britain and the fear of immigration that infects significant sections of its population "as it does many countries these days.

The left's anti-EU voice, focused on the problems of the EU itself, was drowned in the noise of the reactionary UKIP and Tory Leave campaigns.

What About the EU?

While an analysis of the EU itself is beyond the scope of this article, it was clearly in trouble long before the UK referendum. As one writer sceptical about the EU's future argues, "The European union cannot manage any of the present crises it faces." [40] These include the EU economy as a whole, the financial crisis of several "euro-zone" member states and possibly of the Euro itself, the deep inequality between and within its member nations, the refugee crisis at its doors, and the political polarization and rise of the far right spreading across the continent.

If the EU is moving toward

disintegration, so far at least it is doing so on the basis of a resurgence of rampant nationalism not a socialist or even social democratic future.

Whether or not the EU can be reformed is beside the point. The left and the labor movements of Europe

have little choice but to fight for gains, oppose neoliberal anti-worker national and EU policies, recruit immigrant workers, provide hope through struggle for abandoned working class communities, and form a counter force to racism and the far right, while preparing for bigger fights down the road.

There is a greater chance of success if they work together across Europe rather than splintering off into their separate national back yards. In or Out, on this matter there is no choice.

[Against the Current](#)

The Crisis of the European Union and the Left

21 August 2016, by **Angela Klein**

I - The crisis of the EU

The world economic crisis of 2008 brought the EU to a deep crisis manifesting itself first as a crisis of the euro and then as the “refugee crisis”. The causes of these crises are not overcome: the financial system has not been held in leash and the social inequality within and between the member states has increased enormously. The exclusion of Greece from the euro zone is still not out of the question. At the same time the ruling elites have to fear that the Brexit will set a precedent even in the founder members of the EEC (e.g. in France or in the Netherlands).

Once more the EU is at a turning point. Whether the ruling elites can succeed in stabilizing the European Monetary Union is not certain. And whether such a stabilization would improve the situation of the dependent classes is doubtful. A collapse of the common currency and a disintegration of the EU are no longer unthinkable – it would mean the end of the central political project of the bourgeoisie of at least the core European countries since the Second World War.

1) In the jungle of capital competition: the institutional crisis

The EU’s fundamental disease is linked to its social character: it has been a project of the capitalist class up to now. The EU has been built to ensure the freedom of capital and trade flows – first as customs union, then as internal market and monetary union, but without a common political government and without a social adjustment and a common liability. Thus the building up of European power structures has followed the pattern of the formation of the German national state, finally realized in 1871: first the customs union, followed by the internal market linked to the introduction of the reichsmark.

But whereas in the German empire the first fragments of a system of social security appeared as well as a political union in form of the Reichstag (which became a full expression of people’s sovereignty only after the German revolution of 1918/19), the EU up to now did not become a social and political union – and there are only rudimentary beginnings of a collaboration of the police and the military. The sector of the economy that – after the coal, iron and steel industries – was the first one to be integrated into the Community was the commercial policy. It remains therefore exclusively under the responsibility of the European Commission.

There are different sources for the founding idea of an “ever closer union

among the peoples of Europe” (Treaty of Rome, 1957): the Cold War and the defeat of the “traditional enmity” between France and Germany by the common control of the coal, iron and steel industries. But the driving force for the development of this project is up to now the constantly increasing centralization and transnationalization of capital, which rules over ever-increasing economic areas and is forced to build transnational (European) economic and financial structures, but remains captive of its nation-state foundation. This is an expression of the basic structure of the capitalist mode of production: it is based upon the competition between single capitalists and offers no opportunity for a cross-border running of resources in a cooperative way.

The idea of competition runs all the way through all European treaties: competition inwards and competition towards the exterior. The best formulation of this fact is to be found in the Presidency conclusions of the Lisbon European Council (23 and 24 March 2000), where the Union set as its “strategic goal ... to become the most competitive and dynamic knowledge-based economy in the world”. Inwards the competing capital groups make use of the national governments to achieve shares of the market and locational advantages; outwardly they need the weight of the European internal market and the euro as well as the unanimous

appearance of the EU as trading power to assert its interests towards the American, Asian etc. competitors.

It is not the European Commission that is the dominant factor in the EU, as the Lexit campaign in the UK has erroneously claimed, but the European Council of the heads of states and governments of the EU member states ("the member states are the masters of the treaties", as it is constantly repeated by Merkel). But they see themselves first of all as champions of the interests of "their" big capital groups and associations and not as champions of the interests of "their" populations - not even as builders of a common house named Europe (see e.g. Germany's constant refusal during the euro crisis to contract a pan-European liability for countries especially affected by the banking crisis; or the refusal of most member states to take a common responsibility for the admission of refugees).

It may be true that 80 per cent of the laws voted in the national parliaments have their origins in Brussels and that they entirely follow the neo-liberal agenda of European capital. But none of the Commission's drafts will become a guideline without the approval of the national governments. And the lobbyists of enterprises - among them also leading politicians of the member states - are often co-authors of those drafts.

Moreover, there is no European election law: the populations remain nationally split (a fact that corresponds to the principle of competition). The politicians are only responsible to the populations of their national state, not to a pan-European sovereign. This leads to the schizophrenic behaviour that they like to boast "at home" about what they have achieved in Brussels "for us" during negotiations whereas they refuse to take any responsibility for their voting in Brussels: "Brussels", the EU - these are always some other people.

A recent classical example for this behaviour was Cameron's dealing with the British referendum. At the same time he was for and against the EU: for years he had challenged the core

idea of the EU, i.e. an ever closer union, because his conservative electorate is against it. But he opposed an exit from the EU, because the London City vehemently opposed leaving it. Thus he simultaneously served the mundane interests of finance capital as well as the provincial mood of the right-wing electorate.

In other words: the EU's capitalist nature prevents the EU to become an ecological and democratic project marked by social solidarity. On the contrary, the growing social inequality produces new power relations and dependencies between the member states and endangers even the capitalist project. On the other hand, working people have no interest to support this project. The EU was not made for them. But neither has the working class any interest in having only decay and no alternative. The numerous wars Europe has witnessed teach us that only under very rare occasions military conflicts could be transformed into revolutions. The working class must conceive its own European project, and time's running short.

2) The economic crisis: no sacrifice for the Euro!

For the capitalist class (not only) in the euro zone the stabilization of the euro has become the most important *raison d'être* of the EU. The common currency lowers not only the costs of the accession to the European markets and makes this access easier - for the member states as well as for non-European capital. It also provides European capital with the necessary weight to compete in the concert of the great. Without the euro the individual member states soon would no longer be able to sit at the table of the G8 - not even Germany. Therefore it is no stylistic or moral confusion when Merkel says: "A failure of the euro would mean a failure of Europe." From a capitalist viewpoint this is entirely correct; with her remark Merkel elucidates the real meaning of the EU. (The meaning of the external impact of the euro became obvious during the euro crisis: during her visit to China in 2012 Merkel realized that China would sell off its money market funds in euro if the euro zone could

not be held together and Greece had to leave the zone. Back in Germany Merkel insisted on Greece remaining in the euro zone.)

Yet things aren't looking too good for the euro. As a common project it suffers from the internal contradictions of the EU. The euro can only be as stable as the Economic Monetary Union (EMU) that underlies the euro. The economies of the EMU are drifting apart. This was the case already before the introduction of the euro, during the recessions of the 1960s and 1970s. This drifting apart was expressed by the diverging inflation rates which finally led to the failure of the "snake in the tunnel", the first attempt at European monetary cooperation in the 1970s. Upon the wave of the New Economy boom the introduction of the euro and with it the reduction of interest rates on government bonds in all countries of the euro zone at first worked as a stimulus and inflated the financial and real estate sector. This allowed for some time to hide the fact that the current accounts in the euro zone were dramatically drifting apart. Now the different productivity levels collide, and the economies benefiting most from it are of course those with a higher productivity, above all Germany's.

