
**The multiple meanings of EU exit
and their implications for the future of
Europe**

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Outline

A significant change has taken place in the EU state of affairs in the aftermath of the global financial crisis, which morphed into a debt crisis in the Eurozone. What was thus far unthinkable became a possibility. The exit of a member state from the Union came to be contemplated, speculated and acted upon.

- In this paper we shall explore the following areas:
- The evolution of the EU from the goal of an 'ever closer Union' to BREXIT (section 1)
- The case of GREXIT and the way this has affected the crisis; its use as a weapon by the country's creditors; the choices the SYRIZA-led government was faced with in 2015; the current state-of-affairs in Greece (section 2)
- The dynamics of exit, which may give rise to certain critical scenarios - i.e., the risks the left has to guard against and the chances it may have to take (section 3).

From an 'ever closer Union' to BREXIT

In the first half of the 20th century, Europe was rummaged by two world wars. Not surprisingly, at the end of each war, the idea of somehow uniting Europe surfaced both in political discussions and in the European consciousness.

Article 1 of the Treaty of the EU: “This treaty marks a new stage in the process of creating an ever closer union among the peoples of Europe, in which decisions are taken as openly as possible and as closely as possible to the citizen”

Article 3: “The Union’s aim is to promote peace, its values and the well-being of its peoples”.

The eventuality of a member state withdrawing from the Union was never seriously considered, much less that of excluding a member state.

Changing times – Art. 50

- This was changed by the Treaty of Lisbon, which amended the Treaty of the EU, inserting the new Article 50 - “Any member state may decide to withdraw from the Union in accordance with its own constitutional requirements”. Art. 50 also lays down a procedure for the negotiation of transitional arrangements and it envisages an agreement with regard to the future relationship between the EU and the departing member state - ‘negotiated withdrawal’.
- While the TEU contemplates the voluntary withdrawal of a member state, there is no provision for expelling a member state outright. The closest the Treaty comes to penalizing a member state relates to the case of a breach of the EU’s founding values as outlined in Article 2 – i.e., respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights.

Pandora's Box

- The agreement to be reached with Britain, following the 'Leave' result of the June 2016 referendum, is the first of its kind. It is a formal exemption from the goal of an 'ever closer union' and a political statement of great purport for the future of the EU. The solidity of the Union has been challenged.
 - The BREXIT vote, with its nuanced undertones, ranging from a hankering for the British Empire to the rejection of an institution that seems irrelevant to ordinary people's lives, has opened Pandora's Box. Europhobic sentiments are reinforced and Euroscepticism, already on the rise, is expanding.
 - In the left also, the prospect of leaving the Union – Lexit – has its supporters. This is a position that tends to underestimate the leverage that can be applied on the European institutions from within, while overestimating the possibilities for action outside it.
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Speculating on GREXIT

- Although the expulsion of a member state from the EU is not provided for in the Treaties, the possibility of Greece being 'kicked out' of the Eurozone by its partners has been speculated upon since the beginning of the Eurozone crisis.
- It is worth noting that GREXIT was never employed by the Greek side as a threat to destabilize the Eurozone. This is indicative of the close links between the Greek political establishment and the European one, since such a demand would benefit Greece at the expense of private investors, mostly large European banks.
- While the threat of GREXIT was never used by the Greek side, it was explicitly employed by the country's creditors, viz. its Eurozone partners under the leadership of Germany. Thus what is presumed to be a community of solidarity according to the founding principles of the EU turned into a 'community of fate' the members of which are bound together by shared risks

SYRIZA since August 2015

SYRIZA never accepted ownership of the bailout programme. It has pursued a number of objectives over and above the programme.

- Revealing and dealing with the intricate web of relations between the political system, the media and the banks.
- Abolishing the majoritarian electoral rule replacing it with the proportional representation one
- Dealing with the humanitarian crisis
- Officially recognizing the rights of the LBGT community
- Stabilizing the country's banking system
- Dealing with the refugee crisis, which has acquired gigantic proportions. In 2015, 856,723 arrivals were registered, by comparison to 43,500 in 2014.
- A roadmap for the restructuring of the public debt has been agreed.
- On the European front, SYRIZA has taken the lead in forming an alliance with the other S.European countries.

The multiple meanings and dynamics of EU exit – BREXIT

- Do the two cases of EU exit, actual and speculative, discussed in the previous sections constitute critical junctures –‘critical caesuras’- in the evolution of the EU? If so, with what implications? What is the role of the left in these circumstances?
- On the domestic front, the result of the British referendum was followed by a government crisis and the emergence of a more anti-EU conservative administration. Further, political debate shifted to the right and far right, influencing government actions.
- On the European level, the withdrawal of the UK will disrupt the Union’s internal equilibrium, as the share of non-eurozone countries in EU GDP will drop from 30% to 15%, strengthening the political and economic supremacy of Germany. The Eurozone member states of S.Europe will also be affected, as they come under intensified scrutiny by the financial markets.

The multiple meanings and dynamics of EU exit – GREXIT

- What appears to be complex and uncertain in the case of BREXIT would in all probability be simply chaotic in the case of GREXIT.
- Introducing a new currency is complex when it is done in a planned way. If it is done suddenly and under duress, it is a hugely disruptive process with many unintended consequences that cannot all be anticipated both on the domestic and on the European level.
- So, if BREXIT is a long and complex process, while GREXIT is an intricate, if not chaotic one, what is the position of the left? Should it be for or against EU exit? What alternative route would it propose? In what way should it intervene in the political debate?

The role of the left – The SYRIZA experience

- The rise of SYRIZA in Greece was aided by the depth of the crisis, the failed policies of the Troika & the established political parties, the coming together of various factions within the Greek left. The European left rallied around SYRIZA providing valuable support.
- When SYRIZA was elected to government and after a 6-month long period of negotiations, as a result of which SYRIZA agreed with many of the demands of the country's creditors, choosing not to let Greece go bankrupt, the left both in Greece and in the EU was divided.
- Should the SYRIZA government have taken Greece out of the euro and thereby default on its obligations?
- The mandate of the January 2015 elections was NOT for default, while SYRIZA asked for a new mandate from the Greek electorate in the September 2015 elections, which it was granted.
- The hypothetical question however remains. Only history will show whether the route followed by SYRIZA was the right one.

Going forward

- Lexit, propagating exit from the EU by the left, came up in the 2016 British referendum - Current treaties and structures of the EU need to be dismantled and replaced by others within the framework of a new union, on the basis of a radical reconsideration of the foundations of the current EU and the practices that structure it.
- In view of the internal weaknesses of the left and its lack of political intermediation it is hard to see how these goals can be achieved.
- Overall, the left finds itself in a difficult position. Its role is needed more than ever before in the post-WWII period. However, its internal divisions limit its impact on developments. This state of limbo must be overcome for the left to be able to put forward and work towards a 'critical scenario' that will put an end to the crisis in favour of society at large.