

Greek crisis gives a boost to left-of-centre euroscepticism

The Eurozone has survived its most serious crisis to date. While the formula of late-night sessions, high drama and final compromise usually has an element of theatre about it, on this occasion the Greeks came within spitting distance of the single currency exit door before agreement was finally reached on a third bailout for the stricken country, amid some pretty angry scenes.

Some sort of deal always seemed more likely than “Grexit”. That is how the European Union works. Even more predictable was yesterday’s vote in the Greek parliament in support of austerity measures. There was plenty of huffing and puffing, plus a number of resignations – including that of the colourful finance minister Yanis Varoufakis, who handed in his notice several days before the final Greek capitulation – but the outcome was never in doubt. Against his better judgement, Prime Minister Alexis Tsipras has signed up his country to a deal which goes against everything in Syriza’s election manifesto. He promised to end austerity; he has instead been forced to implement a harsher austerity package than his predecessors. The rejection of austerity by the Greek electorate in a referendum earlier this month counts for nothing.

Ignoring the will of the people when they vote the wrong way; reneging on your promises in order not to conflict with the desires of your fellow Europeans. This is all grist to the mill to the European project. Nevertheless, the protests die down after a while and things move on as normal. Or do they?

It is quite possible that in a few years’ time, the Greek crisis will just be a footnote in the history of the EU and that the project towards a federal superstate has continued on

its merry way with only a few minor ripples on an otherwise smooth surface. Equally – and perhaps more likely – it is quite possible that the crises affecting the European project will become more intense, especially if the bailout fails to restore the Greek economy to growth. It may take a while before the whole edifice comes crashing down, but the humiliation of Greece has left a bitter taste in the mouth of many erstwhile supporters of the EU.

A search through the internet or the daily papers will yield comment galore on who are the real villains of the piece. The Germans, so say some, for insisting there can be no debt relief for Greece and imposing impossible terms on a nation that is, to all extents and purposes, bust. Others blame Syriza for promising the impossible in the mistaken belief that Germany would blink first rather than sacrifice the irreversibility of the single currency. Maybe it's six to one and half a dozen to the other. Richard North pointed out in his blog out how Greece has been an incredibly corrupt country for decades.

Less important than the finer points of the economic arguments, however, is perception. The EU is, after all, a political project to which economics are always subservient and the political damage to the EU project may be as great as the economic damage to Greece.

As far back as February, this blog predicted that the rise of Syriza might result in a growth of left-of-centre euroscepticism. This prediction has proved accurate. The perception of a concerted effort by the centre-right German Chancellor to crush Alexis Tsipras out of a desire to emasculate the left has generated a great deal of anger. A most interesting article in the *Guardian* by Owen Jones claims that as a result of the Greek debacle "Britain's left is turning against the European Union, and fast."

Jones quotes a few examples:

"Everything good about the EU is in retreat; everything bad is on the rampage," writes George Monbiot, explaining his about-turn. "All my life I've been pro-Europe," says Caitlin Moran, "but seeing how Germany is treating Greece, I am finding it increasingly distasteful." Nick Cohen believes the EU is being portrayed "with some truth, as a cruel, fanatical and stupid institution". "How can the left support what is being done?" asks Suzanne Moore. "The European 'Union'. Not in my name."

He then claims that there are senior Labour figures in Westminster and Holyrood privately moving to an "out" position too.

Ambrose Evans-Pritchard picks up on this theme in his column for the *Daily Telegraph*. Although no socialist himself, Mr Evans-Pritchard expresses considerable sympathy for these emerging left-of-centre eurosceptics, for what he calls the EU's "scorched earth treatment" of Greece is totally opposed to everything socialism has historically stood for. A left-wing government – indeed, one of the most left-wing governments elected by popular mandate in Europe since the end of the Cold War – is being forced to implement a radical privatisation programme and to cut pensions and other benefits at the diktat of politicians of a different political hue in a different country.

