



Book Review

'The Left Case Against the EU'

By Costas Lapavitsas

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What exactly *is* the EU and what is the effect of the EU on our national politics and economics? These questions — the most important ones facing the British Left in 2018 — have received little serious treatment across the political spectrum since the referendum. Costas Lapavitsas' book, *The Left Case Against the EU* (Polity, 2018; ISBN: 9781509531066; 179pp.), addresses this gap by offering a direct class analysis of the European Union. It points to a clear and unequivocal conclusion: anyone on the Left has to be foursquare against the EU.

The question of whose interests the EU serves is at the centre of the book. Core to Lapavitsas' analysis are his tracing of the evolution of the EU since the Maastricht treaty of 1992 and his idea of German conditional hegemony. Lapavitsas' account of the development of the EU is clear: the 'Four Freedoms of the EU', which were already stipulated in the original Treaty of Rome in 1957, were reasserted by the Maastricht Treaty in a way that would lead to their interpretation as *individual* rights. Thus, the free movement of goods, the free movement of capital, the free establishment and provision of services, and the free movement of persons all became tools used by the interests of capital against collective interests and policies. We see this again and again in the rulings of the ECJ, but it is striking how little attention the Left pays to this foundational aspect of the EU: it is not a neutral set of governing bodies, institutions and practices, but it has evolved to serve the interests of capital and above all a particular dominant class in the form of German industrial export capital.

The notion of German conditional hegemony is a little more complex. The starting point of a class analysis of the EU has to be to recognise that the international, under

capitalism, is always rooted in the national. The main thrust of Lapavitsas' analysis proceeds as follows. The single currency has allowed Germany, through wage suppression domestically, to generate huge export surpluses. Without the ability to devalue their currencies, other Eurozone members have been unable to match the competitiveness of German exports (mainly export-oriented manufacturing). As a consequence, German current account surpluses have been consistently over 5% of GDP for the last ten years, allowing Germany to emerge as a major lender across Europe and the rest of the world. German leadership of the EU, Lapavitsas points out, is *conditional* in the sense that it is dependent on the institutional mechanisms of the EU and the EMU. It is also important to note that the ascendancy of Germany to its current position of pre-eminence within the EU has not been accompanied by continent-wide growth, economic convergence, or domestic investment.

As a consequence, the current state of the EU, with particular reference to the characteristics that are of most relevance to the British Left, can be summarised as follows.

1. The EU is in a state of 'profound and uncommon instability' (p. 1). In addition to the tensions created by the exit of a member state, the EU suffered a serious blow to its legitimacy and internationalist credentials during the refugee and migrant crisis of the 2010s.
2. The rise of popular discontent among countries across Europe is a direct consequence of the development of the EU and the accompanying loss of popular sovereignty.
3. The policies of the EU to confront the Eurozone crisis not only failed to institute any sort of equality, but instead 'further favoured capital while worsening the conditions of labour' (p. 5).
4. The EU has not generated convergence within Europe, instead creating a core (France, the Netherlands, Austria, Italy (with one foot outside the core), and Germany) with a Southern periphery (Spain, Portugal, and Greece) and a Central European periphery (Poland, the Czech Republic, Hungary, Slovakia, and Slovenia). It is the economic dynamic of the EU and the EMU that makes divergence, not convergence, a necessary outcome of EU membership.
5. As the failure of the SYRIZA government in Greece in 2015 clearly shows, reform of the EU is impossible. This is not due to the weakness of current intra-European Left alliances, but because of the very nature of the institution of the EU itself.

The EU, in sum, is a 'transnational juggernaut'; it is the key mechanism through which the depoliticization of national politics occurs in member states and the central mechanism for the maintenance of an economic system that benefits national capitalist classes and specifically German export capital. It is incompatible with socialism in every way. It is a way that national elites remove decision making from contestation at the national level. Everyone on the Left should make this point as repeatedly and as forcefully as possible. It is also a "capitalists' club" of a specific sort. Rather than representing the shared and common interests of the European capitalist class, it instead provides a forum through which these interests are mediated and some of them are realised.

