

## **EuroMemo Group 23rd Conference 2017**

### **Workshop 5. The EU in a fragmenting international order**

**"Strategy of equal cooperation as a response by peripheral members of the EU to the 'globalization' and 'European integration' process"**

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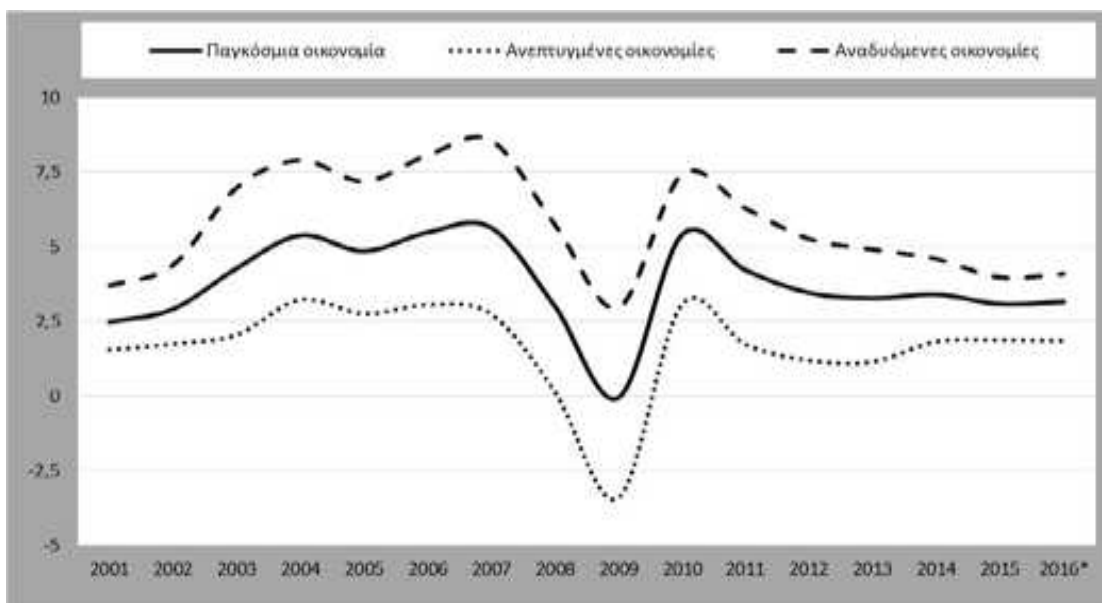
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#### **EXTENSIVE SUMMARY**

### **1). The crisis of neoliberal globalization, intensifies capitalist contradictions**

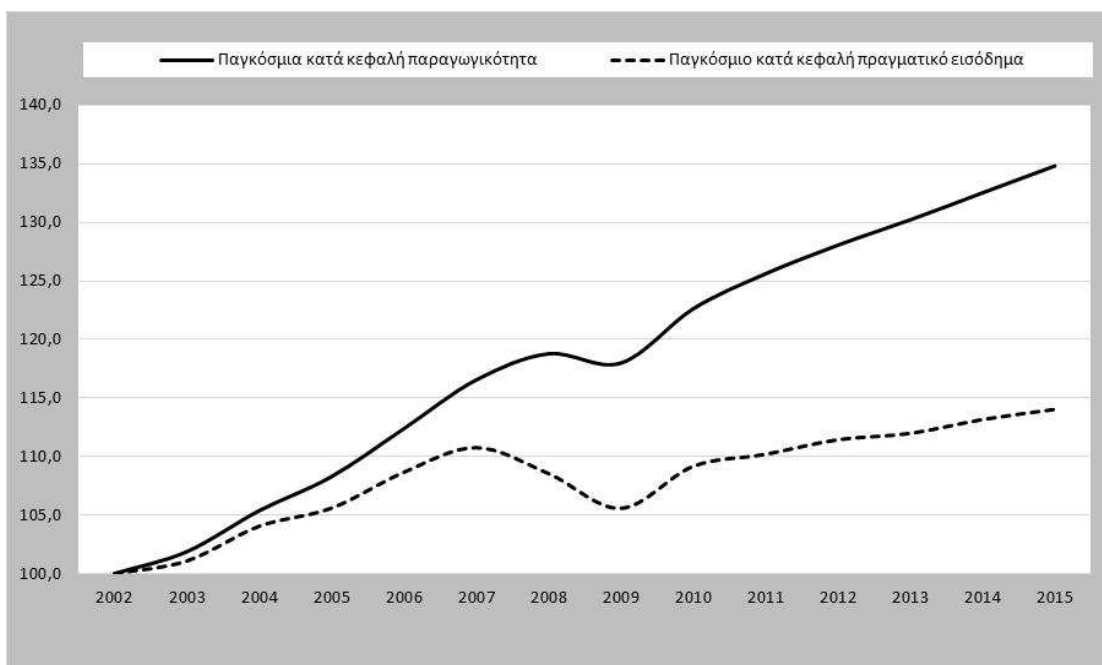
- **The recent capitalist crisis has particularly harmed developed countries and mostly members of the Eurozone.**
- **GDP from 2007 to 2016 has increased by 9% in the former, while only by 2% in the Eurozone!**
- **On the other hand, GDP of rising economies (BRICS) presents with greater growth rate, resulting to a shift in their considerable sway in global economy.**
- ***Chart I: Progress of global GDP (by main economic area)***
- **Post-crisis period features reducing global commerce growth rates, capital exports and productivity among developed capitalist states.**
- **Despite relative slowdown in labour productivity, the per capita GDP has been greater than the increase in per capita real income, in order to boost capital profit, mainly for big enterprises and multinational companies.**
- **All the above fostered an increasing uneven distribution of income and intensified exploitation of working class.**
- ***Chart II: Progress of labour productivity per capita and real income per capita***