The financial crisis of 2008 brought these disparities to light. During the crisis each member state was above all interested in saving its own banks. The sums involved drastically went beyond the efficiency of most countries; thus a common liability of the euro zone would have been necessary if the whole construction of the monetary union was not to break down. Yet the German government refused long time to approve a common rescue fund, European government bonds or a European banking supervision because it yields to chauvinistic sentiments among the electorate: "We don't pay for the lazy Greeks." Finally it had to give in, but it did this at the price of dictating an intolerable budget discipline to other countries. These countries suffer thereby from the weight of enormous debts and are actually driven into a structural economic dependency. A deep split is thereby opening up between northern and southern

Europe.

For Germany and a group of states closest to it the euro and the anti-inflation and competition-oriented policy linked to the euro (key word: debt brake) have now become a main instrument for the political domination of Europe. For some countries of southern Europe their structural debt and the resulting dependency from their northern credit grantors became an essential problem. They must get out of the debt bondage if they will ever be able to follow their own development. For them the exit from the euro is a first step. For the countries in the northern half of Europe the problem is different: here are the governments that take the main responsibility for the upheavals in the EU. The main task here is to remove those governments in order to overthrow the power of the finance sector and the big capital groups as well as to fight chauvinist sentiments among working people. Otherwise an exit from the euro wouldn't mean any help. The austerity policy has to be fought in all countries but the positions of the individual member states within the EU power structure are different. In its centre the problems look quite different than in the periphery.

3) Project "core Europe"

To insist on the nation states being the "masters of treaties" is a tight-rope walk as has been shown by the euro crisis and the Brexit. The Brexit undermines British capital more than the EU. Britain does not lead the Euro, and none of the right-wing currents is interested in breaking away from the European internal market. They rather use the result of the referendum to negotiate even more exceptions to its regulations, especially the abolition of the freedom of circulation. Those who see the Brexit as the beginning of the end of the EU will be deceived. The EU is too important for capital. With Britain's membership the EU would lose a net payer and an important pillar of the military union. Possible transfers of enterprise locations and financial centres to the continent would strengthen competing European locations. The biggest fear roused by the Brexit among the ruling elites is the idea that it could set a

precedent in core countries of the European community.

Since the euro crisis and in defiance of all manifest anti-European feelings efforts are therefore increasingly made to deepen European integration. The European banking union is a first step to common liability. Moreover, in 2012 the Presidents of the European Commission and of the European Council respectively presented drafts for a core Europe formed by members of the euro zone. Both drafts include a euro zone budget comprising financial instruments for hardship allowances: in the European Commission's drawers there are plans for a European unemployment insurance, a European pension fund and a European minimum wage. The member states still don't want anything to do with it. And it does not mean that the EU has now detected its social side: such measures will be combined with the condition that each country of the euro zone is obliged by a bilateral contract to keep more budget discipline and to carry out more "reforms" as well as to realize the Commission's annual recommendations. Moreover, the Commission is preparing guidelines for a more flexible labour market, which are to replace the labour laws from the post-war era. Attacks like the law on bargaining unity or the "reform" of the labour code in France (and some years ago the abolition of article 18 of the Italian labour code) show the trend. From Denmark, which is not part of the euro zone, the Commission intends to adopt the automatic adjustment of the retirement age to the growing life expectancy.

From the Liberal fraction in the European Parliament comes a proposal for a common finance minister, a common foreign secretary, the transfer of so-called "rescue instruments" like the European Stability Mechanism and the European Fiscal Compact under EU law, a common debt fund as well as euro bonds and a European budget with its own taxes and a reduction of the European Commission.

This leads to a harmonization, but it is a harmonization moving downward.

Around such a core Europe there would be associated members which would have different status corresponding to their economic strength. Southern European countries would drop to the condition of dependent economies. For the working class such a deepening of the European integration would mean a considerable aggravation of the attacks against its achievements - regardless of a partial progress that may be made in the area of a social minimum standard. Moreover, the European model would become even more undemocratic since there is no perspective of the European Parliament becoming a full parliament with complete legislation competence and no device to express jointly the will of the populations of the euro zone. Against those plans a determined resistance is necessary that has to be coordinated on a Europe-wide scale. But for a while those drafts have been put back into the drawers, because they would imply a changing of the treaties, and that means that they would have to be ratified again by the national parliaments - and could be rejected.

II - The left and the EU

The British referendum was a good example of how the ruling class is using the EU as a scapegoat for its own policy when it is suitable and it wants to cause confusion in order not to be obliged to pay the political price for its policy. A population that for decades has been suffering from de-industrialization, privatization and concentration upon the financial sector (London is today the world's second most important financial centre) was fooled to believe that the negative results of all that were due to "Brussels" and its immigration policy. The British left walked right into that trap.

1) The referendum - a summer theatre

The call for a Lexit attacks merely the (erroneously claimed) dominating role of non-elected European institutions like the European Commission and the European Central Bank (ECB). It says

no word about the responsibility of the Thatcher government for the industrial degradation of Britain, about the co-responsibility of the London City for the financial crisis or about Cameron's responsibility for an increasing wage pressure (after all it was Cameron who had opened the doors for migrant workers from eastern Europe in the early 2000s without granting them the same working conditions). And not one word about the fact that it was the British government that for decades had blocked even the slightest progress in direction of a European social union. Together with France Britain was prominent in erecting walls against refugees since the end of the 1990s, in destroying the Mare Nostrum initiative and in militarizing the anti-refugee policy. The majority of the British trade unions and the Labour Party offered no resistance to the arch-conservative Tory policy on Europe – on the contrary, the social-chauvinist line “British jobs for British workers” has a long tradition in the British working class.

Thus the doors were open for an unprecedented racist campaign launched above all against migrants from eastern countries of the EU and including physical assaults and even murder. The keynote of the campaign – rejection of the freedom of movement within the EU – was as wide-spread in the Remain camp as in the Brexit camp. This bias can't be denied, though there may be involved a lot of real impoverishment, social fears and hatred for the political elites and their “system”.

The hope of those on the left who greeted the Brexit euphorically as “progress” will not come true. The Tories have rapidly overcome their leadership crisis; Cameron is gone, but the Tories undergo a process of UKIPisation. The only bright spot on the horizon is the possibility of Corbyn remaining the party leader and, eventually, the split-off of Scotland. The anti-capitalist (and anti-EU) left is far behind and split as ever, unable to take political profit from the leadership crisis of the Tories.

2) Social chauvinism

Two problems have been disclosed by

the result of the referendum: – First of all, the left is deceived by a wrong problem: an anti-capitalist left should not “choose” between variations of a bourgeois state, still less if one part is only an appendix of the other one. In an imperialist country like Britain the left has to disclose the wrong game of the government and to oppose the chauvinist mood linked to the anti-EU agitation of the right. For the anti-capitalist left the main enemy sits in London, not in Brussels. It need not mitigate its own anti-EU attitude but its main target must be its own government. Instead important parts of the British radical left played the same game as the government and failed completely. We can be proud that our British section decided to launch a campaign directed mainly against the racist hysteria even if this meant calling for a Remain vote.

My argument here is not that the call for a Remain vote was the only possible way; my argument is that the Lexiters failed to concentrate their campaign against the way the ruling Tories led the referendum and what their intention was. Thereby they played the same game as the Tories shifting the responsibility for the social situation at home entirely to the EU.

Secondly, the Brexit getting such a high consent in certain working-class milieus raises the question how the left wants to deal with the inroads of chauvinism into the working class and the open flank it offers to the right. This is not only a British phenomenon and not a really new one. For a long time, we have seen the same in former industrial regions of eastern and northern France, in northern Italy, in Scandinavia, in eastern Europe and finally also in Germany, where we did not need to wait for the electoral successes of the extreme right-wing AfD in order to know that for years a proportion of 20 per cent of trade-union members are open-minded to right-wing slogans. That the extreme right in northern European countries is stronger than in southern Europe is partially due to the imperialist role of the former countries: they can offer their “importance in the international arena” as compensation even to those at home who have a really hard time. Moreover, the corporatist policies of

some trade-union leaderships strengthen the ideological ties of the working class to its own bourgeoisie. (There are specific reasons for the massive growth of the extreme right in eastern Europe.)

An anti-racist work that is limited to the unmasking of the wickedness and anti-working class character of the extreme right will not lead far if it does not successfully attack the social chauvinism within our own class.

