

Ten Proposals to Beat the European Union

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A collective document from across the European left on how to challenge the EU's stranglehold on economic and social justice.



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This collective text (full list of [signatories here](#)) initiated by Eric Toussaint, of the CADTM campaign for the abolition of the debt of the global South has been collectively discussed and co-signed by personalities and activists from more than 15 European countries representing a wide range of forces of the radical and anticapitalist Left: Podemos and Izquierda Unida in Spain, the Portuguese Left Bloc, the Left Party, the NPA and Ensemble in France, Popular Unity and Antarsya in Greece, the radical Danish left and activists from countries such as Cyprus, Slovenia, Bosnia-Herzegovina and Hungary. It is signed by MEPs from different parties and countries, by the head of finance of the City of Madrid, by the former president of the Greek Parliament, by a series of members of the Commission For the truth on the Greek debt. All the signatories are involved in the ongoing discussions about a “plan B” for Europe.



The aim of this text is to analyze the balance of power in the European Union and elaborate a series of radical but necessary proposals against austerity, neoliberal policies and for an alternative to the existing form of European integration.

The ten proposals put forward in this text are the outcome of an analysis of the situation in Europe since 2010. It takes into account the experience of the confrontation between Syriza and the Troika in the first half of 2015 and of the defeat that followed, but also the Spanish, Irish or Cypriot experiences. Recent events have clearly demonstrated the need for a left-wing government to have the courage to disobey to the injunctions of European authorities and break decisively with the framework of the founding Treaties of the EU. This must be accompanied by a popular mobilization triggered by the initiatives of the left-wing government and by a series of robust measures to be implemented immediately: organize a debt audit with citizen participation, put in place a control of capital flows, socialize the financial sector and the energy sector, reform radically the tax system. And of course, the inevitable debate on the euro area needs to be publicly conducted, with exit as an option that must be defended at least in some countries.

The cold analysis of the European policies of the recent years invariably leads to this conclusion: only strong sovereign and unilateral self-defense measures will enable any progressive national government and the social forces who back it to break with austerity and neoliberalism and address the issue of the illegitimate debt.

Since May 2010, the question of national debt has become a central concern for Greece and for the rest of the eurozone. The first program of €110 billion, imposed by the troika — comprised of the European Central Bank (ECB), the European Commission, and the International Monetary Fund (IMF) — for the purpose of elaborating and executing this program, provoked a brutal increase in Greek public debt. This was also the case in various forms in Ireland (2010), Portugal (2011), Cyprus (2013), and Spain.

This program had the following fundamental objectives:

- **Bail out the private banks with public funds** so that they may avoid the damaging consequences of their own private credit bubble, averting a new major international financial crisis.
- **Give to the new public creditors, who replaced the private creditors, enormous coercive powers** over the governments and institutions of the peripheral countries in order to impose policies of radical austerity, deregulation (eroding large numbers of labor and welfare benefits), privatizations, and stricter authoritarian controls (see the last point)
- **Preserve the eurozone perimeter** (in other words, keep Greece and the other peripheral countries within the eurozone), which is a powerful instrument in the hands of the multinational corporations and the major economies of the zone.
- **Bring neoliberal policies to bear more heavily on Greece**, in particular, but also on the other eurozone peripheral countries as an example for all the European populations.
- **Reinforce a Europe-wide (as much for the European Union generally as for each member state) authoritarian form of governance**, without resorting to new experiments resembling fascist or Nazi regimes or that of Franco, Salazar, or the Greek colonels (1967-1974). This aspect is insufficiently taken into account because the accent is placed on the economic and social repercussions. The authoritarian tendency within the European Union and the eurozone is a key issue and goal of the European Commission and the big corporations. This touches on executive powers, expeditious voting procedures, limiting or violating many rights, disregarding electors' choices and, among more, increased repression of dissent.

There are lessons to be learned from the failure of the policies adopted by the government of Alexis Tsipras in 2015 to break the bonds of austerity. It is also necessary to realize the limits of the socialist minority government of Antonio Costa in Portugal.