**Chart I: Progress of global GDP (by main economic area)**



Πηγή: IMF, World Economic Outlook Database (April 2017).

**Chart II: Progress of labour productivity per capita and real income per capita**



Source: World Bank, World Development Indicators.

## 2). Increase of uneven distribution of income and wealth worldwide

According to "Global Wealth Report" by Credit Suisse:

- In 2013, 0,5% of world population (32 million "millionaires") accumulated wealth of total \$98.7 trillion (41% of global wealth), while 361 million people (7,7% of world population) with \$100.000-\$1.000.000 in possession, accumulated a total income of \$101.8 trillion (42.3% of global wealth).
- On the other end, 68.7% of world population (4 billion people) had a total added income of less than \$10.000 annually, which was only 3% of global wealth (\$7.3 trillion)!
- *In short, on the one hand, 8.5% of world population had 85% of global wealth while on the other hand, 91.5% of world population had only 15% of global wealth!*
- This is how Marx's insightful observation on the growing trend of "polarization" between wealth and poverty in capitalist society is confirmed, along with the necessity to overcome this particular contradiction, by "expropriating the expropriators" and distributing income and wealth more evenly, as part of a higher and prosperous society!

## 3). Globalization, "multilateral agreements" and contradictions among capitalist center's

- "Multilateral Agreements" are forms of economic integration and globalization.
- "Free - Trade Agreements" are forms of neoliberal integration and globalization.
- The EU and the EMU are advanced forms of capitalist integration and globalization.
- Uneven relationships among capitalist centre's generate crises, uneven development and intensify intra-capitalist and geopolitical contradictions

Typology of "Multilateral" Economic Cooperation Agreements

### I. Agreements between developed countries

- TTIP (US-EU), CETA (EU-Canada), NAFTA (US-Canada-Mexico)

## II. Agreements between developed and developing countries

- TPP (Japan, Australia, Canada, Vietnam, Mexico, Malaysia, New Zealand, Singapore, Chile, etc.),
- TiSA (total of 51 countries such as US, EU, Japan, Mexico, Canada, Australia, Turkey, Pakistan, etc.)
- FTAA/ALCA (agreement among countries of North-South America, except of Cuba)

## III. Agreements between developed countries

- ASEAN (Economic cooperation forum among countries of Asia and the Pacific)
- ALBA (Bolivarian Agreement among 11 countries of South America and the Caribbean)
- ECELAC (Community of 33 Caribbean and South American countries)
- EAEU/EEU/EAU ("Euro-Asian Economic Union" with Russia, Kazakstan, Belarus, Armenia, etc.)
- APTA ("Asia-Pacific Trade Agreement" with China, Australia, India, Vietnam, Japan, etc.)
- SCO ("Shanghai Cooperation Organization" with China, Russia, Kazakstan, Kyrgyzstan, Uzbekistan, etc.)