3) Transnationalization

The workers movement has difficulty in replying to the transnationalization (and Europeanization) of capital. Difficulties with a language, lacking material means and different forms of company employment representation are often impediments to immediate contacts between the workforce of different companies in different countries. To keep them permanently alive organizations are needed and, remarkably, very often NGOs and not trade unions are acting as such (especially in the struggles in the global south). Yet, whenever transnational labour struggles take place they are often quite successful.

The trade unions have certainly built international and European structures, but these are study or lobby organizations. They lack the competence to organize labour struggles of their own accord on a European level. The trade unions jealously pay attention not to lose control over the organization of the relationship between labour and capital. (An exception are the seafarers, who were always inevitably networked and capable of common labour struggles – thus they brought down the “ports package”.)

Thereby repeating the pattern required by the nation states the trade unions however are not able to build capable European structures parallel to their national structures – unlike the bourgeoisie. They play therefore hardly a role in important decisions like the Fiscal Compact or the Services Directive. At most they are able to organize impressive manifestations in Brussels. The European Trade Union Confederation is a lobby structure that cannot

compete with the employers' lobby organizations. What a contrast to the anti-TTIP mobilizations!

4) Inside or outside?

Because the labour movement is short of a weight of its own that could be brought to bear to realize ideas of a social Europe, the positions of the left range from reform of the EU to leaving the EU. But simply counterposing both lacks any social content.

Trade unions that see themselves as social partners accept the framework set up by capital. Thus they only want to improve the EU. The same is true for the social democratic and reform-oriented left: In order to become more effective they see a solution in greater legal capacities for the European Parliament and in the last instance in a European federal state or a European republic. More powers for the European Parliament are properly speaking not wrong though it is debatable whether the classical form of parliamentary democracy is sufficient to give the European citizens enough say. But the idea of a European central state that does not question its capitalist character comes dangerously close to the prospect of a "core Europe".

There is no other choice but leaving the EU. But where this leads to depends upon who is leading the process: the left or the reactionary right. If the left wants to lead it it will have to meet two requirements: - It has to topple the ruling class from power in its own country, i.e. to give the class struggle in its own country the highest priority. - It has to be capable to promote European social movements, including labour struggles. Then the opposition of "inside or outside" will lose its strictness. For as long as the EU exists it will of course be necessary to influence European legislation procedures and to develop our own ideas how to build a democratic Europe marked by social solidarity.

5) Which Europe do we want?

One argument for leaving the EU was that the EU was undemocratic because it meant the transfer of legal capacities and controlling functions. This, too, is an argument that is not class-specific. It originates from a concept of the state that does not regard as central the democratic self-determination of its citizens but the right of the state to have the last word on all matters of supranational concern. For instance, the rulings of the German constitutional court are marked by this attitude: the German parliament must have the last word. It's no accident that this argument is put forward above all by the conservative right - it corresponds to their view that the state is the central political protagonist. But there are also left-wing souverainistes, above all in France.

A socialist left has a different view. They regard social classes as the central political protagonists. The given nation state is a bourgeois one with the bourgeoisie as its ruling class that tolerates democratic efforts only as long as it does not lose its control over the events. If necessary the bourgeoisie simply undermines the rights of the parliament or of trade unions - e.g. when the German MPs are pressed into a legislation procedure they can no longer control because of information explosions and fast proceedings. The bourgeoisie considers democracy to be the rule of law for safeguarding private property. For a long time also in Germany a transfer of the legislature from the parliament to the government has taken place. And nobody can claim that "we" - i.e. the MPs (a very reduced "we") - had really decided on the EU bail-out package for Greece. The decision was made by the executive working on behalf of the ruling class; the MPs were only permitted to nod approval. The term "national sovereignty" obscures this fact.

The fault of the EU is not that there has been a partial transfer of

sovereignty from the national to the European level. The fault is that this transfer is taking place consciously and deliberately in an undemocratic manner - with non-elected institutions not responsible to the electorate and with a European Parliament being only a parliament in name.

The global problems we are faced with today - mass unemployment, hunger, a growing social inequality within states and between them, climate change, refugee waves - are problems that can no longer be resolved on a national scale. Moreover, the global resources are distributed unequally. If we do not want them to be appropriated by (structural or naked) violence we will need the readiness to share and to a common liability - thus we need cooperative procedures and decision-making structures on a transnational (European) level.

They need not only to be democratically legitimized but they have to be constructed in a way that only those decisions are made on a transnational level that cannot be made on the lower ones. And they have to be constructed in a way that despite the rather distant transnational decisions a maximum of people can participate. The hitherto existing model of the bourgeois nation state - parliamentary democracy - is not suited to it. We need a new model of participatory democracy which strengthens the local level and renders the transnational level more accountable and transparent.

Such a "left-wing subsidiarity model" would be underpinned by a far-reaching de-globalization of production bringing again the production of the social wealth to the consumers as near as possible and complying with their needs and not with the shareholders' profit expectations. A de-centralized energy supply based upon 100 per cent renewable energy makes it possible today and can create more autonomy for smaller communities.

22 July 2016

Offensive against the EU from left

29 July 2016, by **SAP (Denmark)**

The majority for Britain leaving the EU has shaken the European bourgeoisie. Massive popular opposition to the development of EU has been known and recognized for years - and was repeatedly expressed when someone dared to call a referendum on some European issues. However, in spite of this fact, we got used to see the EU project being sneaked forward all the time and people's ability to influence being continuously undermined. It is characteristic that Cameron is now being criticized for having "gambled" with the project by allowing a democratic vote on EU membership itself...

Brexit succeeded to shortcut this process, so far in one country. From a democratic point of view, this is a huge victory. A crisis for the EU is invariably a victory for the working class.

Class or racist agenda?

However, the reason for the massive EU opposition of the English working class was rather social than democratic. The EU was - as in other EU countries - both symbol of and played an important role in the neoliberal pressure for violent austerity and soaring economic inequality. A large number of immigrant workers from Eastern Europe and a significant level of unemployment have meant massive pressure on wages and working conditions in a country where Thatcher thoroughly smashed an otherwise strong trade union movement. Amongst other with reference to the free movement of labour within the EU, the conservative government attacked all tax-funded welfare systems - and for instance introduced towering fees on education.

In the British referendum campaign right populist, xenophobic forces were largely allowed to take over this agenda. Instead of uniting for a battle against the capitalist EU and against the employers who exploit EU's anti-labour divide-and-rule policies - large parts of the labour movement and the Left downplayed these problems and supported remaining in the EU. Some did so precisely out of fear for support to a nationalist and xenophobic agenda and migrant workers losing their jobs. However, this resulted in the xenophobic UKIP becoming the dominant party in the Leave campaign and now stands as the big winner of the referendum.

Hesitate or persist?

But let the past lie. Now, the question is how the Left should respond to this crisis for the EU. Should we "hold our horses" and hold back - with regard to nationalist and xenophobic parties that currently dominate resistance to EU in most countries? Or should we continue and intensify an uncompromising struggle against the institution EU and seize upon the option right now to provoke the collapse of this campaign engine for neoliberal attacks against the working class?

In our view, undoubtedly the latter is the right path. It has never been a successful strategy standing on the side of the ruling system in order to keep the far right from power. If the Left does not take on the battle against the system and provides an alternative, then it leaves legitimate anger and rebellion to the propaganda of the extreme right. At worst, the Left will even look as half-hearted supporters of the rotten system. And when the system tumbles, then forces of the Right takes over....

The same applies in the present situation: If the Left appears as not really fighting big business EU - then UKIP, Le Pen, Alternative für Deutschland, Danish Peoples Party etc. will first profit from the rebellion and secondly maybe even be victorious.

A left alternative to EU

For that reason, it is an urgent task for the Left across Europe to take the lead in the confrontation both with the EU as an institution - and with the policies of the EU:

Demanding that the EU in all areas should be rolled back and disregarded - that Member States must legislate against social dumping, defend their tax-funded welfare systems, stop the EU-dictated austerity and privatization policy, safeguard their environment, make climate adjustments based on public production, etc., etc.

Making demands based on anti-racism and international solidarity: The fight against social dumping is not a battle against migrant workers, but demands for collective agreements and national legislation preventing employers to underpay and exploit migrant workers. The European countries must welcome refugees - but it should be financed by the wealthy and not be at the cost of welfare.

