Integration Disintegration Nationalism

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PREFACE

This volume, the fourth in the series of yearbooks published by transform! europe, is appearing one year before the European Parliament elections. Despite moderate economic growth the process of European integration is in political crisis. Our volume is characterised by a critical evaluation of integration as such. This kind of stocktaking has to satisfy two requirements: it has to look at European integration and the proposals now being discussed for a reform of the institutions both in the context of national developments and that of Europe's rapidly changing global environment; and it must also take into account the plurality of the left's diverse political actors and their points of view. We have tried to accomplish this through an exemplary range of articles.

Transform! 2018 opens with reflections on the state of the world, Europe, and the left. Party of the European Left (EL) president Gregor Gysi discusses the EU's democratic features and glaring democratic deficits, and the results of Brexit, pointing to the contradictions in the EU's assertion of anti-authoritarianism as a value. He addresses the need to confront capitalism on an international scale as well as the current situation of the EL. Samir Amin roots the current political crises in Europe and elsewhere in the secular decline of capitalist growth. He discusses China, the new multi-polar world, the room for manoeuvre this opens for the left and left governments, a vision of international left alliances that coordinate people with a limited defensive view and those who want to travel in the direction of system change now, and the relation of the national to the international levels. In a moving testimony, Jan Kavan assesses the dilemma of Europe, the meaning of Brexit, the new anti-politics, and the instrumentalisation, by Poland's and Hungary's elites, of fears of an improbable flood of immigrants as an excuse to rein in democracy and promote their economic agenda. Veronika Sušová-Salminen looks at the culture of Western domination in general and the way it plays out in the eastward expansion of the EU.

'At a certain point in their historical life the social groups detach from their traditional parties'; we see the growing strength of powers constituted

'relatively independently of the fluctuations of public opinion'; 'the field is open to violent solutions, to the action of dark forces'. These features of what Antonio Gramsci called an 'organic crisis' provide an apt framework for the dilemma of European countries whose polities are removed from decision-making on the most important matters of human society through the extraordinary achievement of market autonomy as a phantom *governance* of impersonal rules independent of political decision-making even on the part of its advocates – although, as Leonardo Paggi points out, in contrast to the eighteenth-century creed of a 'self-regulated market' this market is now seen as a political construction to be protected but not through discretional decisions. The idea is not to rule, just to monitor and punish violations of the 'natural' law of the market, resulting in vast depoliticisation. With the single currency, monetary policy can no longer be used to stabilise an economy, creating debtor states which cannot regulate the markets but are regulated by them, like a Foucauldian apparatus. With the collapse of state socialism and the Treaty of Maastricht, the citizenship pact, its culture and vision of society arising from the end of WW II was drastically changed. But as Gysi and Axel Troost point out, contrary to the arguments of right-wing sovereignism, the national states, or rather their elites, are not victims of global processes but enable and transmit them. Meanwhile, the traditional working class parties of the left – having long since co-administered neoliberal policies – have become detached from their base, which is now open to the irrational forces of ethnic-nationalist populism. The traditional mass working class parties, with the possible exception now of Labour in the UK, show no interest in building a left majority with others, and their vote share has sunk too low to enable this in any case.

But with the crisis and the imposed austerity policy, with the Troika's ultimatum to Greece, with Brexit, and various secession movements, the edifice of integration through neoliberal governance has clearly entered a process of disintegration. Before the Greek crisis, few thought about Europe; now there is widespread resentment of it. It is becoming difficult for the EU elites to hide behind a clockwork of self-perpetuating rules; now harsher, more nakedly political intervention has become unavoidable.

The irony, as Marica Frangakis and John Grahl indicate, is that exit itself, most clearly with Brexit, will only serve to increase Germany's hegemony over Britain and all others, but the problem for Germany is that its dominance will become more uncomfortably visible, something which the quasi-natural visage of market governance had been partially able to hide.

Ever since the referenda on the Constitutional Treaty, the elites have been able to avoid the risk of democracy by moving decisions to various technical

levels. Community decisions were replaced with intergovernmentalism, for instance removing TTIP from the European Parliament's purview and shifting it to the Trilateral Dialogue. A decision-making hierarchy of France and Germany emerged, with growing German unilateral leadership.