## 4). T.T.I.P. (Transatlantic Trade & Investment Partnership)

- The TTIP agreement between the United States and the European Union, has been planned for the past twenty years with extreme secrecy and direct involvement of several multinational corporations and lobbies

### In particular, it is focused on:

- Opening of public goods and supplies (health, education, services of general interest) in the speculative actions of multinational companies

- **Deregulating standards in security, health, environment and adjustment to lower standards**
- **Putting fundamental labour rights at stake aiming downwards in order to lower labour cost and increase profit**
- **Deregulating safety rules in food by abolishing the principle of "precaution" (i.e. paving the way for GMOs, etc.)**
- **Weakening regulations for personal data and privacy, limiting internet access, bank insurances from crashing, etc.**
- **Establishing corporate rights to drag sovereign states to private courts (ISDS-Investor State Dispute Settlements), for acts by public authorities and social organizations, demanding compensations for loss of profits and challenging national and popular sovereignty**

**Strengthening a dangerous "Trans-Atlantic elite", that currently holds 60% of global GDP and has NATO as a "military arm" and neoliberal politics as a "battering ram", undermining liberties of workers and peoples of the EU, the US and "potentially" the entire world.**

## **5). CETA, TPP and TiSA agreements**

- **The CETA, TPP, TiSA agreements are related to free trade of goods, services and investment, with the US, the EU and Japan "wearing the breeches"**
- **C.E.T.A. (*Comprehensive Economic Trade Agreement*) refers to liberalization of the services' and investments' market between the European Union and Canada since 2016.**
- **It specifies the abolishment of 99% of tariffs and barriers (energy, communications, finance, maritime transports).**
- **Only services of public authority are excluded from the agreement and from the rest public services (health, social welfare, services of general interest), only those that are explicitly excluded.**
- **Also, implementation of the principle of "irreversibility" is provided, which "secures" privatizations.**

- **European multinational corporations will be mostly benefited and so will Canada in the industrial, agricultural and fishing sectors. Greece will be directly damaged in agricultural products. Belgium and Poland have already appealed CETA in the European Court of Justice and its implementation has temporarily been blocked.**
- **T.P.P. (*Trans-Pacific Partnership*) is also known as "Memorandum of multinational companies"! It involves 12 countries of the Pacific. It refers to exchange in goods and services of about 40% worldwide (\$892 billion) and facilitates the interests of multinational pharmaceutical companies and Monsanto (GMOs). Should a country impose harsher regulations on environment, health, biodiversity, etc.), its government is referred to private international courts and billion-dollar fines could be imposed, while penalizing any opposing actions or protests.**
- **T.i.S.A. (*Trade in Services Agreement*) refers to opening the market of health, banking and many public services to the multinational capital; that is 70% of the global services' market and 75% of employment. Equal treatment of national (private and public) providers and foreign is provided and should this opening proceed, it is irreversible!**

## **6). EAEU, SCO and BRICS agreements**

- **EAEU/EEU/EAU ("*Euro-Asian Economic Union*") is a "common market" of 6 countries with 183 million people in total, in which Russia has the main role. EAEU member-states are bound to establish free circulation of goods, services, capital and human resources, while coordinating policies in main sectors of the economy (energy, industry, agriculture, transport, etc.). Its "arsenal" includes national and supranational institutions, as well as a "Eurasian Development Bank". EAEU eventually aims at fostering growth and competitiveness of their economies.**
- **SCO (*Shanghai Cooperation Organization*) involves 6 countries, with China and Russia in the lead and India and Pakistan as connected members. The SCO promotes partnership on issues of security, crime, military cooperation, cyberspace, exchange of information, economic cooperation**

and cultural relations. As for the economic field, it includes common plans on energy, water, capital control, banking sector, etc. It has also established a special development bank (SCO Interbank Consortium).

In terms of geopolitics, SCO is the "key" to control of Central Asia (Eurasia) and in fact, operates as "counterweight" to NATO. SCO has publicly stated its aim to establish rationality and fairness in the world and has called the West for abandoning Central Asia.

- **BRICS** (*Brazil – Russia – India – China – South Africa*) is an independent international organization, representing 42% of the world's population and 20% of global GDP. Cooperation is based on non-intervention, equality, mutual interest ("win-win"). They have established a development bank (BRICS Development Bank), etc.

## 7). ALBA and CELAC agreements

- **ALBA** (*Bolivarian Alliance for the Peoples of Our America*) is the alternative to neoliberal globalization (free-trade and capitalist integration agreements) and a response to the FTAA/ALCA.
- It was created by left-wing governments of Cuba and Venezuela and gradually, other left-oriented and progressive states have been involved, all aiming at the promotion of a progressive integration based on equal cooperation and mutual advantages. At the beginning, Cuba provided aid in the form of doctors and teachers to Venezuela and the latter supplied Cuba with oil.
- ALBA created its own autonomous regional monetary system (sucre) used in exchanges among these 11 countries. Also, it has moved ahead with the Petro-Caribe agreement, providing cheap oil to the Caribbean countries, as well as the Petro-Sur energy agreement among national energy companies, ensuring oil in low prices for ALBA's poorer members. Finally, ALBA has completed the Una-sur agreement, which refers to sustainable agricultural development in favour of local communities and has created Tele-sur, a TV network broadcasting all across South America.

