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# Facing the left-wing challenge in the European Union

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**It is shocking to see that the right-wing government in power in Italy since Summer 2018 refuses to reduce the budgetary deficit while so-called left-wing governments bow to the constraints of austerity. It is now, when the peoples of the Eurozone are ever more disgusted by the policies imposed by European leaders and big capital, that the radical left should start fighting the structures of the European Union and the Eurozone. The time is ripe to expose their legitimacy crisis and use it as a means of tackling the challenges populations are faced with.**

The left needs to adopt an internationalist, anticapitalist break strategy and push ahead with an eco-socialist federation of the peoples of Europe. A large part of the population aspires to radical change; if the left shows that it has strong proposals and is ready to commit fully to bringing them about, it could win popular support. The left must gear up to taking a profoundly radical course of action that is internationalist, feminist, environmentalist, antiracist, socialist, communist and not tethered by any dogma. It is shocking to see that the right-wing government in power in Italy since Summer 2018 refuses to reduce the budgetary deficit while so-called left-wing governments bow to the constraints of austerity.

It is now, when the peoples of the Eurozone are ever more disgusted by the policies imposed by European leaders and big capital, that the radical left should start fighting the structures of the European Union and the Eurozone. The time is ripe to expose their legitimacy crisis and use it as a means of tackling the challenges populations are faced with. The left needs to adopt an internationalist, anticapitalist break strategy and push ahead with an eco-socialist federation of the peoples of Europe. A large part of the population aspires to radical change; if the left shows that it has strong proposals and is ready to commit fully to bringing them about, it could win popular support. The left must gear up to taking a profoundly radical course of action that is internationalist, feminist, environmentalist, antiracist, socialist, communist and not tethered by any dogma. [1]

One of the central and most concrete themes that the break should cover concerns the way public indebtedness is used to justify austerity policies.

The way governments have managed the economic and banking crisis that began in 2007-2008 has led to a massive increase in public debt. As of May 2010 the debt issue became a central concern for Greece and for the rest of the Eurozone. The first programme of €110 billion, imposed by the Troika that was constituted for the purpose of implementing it, resulted in a brutal increase in Greek public debt. This was also the case in Ireland (2010), Portugal (2011), Cyprus (2013) and Spain. This programme had five fundamental objectives.

The way governments have managed the economic and banking crisis that began in 2007-2008 has led to a massive increase in public debt

1. Bail-out the private banks [2] with public funds so that they may avoid the damaging consequences of their own private credit bubble, and so avert a new major international financial crisis. [3]
2. Give the new public creditors, [4] 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

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(wearing down large numbers of labour and welfare benefits), privatizations and stricter authoritarian controls (see 5 below).

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

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

5. Reinforce, Europe-wide (as much for the European Union generally as for each member State), authoritarian forms 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 EU 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 Alexis Tsipras Government in 2015 to break the bonds of austerity. Also, it is necessary to realize the limits of the socialist minority government of Antonio Costa in Portugal. [5]

Alternative policies in the people's interest must at the same time deal with austerity, public debt, private banks, the Eurozone, oppose authoritarian tendencies and launch the process of creating a new constitution. The experiences in the Eurozone over the 2010-2018 period clearly show that: it is impossible to break with austerity unless responses to, at the least, all the above problems are put forward. Of course, the climate and environment crises must also be addressed. So must the humanitarian crisis caused by Europe's fortified-borders policy – the cause of so many deaths in the Mediterranean of immigration and asylum seekers –, the Middle East crisis, the far-right and the rise of racism. Since the election of Trump, and also since the appearance of the radical movements that gathered around the Bernie Sanders candidacy and are called into the front line of opposition against Trump and his programme, the European radical left, trade unions, feminists and environmentalists must create links with the forces of resistance in the U.S. It is also vital that the European radical left develop close collaboration with the British left and the Corbyn tendency.

