

BREAKING THE AUSTERITY MYTH OCTOBER 2016: Costas Lapavitsas

ALTERNATIVE STRATEGY IN EUROPE

The Left certainly needs to oppose current policies of austerity across Europe. But it needs clarity even more on the direction that Europe has taken.

1.State of world economy – financialised capitalism highly unstable, again

- BRICS in retreat
- USA modest growth, no dynamism
- Exhaustion of quantitative easing and reliance on ‘unorthodox’ measures, such as negative interest rates.
- Banks are extremely weak, especially in Europe
- Europe stagnant

2. What should the Left do in the UK and in Europe? Propose a programme for economy and society.

3. The most important lesson in formulating a programme is the failure of SYRIZA

- Wrong strategy – remove austerity while accepting the EMU and the EU
- No democracy within SYRIZA
- Loss of sovereignty – domestic and international

4.The EU is not what its own myth states. It is a hierarchical whole, with large dominating small countries and regulations supporting big business. Germany is dominant and the EMU has become the backbone of the Union. There is no possibility of reform. Brexit has shown that the EU is reversible – under popular pressure.

5.In the new conditions the Left needs to propose measures that are in favour of working people while re-strengthening popular sovereignty. Elements include:

- Debt
- Monetary

- Fiscal
- Trade
- Employment/Inequality
- Industry/Production

6. Recapturing sovereignty is not nationalism – that is what the Right threatens to do. We need popular sovereignty and control over conditions of life and local communities. This is not possible by relying on transnational organisations. Internationalism is properly built on the basis of national sovereignty.

We understand that in the world market there are heavy constraints. But we need more degrees of freedom than the EMU and the EU would allow.

7. Sovereignty is also fundamental for democracy. Authoritarianism and bypassing of the democratic process has characterised the Eurozone crisis. Institutional pressure has removed the ground for popular will to express itself.

We do not need More Europe. We need more democratic control in our own countries. Emancipatory democracy.

8. Finally, popular sovereignty is fundamental for internationalism. The refugee/migrant crisis has shown the true nature of transnational organisations in Europe. Civil society has responded with far more compassion.

To preclude the re-emergence of authoritarian nationalism, we need stronger popular sovereignty in economy and society.