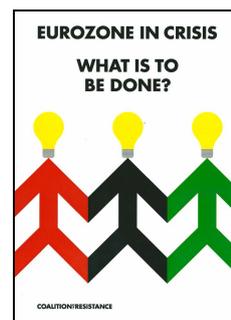


For a strategy of rupture and extension

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The dilemma seems to be between a risky adventure of 'exit' from the euro and a utopian European harmonization giving 'voice' to workers' struggles. The central political issue for socialists is to get out of this false choice. The main distinction here is between ends and means. The objective of a program of social transformation is, to state again, to guarantee to all citizens a decent life in all its dimensions - employment, health, retirement, housing, and so on. These can be achieved by a change in the primary distribution of income between profits and wages and by a tax reform. But advancing the struggles for these goals implies the questioning of dominant social interests, their privileges and their power. This confrontation takes place primarily within a *national* framework. But the resistance of the dominant classes and their possible retaliatory measures *exceed* the national framework.

The only viable strategy is to rely on the legitimacy of progressive solutions that arise from their highly cooperative nature. All neoliberal recommendations are ultimately based on the search for competitiveness: such as reducing wages, trimming social contributions, and cutting taxes to win market shares. As European growth levels will continue to be weak in the period that has opened up with the crisis in Europe, the only way for any individual country to create jobs will be to compete them away from neighbouring countries, especially since the largest part of foreign trade of European countries is within Europe. This is true even for Germany as the second largest world exporter: it cannot rely only on emerging countries. The neoliberal way out of the crisis is inherently non-cooperative: you can only win against the others, and this is the ultimate cause of the deepening crisis of European integration.

In contrast, progressive solutions are cooperative: they will work even better if they are generalized to a larger number of countries. For example, if all European countries reduced working time and charged taxes on capital income, such coordination would avoid the backlash that the same policy would undergo if adopted in only one country. It is incumbent, therefore, that a government of the radical left follow *a strategy of extension*:

1. 'good' measures are implemented unilaterally as, for example, with the taxation of financial transactions;
2. accompanying plans for protection are adopted such as capital controls;
3. the political risk of breaking European Union rules to implement these radical, initially nationally-based, policies is accepted and challenged;
4. the proposition is made to amend these rules by extending them at European scale to allow these measures to be adopted by member states, for example, in the extension of a European tax on financial transactions; and
5. the political showdown with the EU and other European states is not avoided and thus the threat of exit from the euro is not excluded as a viable option.

This strategic scheme acknowledges that the making of a 'good' Europe cannot be the precondition to the implementation of a 'good' policy. The retaliation measures must be neutralized through counter-measures which effectively involve resort to a protectionist policy arsenal if needed. But the strategy is not protectionism in the usual sense: this protectionism defends an experience of social transformation emerging from the people and not the interests of the capitalists of a given country in their competition with other capitalists. It is, therefore, a '*protectionism for extension*', whose very logic is to disappear once the 'good' measures have been generalized across Europe.

The rupture with European rules is not based on a petition of principle, but rather on the fairness and legitimacy of measures that correspond to the interests of the majority and are equally proposed to neighbouring countries. This strategic challenge for change can then rely on social mobilization in other countries and hence build a relation of forces that can influence EU institutions. The recent experience of the neoliberal rescue plans implemented by the ECB and the European Commission has shown that it is quite possible to bypass a number of the provisions of the EU Treaties.

For this strategy of rupture, exit from the euro is not a prerequisite. It is rather a weapon to use in the 'last resort'. The immediate break should proceed on two points which would allow real room for manoeuvre: the nationalization of banks and the restructuring of debt.

The first point of support is the ability to harm capitalist interests: the innovating country can restructure its debt, nationalize foreign capital, and similar steps, or threaten to do so. Even in the case of a small country, such as Greece or Portugal, the capacity of response is considerable, given the intertwining of economies. Many could lose: the showdown is not wholly unequal. But the main point of support lies in the collaborative nature of actions taken. It is a profound difference than the classic strategy of protectionism which occurs on the plane of a single state striving to succeed against its competitors.

Quite the contrary, all progressive measures are most effective when they are generalized to a larger number of countries. This strategy of rupture is ultimately based on the following discourse: we affirm our will to tax capital and we take the necessary protective measures to do so. But we propose the extension of this measure to the whole of Europe. It is on behalf of another Europe that the rupture with really existing Europe would be initiated. Rather than seeing them as opposing courses of action, we must consider the relationship between the rupture with neoliberal Europe and a project for the refoundation of Europe.

This strategic debate cannot - and should not - be summarized as an opposition between anti-liberals and anti-capitalists, or between Europeanists and progressives. These distinctions obviously have a sense, depending on whether the project is to get rid of finance or of capitalism. But this tension should not prevent us from beginning a long journey together, with the Left leading this debate. Such a 'common program' as presented here could be based on the will to impose other rules of functioning to the capitalism. And this is, indeed, a dividing line between the radical Left and the social liberalism of centre-left political forces. The priority task today for the radical Left is, in any case, to build a common European horizon as a basis for a genuine internationalism.