Demanding a breakaway from the EU and the neoliberal foundation of the Lisbon Treaty - including withdrawal referendums as a tool to push the EU to collapse.

Demanding the establishment of a new European cooperation that respects democratic decisions in the Member States, including on their economic policy. Cooperation on environment, climate change, refugees, corporate

tax, etc., based on intergovernmental minimum agreements - but with the right to proceed further.

Of course, these demands must be raised in Parliament - but first and foremost the task is to build a movement fighting for these demands. Movements that can and will work together and show solidarity across borders for an alternative agenda for Europe. We have already seen promising signs of this regarding

refugee solidarity, in the fight against climate change and in some union contexts.

A legitimate popular revolt against capitalist EU is growing in both northern and southern Europe, although from different points of departure. We must not leave this revolt to the xenophobic right parties, which in no way will defend working class interests, on the contrary. Fortunately, there are also signs that the Left in the rest of Europe is losing

their illusions about reforming the EU and that more and more realize the necessity of formulating a "plan B": An alternative, if (i.e. when!) the break with EU is necessary.

The Left in Europe must assert its natural place as those who take the lead in fighting and confronting the capitalist and neoliberalist steamroller named EU.

July 2 2016

"We Need a Plan B for Europe": Interview with Éric Toussaint

18 May 2016, by Éric Toussaint

As we know, the main mechanism that turns a financial crisis into a sovereign debt crisis is the socialization of the private debt of banks and other financial institutions through bailouts. Since the financial sector sits on the credit and payment system of the whole economy, it is therefore in a position to blackmail to take everything down with it, if their losses are not borne by the public as a whole. Indeed, in most cases governments find it too risky to let these major players fail, so they end up being injected public money, financed by issuing government bonds that add to sovereign debt. This makes repudiation of debt thus incurred and nationalization of credit and finance two key priorities in fighting against the subordination of whole populations by finance capital.

We know that nationalization of this key sector is possible and has precedents in a number of advanced capitalist countries, such as in France after the liberation. Nevertheless when François Mitterrand attempted once again in 1981 to nationalize certain key sectors including finance, not so much in an attempt to fight

global capital as to revive the country's economy, the endeavor ended in capitulation with his government backtracking a few years later. Do you think countries have less room for maneuver under global neoliberalism to pursue such a route? What do you think about the complementarity of unilateral measures such as capital controls, refusal to pay illegitimate debt and bank nationalizations? What about the order of implementing such measures in order to maximize their benefits?

I have a very strong conviction that for a whole series of European countries, obviously countries such as Greece, Portugal, Spain, Ireland, and Cyprus, but also a group of other countries, if we want to change the political orientation and break with austerity, there are fundamental measures to take. Because, in many countries - including these last months in Portugal, but also in Greece and we will for sure see it rapidly in Spain as we already see it in Italy - it is very clear that the banking crisis is not at all resolved. As soon as the international economic situation deteriorates, the balance sheets of the banks become quite fragile (explosion of non-performing loans for instance). We are witnessing today a very

important fall in the stock market that implies a fragilization of the banks, and therefore, among the first measures to take there is a need to effectively take control of the banks. In some cases (for example, Greece) it will be necessary to bring about their failure in order to reclaim them under our control. Of course we will then rapidly put them back into operation, but in first allowing their collapse we are making those responsible for the crisis pay the costs. In the Greek case, for example, I am convinced that this is exactly what should have been done.

You asked me about Mitterrand who made a move in the direction of the nationalization of banks and then capitulated. When Mitterrand discussed nationalization, in a certain sense he was not under the pressure of resolving a banking crisis, whereas today any potential left government in Europe is under the obligation to take control of the banks. If they don't do so, the public finances will not be able to support the cost of resolving the crisis of the banking sector and the European Central Bank (ECB) will exercise a permanent blackmail over the liquidity of the banks and, as it did with Greece, asphyxiate the banking system. Therefore, I would agree that

the margin to maneuver is narrower than that which Mitterrand had, as we are in the Eurozone and the European Union. Nonetheless there is a practical and political obligation to enter into conflict with the European institutions and the ECB. Here, I am simply speaking of unilateral measures of self-defense for a country that is living through the banking crisis. I want to add that as far as the debt audit is concerned, the unilateral measures to take are based on regulation number 472 of May 21st, 2013 [41], that envisages a debt audit; hence a government in the Eurozone can perfectly say that it is applying this regulation. There is therefore a legal basis, I would say, in the action taken by the government. However, in the case of Greece and probably in other countries under the pressure of the creditors, I would also add a call for the unilateral suspension of payments during the duration of the debt audit. Of course, this measure will not be accepted and there will be a conflict, but there are arguments in international law to support these types of unilateral actions as self-defense measures. Without question, all these measures are directly linked to a key immediate measure that has to be taken, which is the implementation of capital controls. It's clear that there is an immediate link here with the political situation. To do all this, one needs to have popular legitimacy and organize popular mobilizations along with international solidarity.

To move from the general to a more concrete case that is on everyone's mind, let's talk about your experience in Greece. You were the scientific coordinator of the Debt Truth Commission set up in April 2015 by the president of the Greek parliament Zoe Konstantopoulou. The commission released its report on June 17, 2015, just as the 4 month extension that Syriza obtained in its February 20 agreement with the Troika was set to expire on June 30. In such an important moment politically, the commission set out to show that contrary to popular belief, the increase in debt did not stem from excessive public spending on the

part of the Greek welfare state but from other factors such as the state recapitalization of private banks, the payment of extremely high rates of interest to creditors, the over spending in defense, etc. The report made clear that the purpose of the loan agreements to Greece was to rescue Greek and other European private banks and that the majority of borrowed funds were transferred directly to financial institutions. It also identified for each creditor (IMF, ECB, EFSF, bilateral loans, private creditors) evidence of illegal, illegitimate, and odious debts, and presented legal arguments that could permit Greece to unilaterally repudiate such debt. Notwithstanding the report's findings, however, by early July the Tsipras government opted against pursuing any such measures in favor of capitulating to the European institutions, as is well known. In hindsight, what course of action could have been taken at the time the report was published or even before that might have avoided such capitulation?

First of all, already by February 20, I think that the Tsipras government and Minister Varoufakis should have taken the measures that I've mentioned above. That is to say, they should have said from the beginning: "we are carrying out an audit of the debt, we are applying article 7 of regulation 472 as a defensive measure against you creditors, who haven't opened a single serious avenue toward negotiations during our first three weeks in government. During the audit we suspend the payment of the debt" Therefore, I think the February 20 agreement already contained a retreat on the part of the Syriza-Anel government [44], Eduardo Levy and Ugo Panizza [46] It also shows that the subsequent return to markets is also achieved rapidly.

Personally, I think that if a government has the possibility to not return to the financial markets, this is better. If you have oil revenue or other types of revenue that allow you to have an economic activity that brings in a sufficient level of taxes, why is there a need to go to the financial

markets? I had debates with some members of Cristina Kirchner's government in Argentina because they had the obsession of wanting to return to the markets and negotiate with the Club of Paris. And I said to them: "Why? You have demonstrated yourselves for more than seven years now, that you are in default with the Club of Paris and you are having economic growth without going to the financial markets." So I think that this dogma that you have to go to the financial markets to obtain financing is very dangerous and it must be affirmed that there is no such necessity.

Mortgage debt is still at obscene levels in many countries around the globe, after wreaking havoc in 2007 and 2008 and ending with widespread foreclosures. In the US, the student debt stock exceeds \$1 trillion. What can be done about the meteoric rise of private debt?

I think that the movements confronting public debt definitely need to integrate the question of illegitimate private debts into their politics. With illegitimate private debt, I'm talking about, among other things, student debt, mortgage debt, the debt of peasants, for example in India, the debt from microcredit in a series of countries, for example Morocco, Bangladesh, etc. A left government, as an example, could bring about the annulation of such debts by legal means. Back when Syriza was in the opposition, Zoe Konstantopoulou had brought forward a proposed law that should absolutely be translated into many languages, because it posited that the debt of families with an annual income lower than a given amount would be legally annulled. We could add different criteria. The reason that it's very important for a government to pursue this legally through parliament is to avoid a situation like the United States, for example, where as you know there are more than 10,000 trials concerning private debt, while there would be no trials if the government settled it in Congress. As a government, you can simply settle the problem in a legal manner.