Alternative policies in the people's interest must at the same time address austerity, public debt, private banks, the eurozone, and oppose authoritarian tendencies. The experiences in the eurozone over the 2010-16 period clearly show that it is impossible to break with austerity unless responses to at the least the abovementioned problems are put forward. Of course, the climatic and ecological crises must also be addressed. So must we confront the humanitarian crisis caused by Europe's fortified-borders policy, the Middle East crisis, and the rise of racism and the far right, responsible for the death of so many immigration and asylum seekers in the Mediterranean.

Since the election of Trump, and also since the appearance of the radical movements that gathered around the Bernie Sanders candidacy, now called into the front line of opposition against Trump and his program, the European radical left, trade unions, feminists, and ecologists must create links with the forces of resistance in the United States.

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

Considering the experiences of 2015, it is fundamental that those who have no illusions about the European Union or the eurozone, and are proposing authentic ecological and socialist perspectives in rupture with the European Union, as it exists, be reinforced. It is clear that neither the European Union nor the eurozone can be reformed. It was demonstrated that it is impossible, on the basis of the legitimacy of universal suffrage and democratic debate, to persuade the European Commission, the IMF, the ECB, and the conservative governments in power over most of Europe to agree to measures that are respectful of the rights of the Greek people, or of any other population.

The July 5 referendum, which the European institutions fought tooth and nail by means of blackmail and coercion (such as forcing the Greek banks to close for five days preceding the referendum), did not bring them to make any concessions. On the contrary, totally ignoring all democratic principles, their demands became considerably more

oppressive.

Certainly, there are many measures that could and should be taken at the European level to stimulate the economy, reduce social injustice, make the debt sustainable, and invigorate democracy. In February 2015, Yanis Varoufakis, while serving as Greek minister of the economy, presented proposals in this sense, suggesting that Greek debt be exchanged for two new kinds of bonds — either growth indexed obligations or “perpetual” obligations — which would never be reimbursed but would be paid out, interest only, perpetually. These proposals, although moderate and perfectly achievable, had no chance at all of being accepted by the European authorities.

This is the case with many proposals aiming to ease Greece’s and numerous other countries’ debt (joint debt recognition, euro-denominated mutual bonds, etc.). Technically these proposals are all viable but, in the present political context and balance of power in the European Union, the will to put them into practice is lacking. A progressive government cannot hope to be heard, respected and, even less, assisted by the European Commission, the ECB, and the European Stability Mechanism.

The ECB can paralyze a eurozone country’s banking system by cutting off its banks’ access to liquidities. The ECB’s arbitrary power and the banking union reinforce the coercive powers the European institutions can use to counter any experience of progressive policy in Europe.

The treaties have become extremely restrictive on matters of debt and deficit. The European authorities, in control of policies, could easily decide to derogate to these regulations by taking into consideration the state of crisis (actually they do this for “friendly” governments), but they clearly had no intention of doing so.

On the contrary, all the negotiating parties fiercely fought the Greek government even though it gave proof of great moderation (to say the least). The mainstream media and numerous European leaders treated Alexis Tsipras and Yanis Varoufakis as rebels, or even as radical anti-Europeans. Between January and July 2015, the troika launched a fight against the Greek government, in order show to the peoples of Europe that there is no alternative to neoliberal capitalism.

The capitulation of the first Tsipras government was not enough to satisfy the IMF or the European leaders. Pressure continued to be laid on the second Tsipras government to apply ever more neoliberal policies, especially attacking public property, the welfare and retirement systems, and assisting big capital through the introduction of further judicial and legal frameworks favoring privatization and fundamental structural regression. All these new measures lead to increased injustice and precariousness.

If the creditors agree to a new restructuring of the debt, it will be under the condition that the same kind of policies be continued. In this case, a reduction of the debt will not at all be a victory or even a consolation. It will be no more than a measure to ensure continual reimbursements while seeking to dampen any arising social struggles.

This is the first lesson: unless they take strong sovereign and unilateral measures of self-defense, the people and the governments they bring to office to break with austerity programs cannot put an end to the human rights violations perpetrated by the creditors and the big corporations.