Brexit will increase inequality within Europe: the share of non-Eurozone countries in the EU's GDP will drop from 30% to 15%, thus strengthening Germany's political and economic supremacy. And with less Eurozone countries to share the burden the financial markets will worsen the dilemma of the southern Eurozone members. The recklessness of the governing Brexiteers is astounding: Britain needs to at least stay in the Single Market and Customs Union but this will greatly complicate trade by multiplying customs and inspection procedures and, moreover, will keep Britain subject to EU rules but allow it no voice. With May's fragile majority the political situation is volatile, and the assurances she has already given employers of plentiful immigrant labour could alienate some working-class supporters of the Leave campaign; she has had to promise protection of the labour market. Corbyn's challenge is to bring together the constituency of the older industrial areas with the more radical youth.

'Disintegration is not integration in reverse', as Frangakis puts it; left proponents of exit underestimate both the difficulties of exit and some opportunities for applying pressure that continued membership affords. Forced exit, if foisted on Greece, will be still more difficult, as Frangakis details. Yet even now, before the left grows out of its weakness, it can and should start putting together a critical scenario related to exit. Marisa Matias and José Gusmão are concerned that the reversal of certain austerity measures in some peripheral regions has led many to forget the lesson of Greece and believe there is no need to abolish the current framework. For them, Europe's left needs to get in synch with Europe's populations in accepting that the EU will only give us more of the same. Exit is at least possible in their view, and mobilising around it can pull national sentiment in a more progressive direction. They concede it is hard to jump 'off the train at full speed' now rather than at the beginning but 'if we have come to believe that the train is pulling our countries towards the cliff then jumping off right now does not seem such a bad idea.'

The growing popular resentment of the EU institutions has, however, led a section of the elites to support reforms outlined in the European Commission's 2017 *White Paper,* which acknowledges some of the evident defects of the existing European construction and the need to remedy them. Transfers, albeit temporary, are being considered, as French president Macron has proposed. Axel Troost and Ilona Švihlíková lay out the much

needed reforms, whether seen as goals in themselves or as steps to eventual system change.

The socio-economic and cultural shift represented by Maastricht has its parallel in military and international security policy, as Erhard Crome shows. Just as Maastricht attempted to subordinate political governing to an impersonal market governance and thus diffuse political confrontation, so NATO, as the Warsaw Pact dissolved, could, up to a point, diffuse direct Cold War confrontation, defining new, vastly expanded tasks directed against a vague horizon of 'threats' covering almost anything that threatens the socio-economic order. The way in which terrorism and criminality has been projected as omnipresent and boundless has created an obsession with security in large parts of the populations: Dirk Burczyk outlines the problem and suggests ways left parties could tackle it. The US dominates NATO. And the US, through the Washington Consensus, rather than the EU, was the principal actor in integrating the post-communist countries, as Švihlíková points out, for the EU was then still completing its neoliberal turn. But the US offered no Marshall Plan because there was no longer a communist bloc to compete with. The result was the great inequality that is laying the basis for eventual disintegration, whose nationalist right reflection in Poland Rafał Pankowski describes.

As Walter Baier shows in the case of the recent Austrian elections, although right-wing attitudes have been absorbed by a large section of the popular classes, sharp electoral spikes for right-wing candidates generally result at least as much from shifts and arrangements among the elites and their institutions as they do from the sudden emergence of a majority in the population. The figures typically reveal only marginal or negligible voter migration from left to right, as is borne out by Yann Le Lann's and Antoine de Cabanes's statistical analysis of the recent French elections. Contrary to the mainstream narrative, the Front National's vote was not swelled by attracting left working-class voters but expanded through workers and others who had previously voted for the traditional right. Both the radical right and left attract anti-system and populist-friendly voters but not the same segments of this vote. The right-left cleavage is as strong as ever in the minds of voters even if Le Pen and Mélenchon both declared it outdated; those with typical right-wing outlooks vote only right-wing candidates, and those sharing typically left progressive values migrate only among left parties. Le Lann, Cabanes, and Friedrich Burschel thus caution the left against a futile attempt to attract the core of radical right voters, which will alienate most of the left constituency.

The centrist governing elites, either in opposition to right-wing populists

or governing with them, are in a waiting game, hoping that the fragile economic upswing in Europe, whose causes and limits Joachim Bischoff analyses, will allow them some more time to continue downsizing social security in doses small enough to be digestible.