So I think, for example, that if Jeremy

Corbyn becomes Prime Minister in the UK, then what Cameron did to systematically indebt the students needs to be changed completely. As it currently stands, some students are going to have to work for thirty years to reimburse a debt that they took out to pursue their studies. This needs to be changed through a legal path, and in the United States as well. And in Spain, this directly concerns Podemos, which needs to legally solve the problem of mortgage debt in Spain and change the draconian law relating to foreclosures and expulsions, that dates back to Franco. It was

confirmed during the transition by the socialists, but it's a decree from 1946 by the dictator Franco.

You have written a lot on the Third World debt crisis in the past. Although this topic has faded from recent headlines, the difficulties are nonetheless far from disappearing. As a final word, what more can be said today about the problems of debt as they relate to the Global South?

It is clear that we are now witnessing a new debt crisis in the emerging countries. In fact, it has already

started. It is already hitting head-on the big oil exporting countries such as Venezuela and Nigeria, which are no longer able to refinance their debt at reasonable interest rates. They've already accepted heightened rates, but now that the oil revenue has diminished, it is clear that we are going to see situations of default on debt payments very soon. Maybe as soon as two years, a year, or even six months.

9 February 2016

[Potemkin Review](#)

The End of Europe

17 May 2016, by **Enzo Traverso**

Xenophobia is precisely the result of this political bankruptcy. It grows everywhere, nourished by fear, seeking scapegoats. The refugee crisis that is unfolding before us is its most dramatic expression. To receive these pariahs is an ethical and political duty, first of all because, far beyond any humanitarian concern, they are fleeing the West's own wars. They are the product of the destabilization of the Middle East and North Africa, areas that have been thrown into chaos by several Western wars. Between the Iraq invasion in 2003 and the military intervention in Libya in 2011, these lands have been Balkanized; their states and economies have been destroyed; their already precarious ethnic and religious equilibrium, created one century ago with the partition of the Ottoman Empire, has been broken.

Telling the truth means recognizing some elementary facts. Europe needs immigrants: it needs them for its survival, for stopping its demographic decline, for running its factories, its laboratories, and its services—thus for preserving its economic power, for financing the retirement of its aging population, and for opening itself to the global world. All observers stress this, but until now the only measures

European leaders have been able to take have been border closure, the militarization of the Mediterranean, the expulsion of the undocumented and the multiplication of retention centers that function as anomic realms of humiliation and misery. Europe considers its immigrants a threat and refuses, in many countries, to naturalize “foreigners” who were born on their soil and educated in their schools; it promulgates laws whose exclusive aim is to stigmatize its own Muslim citizens. This lack of both vision and courage makes European countries responsible for the massacre that takes place daily in the Mediterranean. Some hundreds of thousands of refugees, even one or two million, are not so many for a rich continent of five hundred million people “nothing at all compared to the efforts of smaller and poorer countries like Lebanon, Jordan or Tunisia. This crisis, nevertheless, has been enough to put into question the Schengen treaty, to provoke border closures inside the EU, and finally to reveal the complete inability of EU governments to find a common policy. This is reminiscent of the Evian Conference of 1938, when Western powers proved their unwillingness to receive Jews fleeing Nazi Germany.

Nobody wanted them, and the arguments put forward in order to justify this refusal were strangely similar to the current rhetoric of our politicians: the economic crisis, the lack of infrastructure such as reception centers, the hostility of public opinion... History repeats itself, and the Holocaust memorials inaugurated in many European countries over the last few years simply prove the hypocrisy of European institutions. They wish to commemorate the victims of past genocides and uphold the rights of man, but they are completely indifferent to the victims of the present.

The contrast between current European leadership and their predecessors is illuminating. One is tempted to admire the founding fathers of the EU. I am not even speaking of the intellectuals like Altiero Spinelli, who imagined a federated Europe, despite being in the middle of a terrible war. I am thinking of the architects of the EU “Adenauer, De Gasperi and Schuman. All of them were born, as Susan Watkins recently reminded us, in the 1880s, during the apogee of nationalism, and grew up at a time when people still traveled in horse-

drawn carriages. They probably shared a certain European conception of Germanness: Adenauer had been mayor of Cologne, De Gasperi had represented the Italian minority in the Hapsburg Parliament, and Schuman grew up in Strasbourg, in German Alsace before 1914. When they met, they spoke German, but they defended a cosmopolitan and multicultural vision of Germany, far from the tradition of Prussian nationalism and pan-Germanism. They had a vision of Europe, which they sketched as a common destiny in a bipolar Cold War world, and they had courage, insofar as they proposed this project to peoples that had just finished trying to destroy each other. Their project of economic integrationâ€œcoal and steelâ€œrested on political will. They conceived of a common market as the first step towards political unification, not as an act of submission to financial interests. For better and for worse, Kohl and Mitterrand were the last to pursue this goal. They did not have the same stature as their predecessors, but neither were they simple executives of banks and international financial institutions.

The generation who has replaced them at the turn of the twenty-first century has neither vision â€œ they boast about their lack of ideas as a virtue indicative of their post-ideological pragmatism â€œ nor courage, insofar as their choices always depend on opinion polls. The paradigm case is Tony Blair, who has made an art of lies, opportunism and political careerism. Today he is hugely discredited in his own country but still involved in several lucrative ventures. A convinced Europeanistâ€œthe most Europeanist among postwar British leadersâ€œhe embodies a new mutation: a neoliberal political elite that transcends the traditional cleavage between right and left. Tariq Ali calls it the “extreme center.” Blair was the model for François Hollande, Matteo Renzi, the leaders of the Spanish PSOE, and even, to a certain extent, Angela Merkel, who rules in a perfect harmony with the SPD. Neoliberalism has absorbed the inheritors of both social democracy and Christian conservative currents.

The result of this neoliberalism is the impasse of the European project itself.

On the one hand, the lack of vision has pushed the EU to conceive itself as an agency charged with applying the measures demanded by financial capitalism; on the other hand, the lack of courage has impeded any advance in the process of political integration. Obsessed by opinion polls and the media, EU statesmen think that politics means helping the market economy and seducing the voters with populist and xenophobic arguments. Paralyzed by the impossibility of returning to old national sovereignties and unwilling to build new federal institutions, the EU has created a monster as unusual as it is awful: the “troika” has neither a proper juridical/political existence nor democratic legitimacy, yet nevertheless holds the real power and in fact rules the continent. The IMF, the European Central Bank (ECB) and the EU Commission can dictate policy to any national government, evaluate their application and decide compulsory adjustments. They can even change a national government, as occurred in Italy at the end of 2011, when Mario Monti, the trustworthy man of the ECB and Goldman Sachs, replaced Silvio Berlusconi. Sometimes they impose their sentences on a country, like last year with Greece. The right to decide life and death which, according to Foucault, constitutes classical sovereignty, is precisely the right the “troika” exercised during the Greek crisis, when it threatened to asphyxiate and kill an entire country. When the “troika” does not have specific interests to defend, like today with respect to the refugee crisis, the EU no longer exists and breaks up: every country wishes to close its borders.

This overwhelming power does not emanate from any parliament or from popular sovereignty, since the IMF does not belong to the EU and the ECB, but is an independent institution. Thus, as many analysts observed, following Carl Schmitt, the “troika” embodies a state of exception. In the current EU, the political has become completely subordinate to the financial. In short, it is a state of exception that establishes a sort of financial dictatorship, a neoliberal Leviathan. The “troika” establishes the rules, transmits them to the different EU states and then controls their

implementation. This is, in last analysis, the “ordo-liberalism” of Wolfgang Schäuble: not capitalism submitted to rules, but financial capitalism that dictates its own rules. Who might personify such a financial state of exception better than Jean-Claude Juncker? For twenty years he led the Grand Duchy of Luxembourg, whose main purpose (and the source of its prosperity) is its status as a tax haven. Juncker transformed his country into the fatherland of capitalism without rules. The definition of the state coined by Marx in the nineteenth centuryâ€œ“a committee for managing the common affairs of the whole bourgeoisieâ€œhas found its almost perfect embodiment in the EU.