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

Considering the experiences of 2015, it is fundamental that those who have no illusions about the EU or the Eurozone, and are proposing authentic ecological and socialist perspectives in rupture with the EU, as it exists, be strongly supported. It is clear that neither the EU nor the Eurozone can be reformed. It was demonstrated that it is impossible, on the basis of the legitimacy of universal suffrage or democratic debate, to talk the European

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Commission, the IMF, the ECB and the conservative governments in power over most of Europe into taking measures that are respectful of the Greek people's, or broadly any other country's, rights. The 5th July referendum, which the institutions rejected tooth and nail by 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, then Greek minister of the economy, presented proposals along these lines suggesting that Greek debt be exchanged for two new kinds of bonds – either growth-indexed obligations or ‘perpetual’ obligations –, on which the Greeks would only repay the interest, but perpetually. [6] These proposals, although moderate and perfectly feasible, 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 what is wanting is the will, in the present political context and balance of power in the EU. 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 paralyse a Eurozone country's banking system by cutting off its banks' access to liquidities. The arbitrary power of the ECB and the banking union used these means to reinforce the coercive powers of the European institutions over Greece in 2015 to be sure that the attempt at progressive government would fail.

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In view of the upcoming European elections in May 2019, several left-wing forces have put forward proposals similar to those suggested by Varoufakis, even though there is no chance whatsoever of their being implemented. For it only requires a few Eurozone governments to oppose them for such measures to be rendered impracticable, since they would need the approval of the ECB.

The treaties have become extremely restrictive on matters of debt and deficit. The European authorities, in control of policies, could easily decide to derogate regulations in consideration of the state of crisis (they do this for governments that suit them [7]), 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 radical anti-Europeans. The Troika fought against the Greek government's experiment, between January and July 2015, in order to have the European people believe 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 common property and the welfare and retirement systems, and assisting big capital through the introduction of further judicial and legal measures that constitute fundamental structural regression and favour privatization processes.

There follows an incomplete list: a change of legislation so that in case of a firm going bankrupt, creditor banks would take precedence over the firm's employees and pensioners; the complete marginalization of the public authorities in

the share ownership of banks; increased powers for the independent tax-collecting body; further regression in the system of retirement pensions; further regression in labour laws and the exercise of the right to strike; further privatizations; adaptation of legislation to permit the forced eviction of indebted households from their homes and the forced auctioning off of goods belonging to indebted individuals via internet; repression of citizens who lend assistance to people under threat of eviction; a mechanism of automatic budget cuts, should the budget surplus objectives set in stone in the 3rd Memorandum not be met. Furthermore, household indebtedness increased.

When Greece officially left the 3rd Memorandum on 20 August 2018, the same budgetary constraints were nevertheless maintained. The Tsipras government made a commitment guaranteeing a primary budget surplus for the next ten years. All these new measures and counter-measures produced greater injustice and precariousness. Greece was not granted any reduction of debt-stock and continues to reimburse the ECB and the IMF on the nail. [8]

**This is the first lesson: The Peoples and the authorities they have entrusted to break with austerity programmes cannot put an end to the Human Rights violations perpetrated by the creditors and the big corporations unless they take strong unilateral measures of self-defence.**

Some would argue that should a leftist government come to power in Madrid, it could use the weight of the Spanish economy (4th largest GDP of the Eurozone) to negotiate concessions that Tsipras was unable to obtain. What 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 sure is that if the radical left entered into the government of a country like Cyprus, Ireland, Portugal, Slovenia or one of the three Baltic States, they would not have the weight, before an unyielding European Commission or board of the ECB, 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 a French left-wing candidate win the next presidential election in France in 2022, and his radical left coalition win the general election that follows, could a French left-wing government achieve a reform of the Euro? The Mélenchon camp believes so. It is reasonable to have doubts about that possibility. Suppose Mélenchon had won and formed a government intending to introduce social policies and tried to reform the Euro. What would be feasible? It is quite within the realms of possibility for a French government to disregard the current treaties, but it will not achieve a far-reaching reform of the Eurozone. To do this would take simultaneous progressive electoral victories in the major countries as well as in peripheral countries. This said, it is clear that the government of a defiant France and its allies, taking measures in favour 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 a Nationalist approach. It is as important now as it ever was to adopt an Internationalist strategy and aim for a European integration that binds all the peoples opposed to the present form of integration that is totally dominated by the interests of big capital.**

**There is also a need to keep up new campaigns and coordinated actions at the continental level and beyond on issues of debt, the right to accommodation, the reception of migrants and refugees, public health, public education, the right to work, the struggle to close down nuclear power plants, the radical reduction of use of fossil fuels, combating tax dumping and tax havens, the fight for the socialization of banks and insurance companies, actions against increasingly authoritarian methods of governance, the struggle to defend and**

**extend women's rights and the rights of LGBTI people, promoting common goods, and launching constituent processes.**

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

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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 etc. A new progressive advance would be dependent on the capacity of the radical left to learn the lessons of 2015 and thus make anti-capitalist and democratic proposals that rouse support. Without doubt, the force of popular mobilisation will be a decisive factor. If the pressure for real uncompromising change does not invade the streets, the neighbourhoods and the work places, the future will be very grim.