We are marking two anniversaries in 2017-2018. An international roundtable with Lutz Brangsch, Patrick Bond, Radhika Desai, Ingo Schmidt, and Claude Serfati debates the contemporary pertinence of key concepts in Marx's *Capital*. In particular, the concept of primitive (or original) accumulation as an ongoing process illuminating the global context of capitalism and the relation of class oppression to other kinds of domination and struggles – and the phenomenon of financialisation characterising the contemporary situation, with the great importance of rent-seeking and value capture. And Lajos Csoma commemorates the Hungarian Soviet Republic, rich in lessons, which among other things refute the Hungarian right's national mythology.

The Estonian Ministry of Justice took advantage of Estonia's presidency of the European Council last year to organise a European conference on '[...] the Crimes Committed by Communist Regimes'. Greece's Minister of Justice explicitly refused the invitation, explaining his reasons. In the subsequent exchange he critiques the theory, propagated by the new Eastern European elites, of equivalence between Stalinism – or communism tout court – and Nazism, or the theory of a Double Genocide. These letters are surely unique in the annals of diplomatic correspondence. We are publishing them with background provided by Haris Golemis and a survey by Thilo Janssen chronicling the right-wing project to displace post-war Europe's founding ideas of anti-fascism with an ahistoric and uncontextualised creed of anti-totalitarianism. Leonardo Paggi draws the connection between this politics of memory and the cultural change following Maastricht. Obviously, this campaign is aimed at more than the communist parties per se; its ultimate target is all progressive democratic attempts to intervene in the quasi-natural workings of the 'economy', that is, to wrest back and assert the *political*. It further consolidates neoliberal culture by bolstering the neoliberal project of narrowing historical context and memory.

But there is a bright light in reaction to the dehumanising processes chronicled in this volume and the weakness of the left. Who, a decade ago, would have thought that the Vatican would be at the centre of a dialogue bringing together all who would resist these processes and help people to become politicised subjects of history? It was Pope Francis, in fact, who proposed this project to Walter Baier, the coordinator of transform! europe, and Alexis Tsipras four years ago, resulting in an ongoing project. We are

presenting contributions from four participants, Baier, Luciana Castellina, Piero Coda, and Michael Löwy, on the changes within both sides that led to the dialogue and on the political and philosophical context for a consensus on nonviolence.

The transform! europe network was established in 2001 during the World Social Forum in Porto Alegre by a small group of intellectuals from six different European countries, representing left research institutions or journals, who wanted to coordinate their research and educational work. Today transform! consists of 32 member organisations and observers from 21 countries.

The network is coordinated by a board of eight members, and its office is located in Vienna. transform! maintains a multilingual website and publishes a continuously growing number of reports, analyses, and discussion papers on issues related to the process of European integration.

Just like the biannual journal which transform! published from 2007 to 2013, the yearbook is simultaneously published in several languages; it now appears in English, French, German, Greek, and Italian. Expanding our audience and broadening the horizon of the experiences reflected in *transform!* are not the only reasons why we publish our yearbook in several languages. We do not see translation as a mere linguistic challenge but consider it a way to bridge political cultures that find their expression in different languages and in the varied use of seemingly identical political concepts. This kind of political translation is of particular importance when set against the current historical backdrop of the left in Europe, and it focuses on finding unity in diversity by combining different experiences, traditions, and cultures. It is at the heart of transform! europe's work.

We would like to thank all those who have collaborated in producing this volume: our authors, the members of our editorial board, our translators, our coordinators for the various language editions, and finally our publishers, especially The Merlin Press for the English edition.

Walter Baier, Eric Canepa, and Eva Himmelstoss

Europe, the World, and the Left

Europe – Its Fault Lines and Future

Gregor Gysi

A clarification at the outset: 'Europe' is used here both as an abbreviation for the European Union and a term for ongoing integration processes, in other words, 'Europeanisation'. It goes without saying that the European continent takes in more than the Member States of the Union, and these countries can in no way claim to represent the 'correct' Europe. The invocation of 'values' that are supposed to be shared among EU members is also doubtless not to be taken seriously; at least not in the sense that other non-Member States do not share these as well. Furthermore, countries like Hungary and Poland, with their right-wing governments, are in the process of becoming authoritarian-nationalist regimes. It is thus difficult to come up with a normative bracket in which to fit the EU as a 'community of values'. Finally, even if the EU states really did form a community of values it is obvious that European policies by no means faithfully reflect them. An example will suffice: Social justice is valued highly, but the debtor states of Europe's South experienced nothing of the kind when they were subjected to the 'rescue' programmes.