He points out that the historic social democratic parties of Europe have become so sold on the European project that it supersedes their loyalties to traditional socialism. There can be no better illustration of this than the action by Martin Schulz, the President of the European Parliament, to ignore an amendment which rejects one of the most controversial features of TTIP, the EU-US free trade agreement, in a series of votes in the European Parliament. Schulz, by all accounts a thoroughly unpleasant man, is a member of the SPD, the German Social Democratic Party. The SPD, along with most other socialist parties in the EU, including the UK's Labour Party,

is a member of the PES (Party of European Socialists) group in the European Parliament, which will tolerate no eurosceptics among their MEPs. I can recall meeting a Parliamentary assistant from Malta during my time working in Brussels who told me how the Maltese Labour Party, which had opposed EU membership, had to change its tune quickly after the country voted to join the EU, with all its eurosceptics relegated to the sidelines so it could join the PES grouping.

And herein lies the irony of the PES sellout: Right-of-centre free market withdrawalism is to all intents and purposes a UK phenomenon. Opposition to the EU has historically come largely from the Left. Indeed, in this country during the 1970s and 1980s, euroscepticism was far more prevalent in the Labour Party than in the Conservatives. The late Tony Benn was a consistent and unbending supporter of withdrawal, and the 1983 Labour Party election manifesto included a commitment to withdraw the UK from the EEC, as it then was.

Supporters of the free market feel uncomfortable about the pressures exerted on the EU institutions by big business through the army of lobbyists. Socialists have no less reason to dislike the EU's corporatism, but the mainstream social democratic parties have been at best muted in their criticisms. It is hardly surprising that recent years have seen the emergence of more radical parties like Syriza or Spain's Podemos, which have challenged and in some cases, even superseded the mainstream social democratic parties.

Furthermore, events in Greece are now causing these new parties to turn not only against Europe's bankers and big multinationals, but against the single currency too. Costas Lapavitsas, a Syriza MP said, "It is now perfectly clear that the only way out of this is to break free of monetary union." According to the Greek media, Panagiotis Lafazanis, the energy minister and a member of one of the most far-left of the factions within Syriza, has publicly advocated bringing back the drachma.

To many in Greece, the Euro is a symbol of their European identity and support for staying within the single currency remains astonishingly high given the damage its inflexibility has done to their economy. However, with the International Monetary Fund rightly casting doubt on whether the agreement negotiated in Brussels can ever lift Greece out of its debt trap, a further flare-up in Greece's financial crisis looks very likely. And when it happens, calls for Greece to quit the Eurozone may not be confined to a handful of peripheral Marxists.

To return to the UK, the re-emergence of left-of-centre Euroscepticism – and indeed, outright withdrawalism – comes at a time when the Labour Party is going through a period of soul-searching following its defeat in the General Election. None of the four leadership contenders are openly withdrawalist, although the left winger Jeremy Corbyn could be called euro-critical. The late Bob Crow, general secretary of the RMT trade union, was a supporter of withdrawal and even launched a left-of-centre withdrawalist party *No to EU – Yes to Democracy*, which contested the European Parliamentary elections in 2010, winning 1% of the popular vote. While this was hardly an earth-shattering result, it is an indicator that left-of-centre withdrawalism has never totally died out in the UK. It has only been dormant.

Greece's "rescue package" appears to be the catalyst which is bringing it back to life. In his *Guardian* article, Owen Jones points out how a socialist agenda would now be impossible to implement because of the EU. Renationalisation of the railways and the Royal Mail would be impossible, he claims. Keynesian economics has been outlawed by the Lisbon Treaty and he fears that TTIP, if implemented, would lead to the permanent dismemberment of the NHS. An additional concern for Jones is the growing support for UKIP among the white working classes, which he feels can only be countered by a revival of left-of-centre withdrawalism.

Whether this is possible within the Labour Party or whether we will see the formation of a British equivalent of Podemos or Syriza, but with a commitment to withdraw from the EU, remains to be seen. Certainly something is happening, although quite how much momentum the withdrawalist left is going to build remains to be seen. We must, however, get used to hearing a lot more of a new term Jones has coined – **Lexit** – Left support for withdrawal. Indeed, even if our personal political allegiance does not lie with socialism, the more we hear of it in the run-up to the referendum, the better.