## Ten proposals for avoiding a repeat of Greece's capitulation

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

**First proposal: A left-wing government must disobey** the European Commission in a very transparent manner, with prior announcements. The party or coalition of parties (the example of Spain comes to mind) which claims to govern should refuse to obey the austerity measures from the outset, and pledge to refuse measures for the sole reason of balancing the budget. They should announce: "We will not yield to the European treaties' diktat of a balanced budget because we want to devote more public expenditure to social development, ending austerity and embark on the ecological transition. This all implies managing greater budget deficits for several years running".

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 popular will. This illusion can only lead to disaster. We must disobey.

**Second proposal: Call for popular mobilization** both at the national and the European levels. In 2015, such an initiative failed in Greece and elsewhere in Europe. It is obvious that the European social movements did not achieve great success in mobilizing demonstrations, which did take place, but did not show enough solidarity with the Greek people. However, it is also true that Syriza's strategy did not include appeals 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 popular will of the 61.5% of Greeks who refused to accept the creditors' demands was not respected.

Remember that starting in late February 2015 and 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 others.

### **Third proposal: Resolve to launch a debt audit with citizens' participation**

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

Faced with the threat of reprisals from the ECB, the peoples of the member States of the Eurozone have a powerful weapon of self-defence

Faced with the threat of reprisals from the ECB, the peoples of the member States of the Eurozone have a powerful weapon of self-defence. Now the ECB holds large quantities of sovereign bonds of the Eurozone countries that it bought up from private banks in the context of Quantitative Easing. On 30 September 2018, it held sovereign Spanish debt bonds to the value of € 256 billion, € 360 billion Italian bonds, € 414 billion of French bonds and € 36 billion Portuguese bonds. [9] In all, in September 2018 the ECB held 2150 billion euros' worth of sovereign debt bonds of Eurozone countries (if we include what is left of the Greek bonds bought up in 2010-2012). What if a leftist government in Spain or France should say to the ECB: "if you try to prevent us from conducting the policies that our people have elected us to carry out, we will suspend repayment of the bonds you hold herewith". The suspension of payments would apply both to interest and to the amount due at maturity. Thus the government would have in its hands a powerful weapon of self-defence and pressure that it should not hesitate to use. Further, if the debt is judged to be odious by the government and the people, having served objectives that were contrary to the interests of the majority, repudiation based on an audit with citizen participation would be a legitimate act.

**Fourth proposal: Establish supervision of capital movements** and understand what that 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 flow beyond a certain limit.

### **Fifth proposal: 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 and insurance companies. That is, a socialization of the financial sector under citizen control. In other words, turning the financial sector into a public service. [10]

Socialization consists of placing the finance sector under citizen control and creating a public banking service.

Socializing the banking sector means:

- expropriating the major shareholders without compensation (or merely with a symbolic euro); small shareholders will be compensated;
- entrusting to the public sector the monopoly of banking activity, with one exception: there will be a small-scale cooperative banking sector subject to the same basic regulations as the public sector);
- drawing up – with citizen participation – a charter of objectives and missions which place the public service of savings, credit and investment in support of priorities defined through a process of democratic planning;
- ensuring transparency of accounts which must be presented to the public in easily understandable form;
- creating the public service of savings, credit and investment with a double structure: on the one hand, a network of small proximity establishments, and on the other, specialized organisms in charge of fund management and investment finance of projects not handled by the ministries of public health, national education, energy, public transport, pensions, the socio-ecological transition, etc. The ministries must be endowed with budgets adequate to cover the funding of the investments relating to their responsibilities. As for the specialized organisms, they would intervene in matters falling outside the competence and spheres of action of those ministries to ensure a cohesive whole. [11]

Socializing the energy sector will also remain a priority during the ecological transition

Of course, socializing the energy sector will also remain a priority during the ecological transition. Ecological transition cannot take place without a public monopoly over the energy sector, both in terms of production and distribution.