This state of exception also reveals a paradox concerning the role of Germany, the EU’s most powerful component. At the time of the Cold War, “Great Germany” (Grossdeutschland) had become a historiographical object, a kind of “future past” tinged with either nostalgia or relief: the demonic greatness of the Macht der Mitte (Michael Stürmer), the Mitteleuropa dreamed by Friedrich Naumann, or the nightmare for the small countries stuck between Prussia and Russia, permanently fearful of being annihilated (therefore affected by a form of “political hysteria” carefully scrutinized by Istvan Bibó). After the fall of Berlin Wall and national reunification, however, Germany suddenly recovered its old status as a central power at the heart of an enlarged EU.

In 1990, this comeback of “Great Germany” frightened not only its neighbors but also many of its own citizens. We had just emerged from the Historikerstreitâ€œthe violent controversy that opposed Jürgen Habermas to Ernst Nolte, constitutional patriotism to historical revisionismâ€œand some significant personalities of the Bundesrepublik like Günther Grass wished to maintain a divided nation: the wound should remain open. As a warranty for the annexation of the GDR by the GFR, Poland asked for a new treaty recognizing the Oder-Neisse line as a sacred border. At that moment, France, which always conceived of the

process of European integration as a strategy for neutralizing Germany, accepted the reunification in exchange for a shared currency. With a Machiavellian perspective, the most brilliant French senior officials – les énarques – convinced Mitterrand that any German ambition for conquest could be suffocated through the absorption of the Deutsche Mark by the euro. The creation of a European currency without a European state seemed to them a clever containment strategy. At that time, Europe experienced a powerful awakening of the past that pushed the Holocaust to the core of its collective memory and reinforced the fear of a return of pan-Germanism. When the Bundesrepublik abandoned the Deutsche Mark to share a common currency with its European partners – including Southern countries like Italy, Spain, Portugal and Greece – the image of the Wehrmacht soldiers parading in Prague, Warsaw, Milan or Paris was definitively vanquished.

Twenty-five years later, this fear appears nonsensical. During this time span, the idea of rebuilding the prewar Reich has not entered the mind of any German politician. Today, a gigantic Holocaust memorial lies in the heart of Berlin beside the Parliament, and Germany remains, in spite of Pegida's demonstrations and the electoral success of Alternative für Deutschland, one of the less xenophobic countries of the continent compared with France, Italy, Belgium and the Netherlands, not to mention the new EU members, among which Hungary distinguishes itself for its racism. The Volk ohne Raum has become an archaic myth and German expansionism has found in the Euro its most effective instrument. Ordo-liberal Germany does not need a powerful army in order to conquer the continental markets. For this, Euro is enough. This is the European paradox that illustrates an astonishing heterogenesis of ends: the Euro,

which was born to contain German power, has become the latter's instrument and even, as the Greek crisis eloquently showed one year ago, its symbol.

Monetary union without political union is destroying democracy by discrediting any national government devoted to austerity policies and by expanding social inequalities between the countries of the continent. Without any democratic sharing of resources or strategy for common development, monetary union has become a perverse mechanism that drains resources from the poor to the rich countries. German banks, and the German economy more broadly, prosper at the expense of many indebted countries.

Such heterogeneous ends in the construction of Europe not only reveal the blindness of the inventors of Euro; they also unveil the historical irresponsibility of its beneficiaries. Euro allowed Germany to reinforce its power but it did not give it the legitimacy to lead a continent; Germany rather showed its incapacity to play a leading role. National Socialism, the defeat at the end of the Second World War, and the Cold War exhausted the geopolitical ambitions of Germany without decreasing its national egoism. This is one of the causes of the European crisis since Germany is compelled by its geographical position and its economic and demographic strength to play a leading role in the continent. This requires from its leaders both vision and courage, exactly the qualities the current German leadership lacks. It has neither an ambitious continental vision nor the courage to make choices that could threaten its own national egoism. Jürgen Habermas wrote that, during the negotiation that forced Greece to surrender to the "troika's" blackmail, Merkel and Schäuble were able to vanish, in a single night, the efforts made for decades to restore

Germany's dignity within the international community. This is probably true, and the punishment inflicted on Greece is but little compared to the damage done to the image and idea of European unity. The German leaders cannot lead a continent of five hundred million people acting as the representatives of the Bundesbank. The definition of British colonialism in India coined by the scholars of subaltern studies, corresponds quite well to the German position in contemporary Europe: "rule without hegemony." The evident weakness of the German leadership also benefits from the passivity of many other countries, notably France, which has lost its competitive ambitions, but also Italy and Spain, which accept their role as obedient pupils (without any difference between left and right leaderships).

In short, the EU is collapsing and risks disintegration with the emergence of a xenophobic and populist wave. The European project needs to be completely rethought, far from the current state of exception. Maybe the Greek crisis of last year was the symptom of a still invisible, subterranean but deep change. Syriza's government could not withstand the "troika" steamroller, but for six months Alexis Tsipras was a symbol for the entire continent. Today, hopes turn toward Spain and Podemos, as well as the UK, where Jeremy Corbyn expresses a similar will to change. They show that xenophobia is not the only possible outcome of the EU crisis, and that returning to old national sovereignties is not the only alternative to neoliberalism and capital globalization. They also show that in order to build such an alternative we need to change the left itself, and to transcend the paradigms inherited from the twentieth century.

April 6, 2016

[Public Seminar](#)

What's DiEM25, really?

15 May 2016, by **Yannis Varofakis**

Who/what is DiEM25?

What escapes us is who DiEM 25 exactly is and who its 'enemy' is meant to be. More precisely, who are you fighting against?

DiEM25's Manifesto answers as follows: We call on our fellow Europeans to join us forthwith to create the European movement which we call DiEM25

- To fight together, against a European establishment deeply contemptuous of democracy, to democratise the European Union
- To end the reduction of all political relations into relations of power masquerading as merely technical decisions
- To subject the EU's bureaucracy to the will of sovereign European peoples
- To dismantle the habitual domination of corporate power over the will of citizens
- To re-politicise the rules that govern our single market and common currency
- Going beyond the Manifesto, and speaking personally here, DiEM25 would have been unnecessary if:
- we did not have an EU founded on a cartel of oligopolistic central European industries and

run by a bureaucracy on the basis of rules that were designed to 'de-politicise' politics and a common money (which is essential for the cartel's price stability) - a process that leads to a class war against waged labour and small business

- this cartel-like EU had not entered (as it was inevitable it would) a process of disintegration that manifests itself through a combination of mutually reinforcing authoritarianism and deflation.

This degenerate yet incredibly powerful process and its agents (that include the EU bureaucracy and the national elites feeding it while being fed by it) is the 'enemy' against which DiEM25 member are banding together.

Is DiEM25 apolitical?

The ambiguous physiognomy of DiEM 25 is... reinforced by rendering the political affiliation of the people who will join your effort as an irrelevant criterion for their involvement as you literally said that: "We are not a coalition of political parties. The idea is that anyone can join independently of political party affiliation or ideology because democracy can be a unifying theme"... In this way, the nature of DiEM 25 runs the risk of apoliticism...

To invite members across political party affiliations is not the same as inviting them to join an apolitical movement. Political parties in EU member-states have become, like the EU, utterly... depoliticised. There are neoliberal parties implementing the

largest tax-payer funded bailouts of private companies (banks!) in history. And left-wing parties implementing the worst austerity in history. This 'anomaly' reflects the success the EU cartel has had in de-politicising politics, which means creating a classist, toxic form of unrepresentative, anti-democratic politics.

Furthermore, DiEM25 is founded on the belief that the EU's cartelised capitalist organisation is unique around the world and that its crumbling packs immense destructive potential (that is also unique globally). Europe's exceptionalism is, thus, not due to the fact that Europe is great and superior (to other parts of the world, e.g. Latin America, China) but that it is so terribly structured that its inevitable fragmentation will inflict massive damage upon not only Europeans but also the rest of the world. (If, to give an example, the Latin American leftwing governments are now imploding, this has a great deal to do with the failure of Europe to get its act together after 2009, to raise investment, and thus to prevent China's deflation which, in turn, caused the recessions in Brazil etc.)