- **CELAC (*Community of Latin American and Caribbean States*) is yet another progressive form of regional integration with 33 Caribbean and Latin American countries participating, US and Canada excluded, as they were dominating the OAS. It aims towards developing commercial and economic relations and boosting their growth.**

## **8). Progressive response to globalization**

- **Rejecting free-trade agreements, such as TTIP, TPP, CETA, TiSA**
- **Using any advantages of globalization of economies, according to bilateral and unilateral agreements, based on the principles of equal cooperation and mutual advantage. Such a positive example is ALBA, etc.**
- **Promoting of the particular cooperation is a matter at hands of workers and peoples in every country and region, as well as of progressive governments.**
- **Coordinating actions of social grass-root movements as crucial to prevent ratifications of agreements that not only harm national independence and popular sovereignty, but also hand over critical sectors of the economy and public goods to multinational corporations.**
- **Seeking appropriate forms of resistance (local plebiscites, putting pressure on governments, preventing privatizations, organizing international "days of action", etc.).**
- **However, effectiveness in struggle against neoliberal globalization calls for overthrowing the reign of multinational companies in every country and broader groups of countries and targeting eventually at "expropriating the expropriators" and a higher society.**
- **This is particularly the case for Greece, asphyxiating by "Memoranda" and the eurozones' "straightjacket".**

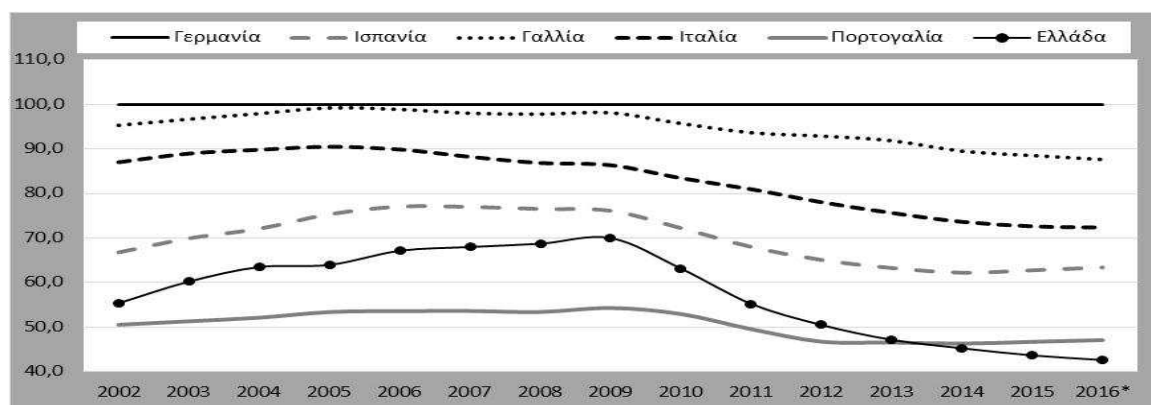
## **9). The EMU crisis and response of the elites**

- **The latest crisis has intensified endogenous issues related to the European integration**



- **“Myths” cultivated by the EMU have been shattered after the crisis**
- **Instead of converging, economies are diverging; instead of closing, the gap of income and regional inequalities is opening wide, along with extreme austerity policies, poverization of popular strata, high unemployment, growing debt, etc.**
- **UK leaving the EU, contrasts in relation to Trump presidency (TTIP, German surplus, NATO expenditure, etc.), collisions between EU member-states on immigration issues, ect, boost the EU – EMU crisis.**
- **Dominant elites in Brussels, but mostly Berlin and Paris, attempt to sustain the collapsing “European structure” through the five leaders’ “White Paper” and Commission proposals.**
- **However, solutions proposed so far only reproduce the same unequal terms of participation for countries and peoples in the integration process, since they use the same neoliberal and “undemocratic” tools used for building the EMU.**
- **In particular, all five alternatives presented in the “White Paper for the future of Europe” pretty much come one: an “multi-speed” EU, dominated by the German-French alliance, with other countries as mere speechless co-travelers (simila to a “chorus” in ancient greek tragedy).**
- **French premier Macron has recently presented such a plan in detail!**

**Chart III: GDP per capita in Eurozone members (Germany, Spain, France, Italy, Portugal, Greece) as % of the German GDP per capita**