It is in this context that Brexit, and the current confusions of the British Left, must be understood. Almost the entirety of the British "Left", by which I mean many Labour-supporting Remainers, is deeply Europhile. Their support for the EU, often so equivocal and hesitant before the Referendum, has deepened and hardened. They make a series of unforgivable analytical errors in their analysis of the EU and of Brexit. They frequently equate the EU with Europe. The slogan "for Europe, against the EU" is often worth repeating, not to make the facile point that "another Europe is possible" but to emphasise that the EU is a non-neutral political institution and is not the same thing as internationalism. One of the most common treatments of the EU on the part of the European Left is that the EU should be defended in the name of this internationalism while its neoliberal policies are criticised — and, moreover, that Britain should stay in the EU in order to change it. Lapavistas, as a former SYRIZA MP, is particularly concerned to dispel the "remain and reform" argument, concluding that 'to hope the outlook of the EMU and the EU could be altered through the simultaneous election of left-wing governments in core countries, drawing upon common anti-neoliberal politics and supported by grass-roots workers' movements, is to add fantasy to misunderstanding' (p. 11). Relatedly, it is important for the Left consistently to make the case that the EU is not a truly international organisation for a number of reasons, while distinguishing the contingent reasons for this — among others that there are different ideas of Europe than the EU, that the EU's supposed internationalism comes at the cost of host of exclusions and a brutal southern border, and that there are few if any Greeks who would have felt any international solidarity from the EU since 2010 — from the prior point that the EU as an institution functions to privilege just not the interests of capital over labour, but the interests of specific national capitals (German) over other national capitals.

In sum, Lapavitsas' book is not just an essential analysis of the economics and development of the EU, but perhaps more importantly it reminds us of two important truths about the Left that are too often overlooked. The first is that the Left is the movement that struggles to expand popular sovereignty, to give all of us a greater say over the decisions that influence our lives. There is no other route to socialism than through popular sovereignty at the national level, drawing its power from democratic processes at the national and local levels. It was a felt loss of democracy — the experience of a decrease of collective power and control — that caused the vote to Leave the EU. It is worth quoting Lapavitsas at length here:

'The hollowing out of democracy was perceived by the plebeian classes of Europe as a loss of sovereignty. Conceited specialists often imagine that the poor neither appreciate nor understand sovereignty. It is indeed true that the finer nuances of international law, or the rights of states over land, sea, and air, or the more obscure clauses of international treaties are the preserve of experts. But popular sovereignty is immediately and directly understood by the plebeian strata because it means having a say on the conditions of life in the neighbourhood, the local community, the town, and the city. And insofar as popular sovereignty stretches in practice over the mechanisms determining national economic and social policies, it blends perceptibly into national sovereignty. The lower classes are not fooled when external forces shape national tax, tariff, subsidy, credit, and money policies.' (pp. 4-5.)

The Left needs, urgently, to regain this terrain of democracy from the Right. The risk of the populist Right is real, but it is the re-injection of popular sovereignty into national politics (as the death of UKIP after the Brexit referendum shows) that is the correct response. The second truth Lapavitsas' book reminds us of is that if we on the Left fail to give a class analysis of the political institutions that make up our political lives, then we will fall back on prejudice and give a voice to the anti-mass tendencies in our movements. This is how the Brexit debate and the reaction to the vote came to be dominated by the Right, with the Left making weak and unconvincing moral arguments about the necessity of voting Remain so as not to be racist. When these failed, many people nominally on the Left turned against Leave voters, accusing them of xenophobia. These arguments have no place on the Left. Rather, we must seek at every step to argue for more democracy, not least the socialist demand of an expansion of popular control from the political sphere to the economic. One thing that Brexit has shown us with crystal clarity is that the Left has little to say if there is not a consistent combination of class analysis and the political defence of democracy.

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