If our analysis is correct (and I sincerely hope we are... wrong), we are at a moment in history very much like 1930: Just after the crisis (1929) and in the 'early' stages of a slide toward an abyss comprising deflation, xenophobia, hyper-nationalism, competitive devaluations, jingoism etc. What was the duty of progressives in 1930? It was, I suggest, to reach across party affiliations and borders to create a pan-European movement of democrats (radicals, liberals, even progressive conservatives) in opposition to the forces of evil. I very much fear that this is our duty today too.

In this broad context, DiEM25 is not in the business of becoming a

confederacy of existing nation-state parties who, courtesy of the transfer of power from the nation-state to the anti-democratic EU institutions, end up with electoral programs which they have no chance of implementing once in government. Nor is it about being yet another leftwing movement that provides a home exclusively to people like myself, and possibly you (i.e. radical critics of globalised and European capitalism) but which fails to bring other opponents of the unfolding process into its ranks so that we can, together, offer meaningful resistance to the emergent misanthropy.

So, make no mistake here: DiEM25 is as political as they come. But to be political in a meaningful manner it needs to appeal across existing political party lines. DiEM25's deeply political character/project can be seen just by perusing the four principles listed in its Manifesto:

- No European people can be free as long as another's democracy is violated
- No European people can live in dignity as long as another is denied it
- No European people can hope for prosperity if another is pushed into permanent insolvency and depression
- No European people can grow without basic goods for its weakest citizens, human development, ecological balance and a determination to become fossil-fuel free in a world that changes its ways – not the planet's climate

Is this apolitical? Hardly? Is the call for democratisation apolitical? No way. After all, Aristotle defined democracy as “the constitution in which power rests with the free and the poor, being in the majority”. Not a project that the establishment would consider politically neutral...

The prospect of consensus

Moving to the European level and considering that the aims of DiEM 25 are limited to the democratic reestablishment of the structures of the EU, do you think that people with such diverse conceptions of democracy can agree on common agendas? We are very doubtful of this.

Allow me to say that the aim of democratisation can never be thought of as ‘limited’. Authentic democracy is an incredibly radical and far-reaching concept. If it is to spread to every social relation, including the workplace, democratisation becomes synonymous to a far-reaching revolution.

On the question of whether I think we can agree on a common agenda, allow me to suggest to you that we do not have the right (even if we have good reason) to be pessimistic. We both have an obligation to understand the obstacles and a duty to adopt Gramsci's Optimism of the Spirit.

European or national agenda?

This leads us to yet another strategic issue: what exactly is to be done? It seems that DiEM has put all its bets on the European dimension, entirely bypassing the national one...

I can see why you may think this but I assure you it is not the case: DiEM25 is not neglecting the national, or the regional, dimension. Not in the slightest. Our view on the Europe-Nation juxtaposition is a dialectical one. We reject the standard trade-off theory (common in Brussels and amongst the EU-loyalists) according to which any democratisation of the EU requires further centralisation which, in turn, requires further loss of sovereignty at the national level. In sharp contrast, DiEM25 believes strongly that more democracy at the centre would reinvigorate the nation-state and return more sovereignty to the national parliaments.

Europe's progressives, you and me included, must make a stark choice quickly. The truly awful EU we have is disintegrating. Are we to help speed up its disintegration, with a return to the nation-state? Or are we to try to

stem this disintegration with an attempt at democratising the EU's institutions? This is the question.

There are good arguments on both sides here. I have personally disagreed with excellent comrades from around Europe on this. But this is fine – progress demands disagreement. DiEM25's position on the matter is clear, judging by the Manifesto's proclamation that DiEM25 rejects both of the following options with equal fervour:

- Retreat into the cocoon of our nation-states
- Surrender to the Brussels democracy-free zone

You write: *Holding both the nation-state and Europe as political horizons does not amount to entrenching oneself behind a form of backward nationalism, as many DiEM followers have suggested.*

You are, of course, right – except that no DiEMer I know has said that holding on to the dialectical equivalence of the two horizons amounts to backward nationalism. What we do say is that prioritising the nation-state and calling for a retreat from Europe into its bosom is, indeed, a retrograde step.

The Manifesto explains this well:

“While the fight for democracy-from below, at the local, regional or national levels, is necessary, it is nevertheless insufficient if it is conducted without an internationalist strategy toward a pan-European coalition for democratising Europe. European democrats must come together first, forge a common agenda, and then find ways of connecting it with local communities and at the regional and **national level.**”

Blinding ourselves to the many achievements of Latin America in the last decade or so would be crass Euro-centrism.

Just because we did not discuss Latin America in the Rome meetings that does not mean that we have ‘blinded ourselves’ to its significance. (As someone that has

spent countless hours debating with Ernesto Laclau, when we coincided at Essex, I think I can safely claim not to be guilty of this accusation...)

Last but not least, Yanis! The issue of democracy within DiEM 25...

Is it possible, Yanis, to try to democratise something as big as the EU without previously having created solid democratic structures within your project?

No it is not! DiEM25 must practise democracy and transparency fully within its ranks before it can hope to democratise anything else, let alone... Europe.

Let me convey to you our thinking on this and the problems we are trying to overcome. Our thinking has been, as you suggested, influence heavily by the experience and know-how of the various social movements – after all most of us have been involved in them for many years. Democracy requires institution-building before we it gets to be practised properly.

DiEM25 began life when a small number of people came to the conclusion that it is time for a pan-European movement that traverses both national and political party dividing lines. We put together the

Manifesto, as our defining text, by a process of toing and froing. Then we convened the Berlin and Rome launches with as broad a call to European democrats as we could muster. Thousands responded. And thus the usual problem of ‘organisation’ emerged.

We are in the process of developing, amongst our members (i.e. those who joined DiEM25 on our site), our organisational structure (or lack thereof). I am sure that you understand that this can only be work-in-progress. Indeed, if the structure had existed before the members joined, that would have been a glaring contradiction.

The basic idea is to combine coordination and spontaneous order, the physical and the digital.

On the one hand, DiEM25 will have a coordinating committee in every EU member-state, and one overarching pan-European one, that emerge through physical (e.g. ‘town hall’) meetings convened by initiators whose job it will be just to get DiEM25 members into one physical space, before representatives are elected.

On the other hand, we have already initiated our DSCs (DiEM25 Spontaneous Collectives). Here is how it works: DiEM25 members discover

each other in their towns, regions etc. and spontaneously form a collective (between 7 and 15 member-strong). Then they act as a unit in any way they think appropriate to promote the Manifesto’s goals. They need not wait for approval from anyone. They have the right to represent DiEM25 (constrained only by the Manifesto’s principles) in any way they want as long as they respect three simple rules: First, they must not collect money on DiEM25’s behalf. Secondly, they cannot form pacts or associations with other organisations or parties. Thirdly, for a DSC member to put something out on behalf of DiEM25, they must have the consent of at least another three members of their own collective.

Dear George, dear Samuele,

There is so much more to say. Thank you for your critical questions and the opportunity to think harder and deeper about these crucial issues. Please consider DiEM25 to be your movement too. And if you see we are doing things wrongly, just step in and do it better!

Yanis

April 2 2016

[Yanis Varoufakis](#)

An Open Letter to Yanis Varoufakis

15 May 2016, by George Souvlis, Samuele Mazzolini

Dear Yanis,

We decided to write you this letter after following closely the launch of DiEM 25 in Rome on 23 March. The missive aims to discuss a series of issues regarding your initiative that we found unconvincing by offering a well-intentioned criticism of it. We clarify at this point that our aim is neither to dismiss a priori the project nor to appear like smarty pants that know better than anyone else how things should be done, something not

totally foreign within the universe of the Left. Rather, with this letter we wish to raise some questions publicly that we suspect many may have already thought about and discussed informally and that could be used as sparks for the amelioration of the initiative.

Let us start with the identity of DiEM 25. During your presentations, you repeated time and again that DiEM 25 is a ‘movement’ fighting for the democratization of Europe by

attempting to change the content of the already existing structures of the European Union. However, what escapes us is who DiEM 25 exactly is and who its ‘enemy’ is meant to be. More precisely, who are you fighting against? Is the enemy the structures of the European Union? Or possibly the economic elites? Or just the Brussels’ bureaucrats? And who is DiEM? Is it something that is constituted by individuals, pre-constituted groups, or is it just a story by Yanis Varoufakis?