Some would argue that should a leftist government come to power in Madrid, it could use the weight of the Spanish economy (the fourth in the eurozone in terms of GDP) to negotiate concessions that Tsipras was unable to obtain. But what would be those concessions? Relaunch production and employment through heavy public spending and deficits? The ECB and Berlin along with at least five or six other capitals would oppose such policies! Taking strong measures against the banks? The ECB, with the support of the European Commission, would reject such policies.

What is also certain is that if the radical left entered the government of a country like Cyprus, Ireland, Portugal, Slovenia, or one of the three Baltic states, they would not have the weight, facing an unyielding European Commission or ECB board, to convince these institutions to let them renounce austerity, stop privatizations, develop public services, and drastically reduce the debt. These countries will have to resist and take unilateral measures in

the interest of their populations. Could several progressive governments of eurozone countries form a common front for renegotiations? It would certainly be very welcome if this could happen, but the possibility is remote, if only for reasons of electoral agenda.

Should Jean-Luc Mélenchon win the upcoming presidential election in France, and his coalition win the following general election, could a French left-wing government achieve a reform of the euro? Mélenchon and the staff of his campaign believe so. It is reasonable to have doubts about this possibility. Let's suppose that Mélenchon does win and forms a government intending to introduce social policies and to reform the euro. What would be the options?

It is quite likely that a French government could afford to disobey the current treaties, but it could not achieve a far-reaching reform of the entire eurozone. To do this would take simultaneous progressive electoral victories in the major countries as well as in peripheral countries. That said, it is clear that a government of a defiant France, and its allies, taking measures in favor of the French population and the peoples of the world (for instance, by abolishing Greece's and developing countries' debts towards France) could have a positive effect throughout Europe.

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

The weak links in the inter-European chain of domination are to be found in the peripheral countries. If Syriza had adopted a correct strategy in 2015 it could well have been a turning point. It didn't happen.

Other weak links where the radical left may gain power in the not-so-distant future are Portugal and Spain, and perhaps Cyprus, Ireland, and Slovenia. A progressive move ahead would depend on the capacity of the radical left to learn the lessons of 2015 and thus make anticapitalist and democratic proposals that will trigger popular support. Without doubt, the force of popular mobilization will be a decisive factor. If the pressure for real uncompromising change does not invade the streets, the neighborhoods, and the workplaces, the future will be very dark.

To avoid what we saw in Greece in 2015, here are ten proposals for social mobilization and actions to be taken immediately and simultaneously by any government that is truly operating in the interests of the people.

1. A left-wing government must disobey the European Commission in a very transparent manner and in line with its prior commitments.

The party or coalition of parties (the example of Spain comes to mind) that claim to govern should from the outset refuse to conform to austerity measures, and pledge to refuse measures aiming solely at balancing the budget. They should announce: "We will not yield to the European treaties' diktat of a balanced budget because we want to increase public expenditures to fight anti-social and austerity measures and embark on the ecological transition."

Therefore, the first step is to begin disobeying in a clear and determined way. The Greek capitulation has shown us why we must shed the illusion that the EC and other European governments respect the popular mandate. This illusion can only lead to disaster. We must disobey.

2. Call for popular mobilization both at the national and the European level.

In 2015, such an initiative proved unsuccessful in Greece and elsewhere in Europe. It is obvious that the European social movements did not achieve great success in calling for demonstrations, which did take place but were not at the level required by the need for solidarity with the Greek people.

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

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

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

3. Launch a debt audit with citizens' participation.

The situations in the twenty-eight EU countries, and of course within the eurozone, are diverse. In some European countries — as in Greece — it is a matter of utmost necessity and priority to suspend debt repayments, in order to make the satisfaction of social needs and basic human rights an absolute priority. It is also a key element of a self-defense strategy.

In Spain, in Portugal, in Cyprus, and in Ireland, such a move depends on the balance of power and the current economic picture. In other countries, it is possible to carry out the audit first and then decide on the suspension of repayments. The specific situation of each country must be weighed before implementing these measures.