### **Sixth Proposal: Creation of a complementary, non-convertible currency and the unavoidable debate on the Euro**

Whether it is a case of exiting the Eurozone or of 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 civil servants' pensions and salaries, 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 eco-socialist transition without leaving the Eurozone. A redistributive monetary reform [12], or else 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.).

### **Seventh proposal: 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) [13], and other basic necessities. On the other hand, increase VAT on luxury goods and services, etc. We also need to increase the taxes on corporate profits and incomes above a certain level – in other words, a progressive tax on income, wealth, and luxury residences. Owner-occupied homes will not be targeted. The



reform of taxation must produce immediate effects: a very significant decrease in indirect and direct taxes for the majority of the population and a very significant increase for the wealthiest 10% and for major corporations. Also, strict new measures will be taken against fraud and tax evasion.

### **Eighth proposal: deprivatization – “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.

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

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

### **Tenth proposal: Initiate a genuine constituent process**

This does not imply constitutional changes within the existing parliamentary institutions. It involves dissolving the Parliament and electing a Constituent Assembly by direct vote, and articulating this process with ongoing struggles at different local levels, thereby laying the foundations of something resembling an “eco-socialist” society. To mention just a few such struggles, they might be strikes aiming to improve working-conditions in defiance of the power of the bosses; the occupation and take-overs of factories, introducing models of self-management; a new wave of feminist struggles tackling patriarchy and pushing for equal rights; movements to receive and help migrants; environmental movements based on occupation of territories and direct action (“ZAD”, “Ende Gelände”, etc.), inventing new forms of community management; “rebellious municipalities” that disobey austerity or anti-migrant directives and create their own networks; grass-roots initiatives of public debt audits and questioning illegitimate debt. These struggles provide starting-points for a constituent process with an anti-capitalist orientation. Such a process could also be integrated in similar processes at the European level.

The measures to be taken must go to the root of the problems, and must be applied simultaneously within a coherent programme

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 within a coherent programme. Breaking away from austerity policies cannot be achieved if radical measures against big capital are not taken, from the very start. Believing there is another choice is like hiding behind a smokescreen and can never achieve real progress. The architecture of Europe is such, and the capitalist crisis is so great, that there is no room for neo-Keynesian productivist politics. Eco-socialism 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 eco-socialist transition. It is an absolute and immediate necessity.

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It is of the utmost importance to provide people with an explanation of what needs and can be done to bring about real change. For in public discussions, the feasibility of breaking with the neoliberal model is constantly questioned, after the fiasco of the Greek experience in 2015.

Proposals must form a coherent programme. The programme needs to come with some sort of user guide. This is obviously the most difficult part, but how else can people be convinced of a programme's feasibility? There need to be several scenarios based on the lessons of the last eight years in the EU in general and in the Eurozone in particular.

It is important to keep in view a rigorous analysis of the events of the first semester 2015. There is one obvious lesson to be learned: faced with a popular government, the negative response of the governing bodies of the EU would be rapid. The European Commission, the Eurogroup and the managers of the ECB would not remain impassive if a popular government decided to take the route of change. There would be no waiting-period of several months. The popular government itself would have to act rapidly.

In the case of Greece, in the first days that followed the installation of the government, the ECB subjected Greece to a process of financial suffocation. The Tsipras government's refusal to take strong measures of self-defence led to the first capitulation of 20 February 2015. [14] Afterwards, they could still have taken a radical turn but the governing core around Tsipras maintained the same attitude of capitulation that led to the tragic outcome of July 2015.

In fact, since the Greek experience, unless they are ready to settle for measures such as those taken by a government like Costa's in Portugal, any leftist strategy must integrate the fact that the European authorities' sabotage measures will come thick and fast. In the same way, markets will respond negatively and the mainstream media will be hostile towards a popular government.

The Left would be wrong to imagine that the Eurogroup, the ECB, the German government of 2018 and its allies in the Eurozone might allow a popular government in Spain or France or other Eurozone countries to engage in far-reaching change. For those institutions, it would be vital to prevent any possible extension of an authentic left-wing experiment.

It is therefore indispensable that they should show they are capable of drawing up radical proposals in the domains of monetary policy, debt, banks, taxes, the budget (by refusing to secure a primary surplus before debt payment), Capital/Labour relations, social security, international policies and –no less indispensableâ€” in the domain of political democracy, which implies calling an authentic constituent process.