On the ideological expression of political conflicts in Europe

The challenges confronting Europe are enormous. The optimism at the turn of the millennium has disappeared without a trace; instead we are facing a multiple crisis whose solution would require some decisiveness. A precondition is the capacity to describe crises and conflicts so that they are also resolvable, instead of seeking refuge in abstractions that make Europe's survival or collapse a question of the right or wrong attitude. Convictions and beliefs are of course not irrelevant, but social conflicts cannot be reduced to conflicts of belief, certainly not to conflicts of attitude.

Today we are told that we are facing two cultural alternatives. On the one side are the representatives of an open, democratic, and liberal culture, based on a set of traditions and open to modernisation processes; on the other side

are their adversaries who are based in less humane traditions and doubtless would like to axe liberal culture. They preach hatred and exclusion and the sealing off of society from outside influences, which they see as harmful. Consequently, they are sceptical of any modernisation. As opponents of liberalism they are authoritarian.

Liberalism has its allies only in the West since it is a Western invention; the authoritarians allegedly have allies throughout the world – these can be either Trump, Putin, Erdoğan, or, when needed, Xi Jinping. To make this handful of people into a threat to the 'free world' Kaczyński and Orbán and some contenders for government power, like Marine Le Pen, are added. Because liberalism is so isolated and at the same time so much better than authoritarianism those who represent it have to join forces. Who could say no to this? What leftist would want to say no?

And yet this picture is not only simple; it is too simple. Liberalism's weaknesses and democracy's vulnerability are not new. It is the policy of recent decades, by no means only adopted by conservatives, which has led to less acceptance of democratic politics and its institutions. And there is a secondary aspect of this ideological picture: Since the authoritarians are set on walling-off their societies, the others have to be still more set on Europe, globalisation, even free trade, and much more. At this point, if not earlier, we have to realise that this picture is misleading. This is so because there are different ideas of how the European Union should be constructed; Wolfgang Schäuble embodies only one such idea. For him Germany is not only the EU's biggest economy; his conclusion is, first, that this status must absolutely be maintained and, second and most important, that the EU institutions have to be shaped so as to ensure it; this is his hegemonic economic policy. The same applies to globalisation. Big capitalist corporations have long been organised transnationally because the systemic integration of the economy takes place within a world market. However, there are extremely different notions of how this process can be shaped. Is the creation of metropolises and peripheries inevitable? Is an equalisation possible – are there alternative development models?

Free trade was ultimately always more a matter of ideology than a good cause. Britain's economy could only historically become what was then the leading capitalist power as a result of punitive tariffs and other protective measures. But when Britain achieved this status opinion changed – now free trade was to favour everyone who had not yet attained a comparable status. Ricardo published his theorem of comparative advantages. But today the term free trade has another connotation. This is particularly evident in investment protection agreements. Originally, these agreements were deals

made between states that could not achieve or guarantee sufficient legal certainty. Are Canada, the US, and the EU, as TTIP and CETA participants, so insecure legally? It is soon obvious that this is not about the rule of law but about a separate right alongside national, EU, and international law, with which corporations and banks can make their interests prevail against democratic states. This is an active, politically organised weakening of statehood and, furthermore, a subjection of democratic politics to capitalist profit interests.

Now, one could say that constitutions and de facto state constructs can always also be read as the result of negotiations through which different political goods are weighed. Then what is wrong per se with also throwing profit interests onto these scales? Abstractly considered, there is nothing wrong with it. But then there would have to be another desirable good that would justify including protection of profits. To listen to Sigmar Gabriel, who was the main official to represent Germany in the TTIP and CETA negotiations, we hear an extremely vague promise: that there were also opportunities. How I would like to have heard what these opportunities were and for whom.

Large capitalist corporations have networked humanity and so have made the national social question into a social question of humanity. The growing number of refugees is a consequence. And for this neither they nor the governments have solutions.

For all these reasons the idea of 'liberalism vs. authoritarianism', even though it has shaped public discussion, is too simple. A leftist will always clearly say 'yes' to democracy yet just as clearly say 'no' to Schäuble's hegemonic policy or the modern free trade agreements. Holding high the banner of liberalism is certainly defensible. But to hold it too high, to believe it would solve all our problems, can quickly lead to flattening out important political alternatives.