*\*Temporary data, Source: AMECO. Data processed*

## 10). The “White Paper” and Commission 5 specialized texts

- a) **“Taming” globalization.** Pursuing a global order based on “multilateral cooperation” and common ground rules of competition, opening national markets to foreign investments and protecting them via “multilateral investment judiciary” (similar to ISDS in CETA, TTIP, etc.). That is, preserving the model of neoliberal globalization.
- b) **“Deepening” the EMU.** Integrating fiscal and banking unification, enhancing EMU institutions, closely coordinating economic, tax, social policies, founding a European Monetary Foundation, creating an European Minister of Finance position, etc. That is, maintaining current economic politics, by perpetuating democratic deficit.
- c) **Europe’s social dimension.** Social policies still remain under the responsibility of m-s but through “open debate” new ways are explored for adjusting social and labour models to “society needs”! That is, restructuring and shrinking welfare state and labour rights.
- d) **European Defense.** Strategic self-sufficiency, increase of military expenditure, creation of a strong “military-industrial complex”, boost the EU global military presence, etc. No comments.
- e) **“Own resources”.** Seeking for additional funds that cover new needs (military, etc.) by reducing funding in agricultural and cohesion policies (social, development, etc.). That is, nothing in particular is mentioned on increasing EU budget e.g. 2% or 5% of GDP).

## 11). Alternative strategy of equal and mutually-benefit cooperation

- Propositions set by the dominant elites of EU and EMU to overcome the crisis, fail to open new roads for peoples and workers. They are basically proposals to “restore” an

undemocratic and neoliberal structure moving to a reactionary direction.

- **The need for an alternative strategy of equal and mutually beneficial cooperation among countries, inside the EU and out, by securing fundamental rights for peoples and workers and respecting popular sovereignty at the same time, rises as a direct and essential need.**
- **In particular, Greece's membership in the Eurozone has been nothing but big trouble. Having been imposed to the "Memoranda", as directed by EU-ECB-IMF-ESM and supported by national elites, the Greek people has experienced a profound disaster, in terms of economy, society, demographics and sovereignty.**
- **In a referendum held two years ago, the people has rejected the "Memoranda" by more than 61%, but under the responsibility of supranational institutions, the government of SYRIZA-ANEL and all parties of the "Memorandum" spectrum, along with the economic elites and mainstream media, are experiencing a "third" and plus an unofficial "fourth" "Memorandum" with unprecedented commitments in the long run.**
- **Commissioner Moscovici's recent statement (9/4/17) spoken about the "scandalous way of imposing Memoranda in Greece", as well as that the country "will be under guardianship status", with no right to vote in community institutions until 75% of its debt is paid off (€176 billion), is at least revealing!**
- **Imposing "Memorandum" measures and effectively losing national and popular sovereignty is the "blood tax" paid in full by the Greek people for remaining in the Eurozone "by any means necessary", only to accommodate in fact and exclusively the interests of Greek dominant elites and dominant elites in Brussels and Berlin.**

## **12). Outlines of alternative economic politics**

- **In order to open a pro-popular way out of the crisis, applying a group of measures in the economic, social and political field**

**is needed, within the context of a “transitional program” implemented by a truly popular government. Such basic elements of this program will be:**

- 1. Default of payment of state debt in order to be restructuring and “hear-cut” the greatest part**
- 2. Exiting from Eurozone and regaining monetary sovereignty along with all means of exercising economic politics and national and popular sovereignty lost.**
- 3. Nationalization of the banking system and transformation of the Bank of Greece to a public central bank. Reducing private debts of households and enterprises with social-economic criteria.**
- 4. Implementing a plan of development and public investments, aiming at boosting the economy and effectively reducing unemployment.**
- 5. Enhancing purchasing power salaries and pensions to boost market and domestic production activity.**
- 6. Implementing tax policies of income redistribution in favour of employees, pensioners and popular strata, effectively controlling tax-evasion and abolishing privileges for the oligarchy.**
- 7. Returning profitable formerly public enterprises under public control and expanding them to strategic sectors and fields of the economy, under democratic control and social design.**
- 8. Redirecting economic activity, by emphasizing basic social needs, reducing luxury consumption and increasing expenditure for health, welfare, education, housing, culture, environment, etc.**
- 9. Radical transformation of the state, by upgrading representative institutions and creating institutions of popular participation and labour control, etc.**
- 10. Implementing a multi-dimensional and independent foreign policy of equal and mutually beneficial cooperation with all countries and the EU members first and foremost, etc.**

**The developing strong movement of resistance, overturning "Memorandum" measures and giving rise to a truly popular government, supported by the people and solidarity of EU people's, can be in the life!**