

# Power to the People: Ten Proposals to Avoid a Repetition of Greece's Capitulation to The Financial Elites

By [Eric Toussaint](#)

Global Research, January 08, 2017

[Committee for the Abolition of Illegitimate Debt \(CADTM\)](#) 5 January 2017

Region: [Europe](#)

Theme: [Global Economy](#)

I propose ten measures for the people's seizure of power, ascertaining that the experience of the Greek capitulation of 2015 is not revisited. [1](#)

**The first proposal: a left-wing government must disobey** the European Commission (EC) in a very transparent manner with prior announcements. The party, or the coalition of parties which claims to govern, and of course I take the example of Spain, should refuse to obey the austerity measures from the outset, and pledge to refuse the balanced budget. They should announce: "We will not yield to the European treaties' diktat to accept a balanced budget" because we want to increase public expenditure for fighting anti-social and austerity measures and embarking on the ecological transition. Therefore, the first step is to start defying in a clear and determined way. I believe that 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: Resolve to appeal for popular mobilisations**, both at the national and the European levels. In 2015, this initiative was unsuccessful in Greece. It is obvious that the European social movements did not achieve great success in mobilising, which did take place but, not with enough solidarity for the Greek people. However, it is also true that Syriza's strategy did not include appeals for popular mobilisations in Europe, or even in Greece. And when they did call for mobilisations by means of the referendum of July 5, 2015, scant respect was shown for the popular will of 61.5% of the Greeks who refused to obey the creditors' demands.

**Third proposal: Resolve to launch a debt audit with citizens' participation.** I would like to see this audit conducted alongside the suspension of debt repayments. The situations in 28 EU countries are diverse. In some European countries, it is a matter of utmost necessity and priority to suspend debt repayments, as is the case of Greece, and as would be the case with Portugal and Cyprus. As for Spain, we would have to see. 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.

**Fourth proposal: Implement capital controls** and think through what it means. It does not mean that citizens have to be disallowed from transferring 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 of transfers.

**Fifth proposal: Socialize the financial sector and the energy sector.** I believe that socialising the financial sector does not merely imply developing a public banking hub. It implies decreeing a public monopoly on the financial sector, i.e. banks and insurance companies: a socialisation of the financial sector under the citizens' control. That is, transforming the financial sector into a public service sector. [2] During the ecological transition, definitely the socialisation of the energy sector will also remain a priority. Ecological transition cannot take place without a public monopoly over the energy sector, both in terms of production and distribution.

**Sixth Proposal: Create a complementary, non-convertible currency.** Whether it is a case of exiting the Eurozone or remaining in it, it is necessary to create a non-convertible complementary currency. In other words, a currency that allows, local transactions, to trade within the country. For example, for paying increased pensions, salary increases for civil servants, taxes, public services etc. The use of a complementary currency enables a partial getaway from the dictatorship of the Euro and the European Central Bank. Of course, we cannot avoid the debate on the Eurozone. I think that in several countries, exit from the Eurozone is an option that must be defended, along with parties and trade unions. Several Eurozone countries will not be able to truly break away from austerity and launch an eco-socialist transition without leaving the Eurozone. I believe that a redistributive monetary reform will be necessary in the case of an exit. What does that mean? This means decreeing, for example, that the exchange rate would be 1 Euro per 100 pesetas up to 200,000 Euros in cash. But above 200,000, the exchange rate would be 1.5 Euros for 100 pesetas. At an even higher level, it would be 2 Euros. Beyond 500, 000, ten Euros will fetch 100 pesetas. This implies a redistributive monetary reform. This reduces the cash in circulation and redistributes household liquid assets. And of course, this dissolves some of the liquid assets of the richest 1%. 30% of the population, the less wealthy, have debts, not liquid assets. Possibly, they have some wealth in terms of houses (mortgaged or not), but this section of the population does not have any net liquid assets.

**Seventh proposal: Of course, a radical tax reform.** Remove VAT on basic consumer goods and services, such as food, electricity and water, and other basic necessities. On the other hand, increase VAT on luxury goods and services, etc. We also need to increase the taxes on the profits of private companies and the incomes above a certain level. In other words, a progressive tax on income and wealth.

**Eighth proposal: Renationalisations.** "Buy back" privatised companies with a symbolic Euro. Thus, from this angle, paying a symbolic Euro to those who have benefited from privatisations would be a very nice gesture. Strengthen and extend public services under citizen control.

**Ninth proposal: Reduce working hours keeping income intact.** Revoke anti-social laws and introduce laws to resolve the situation of abusive mortgage debt. This could well be fixed legally, without resorting to lawsuits (since there are many lawsuits on mortgage debt where households have to clash with banks). For example, a Parliament could pass a law to cancel mortgage debts below 150,000 Euros This would avoid going to court.

**Tenth proposal: Initiate a genuine constituent process.** This does not imply constitutional changes within the existing parliamentary institutions. This involves dissolving

the parliament and electing a Constituent Assembly by direct voting. Of course, questions of nationality, etc. must be considered, but it is a matter of launching a genuine constituent process, whether at the level of nationalities or the State per se, and trying to integrate this process into other constituent processes in Europe.

I have outlined the above ten basic proposals for discussion. However, they are extremely pressing matters for me, since I believe that without adopting pre-announced radical measures, there would be no relief from austerity policies. Manoeuvres will not help to escape from austerity policies unless radical steps are taken against big capital. To believe that this can be avoided is to hide behind 'smokescreens': such people will never know an actual and concrete progress. The architecture of the European level is such, and the capitalist crisis is so extensive that there is no room for neo-Keynesian productivist politics. I believe that eco-socialism has a place not on the margins, but at the heart of the debate. Immediate and concrete proposals will emerge from there. 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.

Translated by **Suchandra De Sarkar** from French

### Footnotes

[1] Eric Toussaint's speech delivered on September 25, 2016 during the 3rd International Ecosocialist Conference at Bilbao. <http://alterecosoc.org/?lang=en>

[2] For an analysis of the socialisation of banks, see *What is to be Done with the Banks? Radical Proposals for Radical Changes* <http://www.cadtm.org/What-is-to-be-Done-with-the-Banks,13315>

**Eric Toussaint** is a historian and political scientist who completed his Ph.D. at the universities of Paris VIII and Liège, is the spokesperson of the CADTM International, and sits on the Scientific Council of ATTAC France. He is the author of *Bankocracy* (2015); *The Life and Crimes of an Exemplary Man* (2014); *Glance in the Rear View Mirror. Neoliberal Ideology From its Origins to the Present*, Haymarket books, Chicago, 2012 ([see here](#)), etc. See his bibliography: [https://en.wikipedia.org/wiki/%C3%89ric\\_Toussaint](https://en.wikipedia.org/wiki/%C3%89ric_Toussaint) He co-authored *World debt figures 2015* with Pierre Gottiniaux, Daniel Munevar and Antonio Sanabria (2015); and with Damien Millet *Debt, the IMF, and the World Bank: Sixty Questions, Sixty Answers*, Monthly Review Books, New York, 2010. Since the 4th April 2015 he is the scientific coordinator of the *Greek Truth Commission on Public Debt*.

The original source of this article is [Committee for the Abolition of Illegitimate Debt \(CADTM\)](#)  
Copyright © [Eric Toussaint, Committee for the Abolition of Illegitimate Debt \(CADTM\)](#), 2017

---

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Eric Toussaint](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)