

## The Silence of the “Progressive Left”: Brexit, Euro-Austerity and the Neoliberal T-TIP

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*The media in the United States have treated the British vote against remaining in the European Union (EU) as if it is populist “Trumpism,” an inarticulate right-wing vote out of ignorance at being left behind by the neoliberal economic growth policy. The fact that Donald Trump happened to be in Scotland to promote his golf course helped frame the U.S. story that depicts the Brexit vote as a “Trump vs. Hillary” psychodrama – populist anger and resentment vs. intelligent policy.*

What is left out of this picture is that there *is* a sound logic to oppose membership in the EU. It is Nigel Farage’s slogan, “Take Back Control.”

The question is, from whom? Not only from “bureaucrats,” but from the pro-bank, anti-labor rules written into the eurozone’s Lisbon and Maastricht treaties.

The British tabloids opposed EU membership by depicting unelected Brussels bureaucrats as making laws binding on Britain. The argument was largely a nationalistic plea for “British laws to help the British people.”

The real problem is not merely that bureaucrats are making the laws, but the *kind* of laws they are making: pro-bank, anti-labor austerity. Tax and public spending policy has been taken out of the hands of national governments and turned over to the banking centers. They insist on austerity and scaling back pensions and social spending programs.

The Maastricht and Lisbon treaties – along with the German constitution<sup>❌</sup> – deprive the eurozone of having a central bank to spend money to revive the European economy. Instead of working to heal the economy from the debt deflation that has occurred since 2008, the European Central Bank (ECB) finances banks and obliges governments to save bondholders from loss instead of writing down bad debts.

To top matters, Brussels bureaucrats seem quite bendable to U.S. pressures to sign the T-TIP: the Obama Administration’s neoliberal Transatlantic Trade and Investment Partnership. This is a corporatist program shifting regulatory policy into corporate hands, away from government: environmental policy, public health policy and food labeling for starters.

The Brussels bureaucracy has been hijacked not only by the banks, but by NATO. It pretends that there is a real danger of Russia mounting a military invasion of Europe – as if any country in the world today could mount a land war against another.

This fictitious threat is the excuse for 2% of European budgets earmarked for spending on arms purchases from the U.S. military-industrial complex and its counterparts in France and

other countries. Brussels-NATO war-mongering is used to depict the pro-labor left as “soft” on national security – as if Europe really faces a problem of Russian invasion. Opponents of euro-austerity are depicted as agents of Putin.

The dissenting voice has been Le Pen’s National Front party in France. She decries French participation in NATO, on the ground that it relinquishes military control to the U.S. and its adventurism.

What used to be a socialist left has been silent about the fact that there are very good reasons for people to say that this is not the kind of Europe they want to be a part of. It is becoming a dead zone. And it cannot be “democratized” without replacing the Lisbon and Maastricht treaties on which it is founded, and removing German opposition to public spending on recovery for Spain, Italy, Portugal, Greece and other countries.

What is remarkable is that in the face of rising resentment by the “losers” from neoliberalism – the 99 Percent – only the nationalist right-wing parties have criticized the EU’s neoliberalism and the T-TIP. The formerly left-wing Socialist parties of France and Spain, German Social Democrats, Greek Socialists and so forth have endorsed the neoliberal, pro-financial program of austerity and rollbacks on labor union power, wages and pensions.

So the riddle is, how did originally pro-labor parties become anti-labor?

### **Bureaucratic corruption of all parties over time**

The 14<sup>th</sup>-century Islamic philosopher of history, Ibn Khaldun, estimated that every dynasty runs its course in about 120 years (four generations). The tendency is to start out with a progressive “group feeling” of mutual aid. But in time, dynasties succumb to luxury and greed, and become corrupt and easily manageable by special interests.

The same thing may be said of political parties. Every party that identified with the left in the Progressive Era – the Labour and Socialists parties of Europe, and the progressive Democrats in the United States – have now moved to the neoliberal right as it has become part of “the establishment.”

It is as if left and right parties have switched positions politically. The socialist left is not protesting against eurozone austerity, but is applauding it. Like Tony Blair and Gordon Brown in Britain, they have become Thatcherite, pushing privatization and corporatism.

At least Europe’s political system offers a way out: New parties can be formed to replace the old, and parliamentary representation reflects approximately the public vote. That is what enabled Italy’s Five Star movement, Spain’s Podemos and even Greece’s Syriza to organize and win parliamentary seats. Their program is to restore a left-wing, pro-labor government regulating the economy to raise wages and living standards, not siphon off income to pay the financial centers and the One Percent.

### **What blocks a progressive U.S. Political Left?**

The United States is locked into a two-party system that blocks opponents of neoliberalism. Our presidential election system was warped at the outset by the favoritism for southern slaveowners. It fixed their representation to reflect a slave population that could not vote,

but was counted in the South's Congressional representation, and in presidential elections via the electoral college.

I won't go into the details here, but the way in which the two-party system has emerged blocks a third party from gaining control of key congressional committees or other nitty-gritty instruments of government. That is why Bernie Sanders found it necessary to run as a Democrat - despite the fact that the Democratic Party apparatus is firmly controlled by its main Wall Street and corporate campaign contributors.

Just as the EU is non-reformable under the Lisbon and Maastricht treaties - the U.S. political system seems unreformable. In the hands of neoliberals it favors Wall Street over labor, and corporate power over environmental protection, public health and economic recovery.

For example, last week the Democratic National Committee rejected Bernie Sanders' urging that the platform for this year's elections reject the TPP and TTIP. These trade policies have been called "NAFTA on steroids." While Hillary initially supported them, she is making a left-wing feint claiming to oppose them - but won't permit this to be put in writing in the platform, even though it is "only a piece of paper," as Jane Sanders has said.

This leaves it to Donald Trump to denounce the Democrats as supporting corporatism at the expense of labor. It puts him in the position of Nigel Farage in Britain or Marine Le Pen in France, or the nationalists in Austria and Hungary.

And it puts the Democrats as solidly on the neoliberal, anti-labor, anti-regulatory side of the political equation as are the French Socialists and their right-wing counterparts in other countries. Lorrie Wallach, Paul Craig Roberts and others are making the case against TPP and TTIP, but only Mr. Trump seems able to play this key political card.

So the great problem of our time is how to create an alternative to neoliberalism, the TPP and TTIP that is pro-labor and pro-environmental. Why can't America create a party that has a realistic ability to set government policy? Many Green Party members seek to do this. But the U.S. two-party system marginalizes them.

Although the Socialist and other third-party movements a century ago ended up influencing the Democratic Party, the Sanders campaign shows how little chance there is of this happening today. Hillary's corporate donors have tightened their stranglehold on the party apparatus. They have hijacked Progressive Era rhetoric and slogans, to wrap around right-wing neoliberal policies.

So there are two problems with countering austerity and debt deflation. First of all, the U.S. electoral system prevents an alternative.

Second, the former left-wing parties have stultified and rejected their pro-labor origins to support Thatcherism, privatization, balanced budgets and pro-bank austerity. Rejecting Marx, they have joined the New Cold War.

There is another European economy that is possible. But it cannot be built on the current foundations. It is necessary to break up the eurozone to rebuild a pro-labor Europe.

**Michael Hudson's** new book, [Killing the Host](#) is published in e-format by CounterPunch Books and in print by [Islet](#). He can be reached via his website, [mh@michael-hudson.com](mailto:mh@michael-hudson.com)

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