We know that to elaborate a coherent programme and add a convincing user guide is not going to be enough to modify power relations. Mobilization of the people will be the decisive element. But without a coherent programme and a real desire to implement it, there would be a risk that popular mobilization would fail to win through, remaining fragmented. The existence of a programme and the determination to push it through could begin to shift the lines and take the offensive.

**Let us hope that we will prove capable of confronting our ideas and our proposals in order to come up with a collectively elaborated programme that goes beyond the present state of fragmentation and abstraction that we see in the popular camp. Let us do everything it takes in terms of action and mobilization to get that programme implemented.**

**Translated by Snake Arbusto, Mike Krolkowski, Vicki Briault and Chistine Pagnouille**

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[1] This text has been written for the collective publication *Que faire en Europe ?* co-edited by Alexis Cukier, Benjamin Bürbaumer, and Marlène ROSANO-GRANGE published by La Dispute, Paris. Scheduled date of publication: March 2019

[2] In Greece, about 15 major Belgian, Dutch, French, German and Greek banks were involved. For a detailed analysis see <http://www.cadtm.org/Preliminary-Report-of-the-Truth> June 2015 Ch. 1 and 2; Eric Toussaint's presentation of the Preliminary Report of the Truth Committee 17 June 2015, and "Banks are responsible for the crisis in Greece" <http://www.cadtm.org/Banks-are-responsible-for-the> 23 December 2016

[3] The major banks are greatly involved in the US and UK financial markets and banking systems. They had access to large Federal Reserve lines of credit. It's for this reason that the Obama administration took an interest in the European banking crisis and the Greek and Irish situations in particular.

[4] In the case of Greece, this was the fourteen Eurozone countries, represented by the European Commission, the EFSF – the European Financial Stability Facility (which was replaced by the ESM – European Stability Mechanism) –, the ECB and the IMF.

[5] The outgoing right-wing coalition won the most votes in the 4 October 2015 general election but did not win the ruling majority. Various left-wing groups won the majority of seats in the Assembly of the Republic: the Socialist Party was 2nd with 32.4%; the Bloco de Esquerda (Left Block), was 3rd with 10.3 %, and 19 seats (from 8 in 2011); The Portuguese Communist Party gained one seat to make 15; the Green Party maintained its 2 seats. A governing agreement was concluded in November 2015: the PS governed alone and the BE and the PCP, although they refused to enter the government, would give their support when they thought it suitable.

[6] See:

<http://www.latribune.fr/actualites/economie/union-europeenne/20150203trib85abe7370/les-propositions-grecques-pour-restructurer-la-dette.html> (in French).

[7] To cite the least of examples: France under Nicolas Sarkozy and Germany under Angela Merkel were never sanctioned for their continual non-respect of deficit limits; more recently, the European Commission has been equally 'understanding' towards the Mariano Rajoy government in Spain through 2015-2016.

[8] Eric Toussaint, "The Troika's Policy in Greece: Rob the Greek people and give the money to private banks, the ECB, the IMF and the dominant States of the Eurozone", published 28 August 2018, <http://www.cadtm.org/The-Troika-s-Policy-in-Greece-Rob-the-Greek-people-and-give-the-money-to>

[9] ECB official website, "Breakdown of debt securities under the PSPP", <https://www.ecb.europa.eu/mopo/implement/omt/html/index.en.html> , accessed 3 November 2018.

[10] For an explanation regarding socialization of banks, see *What is to be Done with the Banks? Version 2.0*: <http://www.cadtm.org/What-is-to-be-Done-with-the-Banks.13315>

[11] Patrick Saurin and Eric Toussaint, How to Socialize the Banking Sector <http://www.cadtm.org/How-to-Socialize-the-Banking-Sector>

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[12] 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% would be reduced and wealth redistributed to households.

[13] This could be combined with measures to provide water, electricity, gas, etc. free of charge to individuals up to a certain level of consumption.

[14] Eric Toussaint, "Varoufakis-Tsipras move towards the disastrous agreement with the Eurogroup of 20 February 2015", published on 11 February 2018, <http://www.cadtm.org/Varoufakis-Tsipras-move-towards>; Eric Toussaint, "The first capitulation of Tsipras and Varoufakis at the end of February 2015" published on 14 March 2018, <http://www.cadtm.org/The-first-capitulation-of-Tsipras>