It may well be too early to find a definitive answer to this issue – after all certain things become clearer only as they are developed –, but the type of social movement that you are trying to build so keenly seems to carry a certain statutory uncertainty inscribed in its very foundation. Every social movement of the last decade or so has had a specific definition to the question of ‘who?’ – both in terms of who ‘we’ are and who ‘they’ are – even in cases when the movement emerged as an outcome of very complex and contradictory processes. For example, the anti-globalization movement focused its criticisms and activism against the multinational corporations that were responsible for stripping political power from States through trade agreements and deregulated financial markets. The question of identity is really a crucial one not just for abstract psychoanalytic reasons but from a strategic perspective.

The strategic dimension is central here and takes up even more prominence when considering another feature of your initiative. The ambiguous physiognomy of DiEM 25 is further reinforced by rendering the political affiliation of the people who will join your effort as an irrelevant criterion for their involvement as you literally said that: “We are not a coalition of political parties. The idea is that anyone can join independently of political party affiliation or ideology because democracy can be a unifying theme”.

We appreciate that DiEM intends to reach out beyond the restricted circles of the ‘converted’, but it should be noted that it would make little sense to belong to a conservative party (or even a social-democratic one for that matter) while adhering to DiEM concomitantly. In this way, the nature of DiEM 25 runs the risk of apoliticism, as it totally neglects the fact that the differences between the various political traditions are not limited to an abstract and harmless plane of ideas, but extend to the meanings and understandings of the democratic process as such. Let us not forget, for example, that the liberal and the aristocratic views of liberal-democracy at the beginning of the 20th century in many European

countries did not include the participation of subaltern classes: their political involvement was won only through strenuous processes of struggle. In other words, the content of democracy was not something given but an issue of struggle and definition.

We consider that what is happening nowadays is in many respects similar: the destabilization of the representative institutions that the economic and political crisis brought about puts the meaning of democracy under contestation. While the political establishment considers the state of exception that has been imposed on a number of countries as democratic, the new protest movements that emerged in 2011 (Indignados in Spain, Aganaktismeni in Greece, Occupy Wall Street in the US) also claimed back for themselves the concept of democracy. Do they amount to the same? Do they serve similar interests? Are these two types of interpretations of democracy not contradictory?

We do not dispute that we need to disengage people from their previous political identifications and that this requires openness towards those coming from different political paths. What should be avoided, however, is a frontist strategy in disguise that fails to highlight that the democratic deficit is the fruit of the irresponsibility of those political traditions that are now so uncritically called upon. Moving to the European level and considering that the aims of DiEM 25 are limited to the democratic reestablishment of the structures of the EU, do you think that people with such diverse conceptions of democracy can agree on common agendas? We are very doubtful of this.

This leads us to yet another strategic issue: what exactly is to be done? It seems that DiEM has put all its bets on the European dimension, entirely bypassing the national one. How cogent is this move and how effective is it likely to be? Is it really necessary to delete the state from the map as a locus of progressive democratic reforms and to consider it as an outdated and old-fashioned obsession? We do not think so! We consider the radical reestablishment of democracy within the various nation-states as equally important as action at a

European level. Holding both the nation-state and Europe as political horizons does not amount to entrenching oneself behind a form of backward nationalism, as many DiEM followers have suggested.

In this sense, it is particularly striking that in the argumentation you developed in Rome there prevails the utmost disregard towards other experiences of resistance towards austerity measures. In fact, if any stride towards the undoing of neoliberalism has been pursued in recent times, that has only happened in Latin America. We are aware that Latin America offers models that are now running into crisis and which have often been treated with deep suspicion by many sectors of the European Left. This should not lead us to throwing the baby out with the bath water. Blinding ourselves to the many achievements of Latin America in the last decade or so would be crass Euro-centrism.

Many lessons can in fact be learnt, as Podemos has admittedly done. One of these is the recognition that the nation-state is certainly in difficulty, but its death certificate has not been issued yet. The neutralisation of the Washington Consensus and its stabilization packages has been achieved through a reactivation of the nation-state in two different ways.

Evo Morales Firstly, as a locus of identification. Despite all its regional internationalism, the Latin American pink tide has been first and foremost a collection of national phenomena. Chávez’s Venezuela served as a powerful source of inspiration, but each experience manifested its own distinct particularities which have resulted in a case-by-case seizure of power, only to be followed by some inter-state convergence at a later stage (ALBA, UNASUR, CELAC). In other words, the Latin American progressive projects have demonstrated the importance of speaking the language of the nation and its people, a language of course expunged of any type of chauvinist or racist connotation. Even though the Bolivarian spirit pervaded to different degrees all these processes, it was the reference to the concrete material problems and issues pertaining to

each country that made Chávez, Morales, Correa and the Kirchners popular and electorally hegemonic.

DiEM, on the contrary, seems to place too much faith on a European cosmopolitan spirit in a continent where cultural and linguistic differences are a hundred times more pronounced than in Latin America. It is a language which runs the risk of remaining unheard precisely by the people who are suffering the democratic deficit the most and to whom the initiative should be able to speak.

Secondly, the state has been turned towards the achievement of democratic goals. This was not an easy task in a context where many of the administrative functions of the state had been dismantled in the name of market equilibrium, and where its bureaucracy was so imbued with a neoliberal ethos. Nevertheless, and despite lying at the periphery of the world, the 're-oriented' state has often been able to mount challenges to global capital that were deemed as inconceivable and unrealistic by the neoliberal mantra.

This does not amount to a denial of the fact that globalised financial capital puts pressures that are difficult to cope with at a national level and that many of the dilemmas that Europe is facing require large-scale efforts, as in the case of the refugees crisis. It just means that ruling out entirely the possibility for states to act upon the situation is an oversimplification, especially if Greece is taken as the sole example (other countries, Spain in primis, would have a very different bargaining power vis-à-vis the creditors). It means

moreover that it is only by directing our efforts where there are realistic chances of some tangible result that any step towards the democratisation of Europe can be made.

Raising awareness at a continental level is crucial. But if left to itself, it leads sooner or later to its exhaustion. If not accompanied by the attempt to transform the institutions, the mere demand for their democratization is unlikely to produce any real change. And their transformation can only go through the nation-state, as a fully fledged European politics, capable of interpellating all citizens, does not exist yet, and given the demographic and power asymmetries, one wonders whether it is desirable that it existed in the first place.

Last but not least, Yanis! The issue of democracy within DiEM 25.

We were negatively impressed by the fact that nobody apart from you spoke on behalf of the project and that the issue of representative structures within DiEM 25 was quite ill-defined. Is it possible, Yanis, to try to democratize something as big as the EU without previously having created solid democratic structures within your project? Is it not a bit at odds with your own aims? We think that at this point you totally neglect the very recent experience of Syriza.

In our understanding, Syriza's attempt failed terribly not only because the leadership of the party chose the wrong strategy in its negotiations with the institutions, but also because it abolished even the most elementary forms of democratic functioning within the party before and during the period of the negotiations. The party structures were incapacitated and a

tiny minority - Tsipras' group - dominated over the decision-making process. This bureaucratization of the party promoted a very distorted version of how politics should be conducted by considering that people and social movements should not have any say, as running the party is a job of the party elite. The outcome of this process is the one that we all know. We are really afraid that DiEM 25 may go along the same route if it continues to be a one-man show.

We consider the formation of truly democratic structures within the initiative as a vital necessity that will prevent a similar evolution to the one that happened within Syriza. Needless to say, this process should also have a gender balance and people should be coming from different social and cultural backgrounds. The experience and know-how of the various social movements should be a crucial component in making DiEM a more solid and democratic structure. This is the only way through which DiEM can be grounded socially and cease being an elitist leader-centered top-down forum.

Such a process will be able to guarantee the democratic accountability of DiEM as well as the marginalization of the opportunists that will attempt to use it as a vehicle of their own interests. Summing up, we believe that DiEM 25 faces the same dilemma of the EU: democratization or barbarism!

Sincerely,

George Souvlis & Samuele Mazzolini

March 29, 2016

[Left-East](#)