Disintegrative tendencies

Certainly, there are political forces within the EU that do not want an integrated Europe. In Great Britain they have already been so successful that Brexit is now being negotiated. Some interpret Brexit as the beginning of the end of the EU. In my view, the way of dealing with the Syriza government – threatening Greece with expulsion from the Eurozone without any legal basis – already showed that something was wrong with this EU. So here too we could recognise the beginning of the end. For others, the way of dealing with the refugees, too, is a sign that the EU is incapable of rationally solving a humanitarian problem of global dimensions. The same can be said of Catalonia.

The attitude towards the refugees, the attitude towards the common currency, and the attitude towards integration in general are three issues that are shaping the debate over the EU, also within the left.

However, if we take a step back and glance at the past something else is also clear: Substantial treaty changes – from Maastricht to Lisbon – were always exposed to high risks from referendums. The ratification process for the Constitutional Treaty was stopped; instead, a 'revised' version of the same was published under another trademark (the Treaty of Lisbon). This made possible a significant reduction of the risk from referendums. And this was also the path adopted for the Fiscal Compact. It was declared to be an international treaty that, by pure chance, all EU states had concluded, which would nevertheless exist alongside the treaties constituting European primary law, and thus had absolutely nothing to do with European primary law. Therefore there was no Treaty change with its elaborate ratification procedures. At the same time, however, the Fiscal Compact was extremely closely connected to the EU. Here the risk of referendums was circumvented. What we see is that Europe's leading politicians have a problematic relationship to democracy. The Fiscal Compact has enormous effects on present and future policy and the possibilities for democratic action and decision-making, but in terms of democratic theory it was the low-cost option that was adopted.

This is another issue in the EU debate: its deficit of democracy – which is not at all to say that there is no democracy in the EU and its institutions, nor does it mean that the Treaty of Lisbon has not implemented further elements of democracy. It only means that there are conflicts between what still lacks democratic legitimation and what has actually been achieved. A possibility like the 'Trilateral Dialogue' is a problem. But it becomes a giant problem if a debate on a matter like the TTIP, which dominates public attention, is suddenly discontinued and disposed of via the Trilateral Dialogue only because there is a risk that TTIP could be defeated in the European Parliament.

But there are also limits. In its Lisbon judgement, Germany's Federal Constitutional Court determined that the EU is, in contradistinction to the Federal Republic of Germany, not a democratic republic and that there is therefore a limit to integration. If the EU were – in any way – to evolve into something like a federal and democratic republic, this would have consequences: The formal sovereignty of nation-states making up the EU would come into conflict with the democratic claims to sovereignty of the European institutions. At this point it becomes clear that the problem of finality has to be linked to the problem of democracy in order to sensibly

discuss towards what goal the EU should actually evolve.

The democracy deficit did not become a problem as long as the European integration processes were more put up with than addressed. Presumably it was the introduction of the euro, eastward expansion, and the Freedom of Movement for Workers that changed this. Finally, there were several European Court of Justice judgements that weakened the position of workers and trade unions in favour of the free movement of capital. In addition, the EU was increasingly given as a reason or excuse when a mayor or regional or national politician had to justify one thing or another. Since the EU as an issue can no longer be hidden from public awareness, its problem of democracy, too, is a constant issue that is always used in questioning the legitimacy of European decisions.

Be that as it may, there are three possible approaches resulting from the realisation that there is a deficit of democracy: The first approach idealises the nation-state as the only framework, historically and in principle, of democratic institutions; the second sees the future in a democratic and federative republic with the nation-states as a historical relic; the third more or less deals with the current reality and pragmatically tries to sidestep the need for, and requirements of, legitimation, but calls for urgent reforms.

This complex of problems can be correlated to rightist and leftist positions. On the left there are integration sceptics who mostly take off from the neoliberal modernisations carried on by the EU. In this view, only the nation-states can erect a bulwark against neoliberal pressure. At first sight, this position may seem plausible. However, it overlooks the fact that within the EU national interests of specific states are increasingly being carried out against those of others: Germany, for example, determined refugee policy in Europe very much in its own interest; the same can be said of euro rescue. Moreover, this position also overlooks the fact that the national economies are already so strongly integrated through the world and European market that to govern them in the interests of expanding the welfare state on the national level appears questionable. Right-wing integration sceptics believe that it would be the greatest disaster in the world if nation-state sovereignty were to be lost. It is not clear here what this is to consist of. In the wake of the wave of refugees sovereignty meant sovereign control of borders. Sometimes culturalism is mixed in with this: the culture of the Germans is German, French that of the French, and so forth, and it should stay that way. That this never was the case is of no interest to them. There is also a left integration-friendly position. Its premise is that the nation-state governing of capitalist economies has by now become a fiction and this needs to be reconstructed on the European level, together with the welfare state. Here

too there is the question of how this could work. In the end new institutions would be needed. But then it is precisely these institutions which would have to be fought for. That the Treaty 'prohibits' anything is a weak argument. If that were the case then neoliberal 'euro-rescue' policy could also not have existed. Alongside political power, institutional imagination is needed. Then of course there are right-wing, to be precise, neoliberal, proponents of integration. But their image of integration comprises a 'strong' centre and a 'weak' periphery, also known as the 'two-speed Europe'. This position is represented, among others, by politicians like Wolfgang Schäuble.