4. Establish control of capital flows.

We must clarify what this means. It does not mean that people cannot transfer a few hundred euros abroad. Obviously international financial transactions would be allowed up to a certain amount. On the other hand, it is important to enforce strict control over capital flows beyond a certain threshold.

5. Socialize the financial sector and the energy sector.

Socializing the financial sector does not merely mean developing a public banking hub. It implies decreeing a public monopoly on the financial sector, i.e. the banks, building societies and insurance companies. That is, a socialization of the financial sector under citizen control; turning the financial sector into a public service. Of course, socializing the energy sector will also be a priority during the ecological transition. Ecological transition cannot take place without a public monopoly over the energy sector, both in terms of production and distribution.

6. Create a complementary, non-convertible currency and defend the right to leave the eurozone.

Whether it is a case of exiting the eurozone or remaining in it, it is necessary to create a non-convertible complementary currency. In other words, a currency that is used locally, for exchanges within the country — for example, for paying increased pensions, salary increases for civil servants, taxes, public services, etc. The use of a complementary currency enables partial relief from the dictatorship of the euro and the European Central Bank.

Of course, we cannot avoid the debate on the eurozone. In several countries, exiting the eurozone is an option that must be defended by political parties, trade unions, and other social movements. Several eurozone countries will not be able to truly break away from austerity and launch an ecosocialist transition without leaving the eurozone. A redistributive monetary reform, or the levying of a special progressive tax on incomes above €200,000, should be implemented in the case of an exit. That proposal would apply only to cash assets, and not to personal property (principal residence, etc.).

By applying a progressive exchange rate when moving from the euro to the new currency, the amount of cash in the hands of the wealthiest 1 percent would be reduced and wealth redistributed to households.

7. Implement radical tax reform.

Remove VAT on basic consumer goods and services, such as food, electricity, and water (up to a certain level of consumption per individual), as well as other basic utilities. On the other hand, increase VAT on luxury goods and services, etc. We also need to increase the taxes on corporate profits and incomes above a certain level — in other words, a progressive tax on income, wealth, and luxury residences. The reform of taxation must produce immediate effects: a very significant decrease in indirect and direct taxes for the majority of the population and a very significant increase for the wealthiest 10 percent and for major corporations. Also, strict new measures will be taken against fraud and tax evasion.

8. Deprivatize — “buy back” — privatized companies for a symbolic euro.

Paying no more than a symbolic euro to those who have benefited from privatizations would be an appropriate gesture and would strengthen and extend public services under citizen control.

9. Implement a broad emergency plan for creating socially useful jobs and for economic justice.

Reduce working hours with no reduction in wages. Repeal antisocial laws and adopt laws to remedy the situation of abusive mortgage debt; countries such as Spain, Ireland, Greece, etc. are the most concerned. This could well be fixed by adopting adequate legislation, to avoid court actions (since many households have to face legal action requested by banks).

For example, a parliament could pass a law to cancel mortgage debts below €150,000 and thus bring such cases to an end. A vast program of public expenditure would be implemented in order to stimulate employment and socially useful activity by encouraging circuits of local production and distribution.

10. Initiate a genuine constituent process.

This does not imply constitutional changes within the framework of the existing parliamentary institutions. It involves dissolving the parliament and electing a constituent assembly by direct vote.

These are ten basic proposals for discussion. But one thing is certain: the measures to be taken must go to the root of the problems, and must be applied simultaneously, since a coherent program is needed. Breaking away from austerity policies cannot be achieved if, from the very start, radical measures against big capital are not taken.

Those who want us to believe that it's possible to achieve this objective without going down that road just create confusion and block any real progress. The architecture of Europe and the magnitude of the capitalist crisis leave no room for neo-Keynesian or productivist politics. Ecosocialism must be put at the heart of the debate, not left aside. Immediate and concrete proposals must emerge. We must carry out the anti-austerity struggle and embark on the path of an ecosocialist transition. It is an absolute and urgent necessity.

Find the full list of [signatories here](#).

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