The current Brexit negotiations may even reinforce this position. Great Britain is seeking a situation in which it has free access to the single market but without having to agree to all the obligations that usually come with it. Different EU states attach different ideas to European integration. If Great Britain even partially gets its own way this would strengthen exit aspirations within the EU. In any case, new situations would arise, some would strive for greater distance from the EU, others for less. That would accommodate Schäuble's ideas of a 'core Europe'. The integration concept of the neoliberals is, in substance, a divided Europe.

However, this brings up an important point: The single market has no integrative effect if by it we mean that the national economies of the EU are moving closer together. If we want true integration, that is, beyond the freedom of movement for capital, we cannot leave this to the market alone.

The role of the Party of the European Left

I have been president of the Party of the European Left (EL) since December 2016. This organisation was founded when we lived in much quieter times. Neoliberal ideas, it is true, were still widely accepted then, and much less contested than they are now, but at the same time there was hardly any premonition of the severity of the crises that we are now facing.

The organisational structure elected at the time, with its strong confederalism, cannot be understood without reference to the Communist International (Comintern). The Comintern was founded as a world party strongly centred in the Soviet Union. The communist parties of other countries were in a sense national branches of this world party. This centralism was perhaps at first understandable in view of the collapse of the Second International; nevertheless, it was excessive if for no other reason that it undermined the principle of democracy. In whatever way we assess this in detail, the fact remains that there was a lot of scepticism around the founding of the EL regarding centralist ambitions. This explains the confederal tendency, the principle of consensus.

I do not believe that we should change anything in this organisational structure because changes would not alter the problems with which the EL has to contend. The first problem is the weakness of the left in Europe. This is evident, for example, in the organisational level of the EL parties. Although in Scandinavia, Western Europe, and in some Southern European countries, parties to the left of social democracy are represented in parliaments the situation is not very bright in Eastern Europe. The EL parties have diverse historical origins and also orientations. It is above all the latter, the differing programmatic orientations – rejecting any crude characterisations of these – that does not make it easy to move the EL forward. But even where the EL parties could establish stable parliamentary representation they tend to be among the smaller parties. The exceptions to this are Syriza and, if it were a member of the EL, Podemos. Here we should not forget AKEL, the EL observer party from Cyprus. Otherwise, the left parties are important voices but not exactly powerful. And as always: the less clarity there is about what to do the more this is compensated by a lot of discussion.

In my view, discussions, although they as such are not a bad thing, often have the function of masking failure. When Syriza came to power in January 2015 there was great rejoicing. When, due to the heavy coercion to which it was subjected by Schäuble and the ECB, it had to abandon its previous course, debates on a 'left GREXIT', a 'Plan B', etc. began. Here a certain amount of delusion was being acted out. The German left was obviously too weak to stop Schäuble from doing what he did. But it did not want to believe it. Instead, it preferred to bluster about what the Greek government should have done – which always has consequences for those who are governed! This is not only ideological delusion; it is also German arrogance – though now from the left. I think that if Germany's Die LINKE had gone beyond verbal solidarity and, in its practical life, had been more closely connected to Syriza's activities, there would not have been this kind of arrogance.

A first step towards this kind of closer connection, not only to Syriza but also to other EL parties, can be taken by addressing and discussing important contested issues. This will not lead to a split; it will lead to more understanding for each other and – hopefully – also to more coherence in the long term. In part, this is already happening. Diverse EL parties have long been organising conferences on specific issues, inviting speakers from partner parties. In this way we come into conversation with each other.

But it also makes sense for the EL executive to organise these discussions. Onsite support in electoral campaigns is also important. Here there is above all a 'natural' obstacle – language. It is true that most speak – however haltingly – a bit of English. But I do see this impediment.

What does this have to do with the EU?

I already referred to this: capitalist actors such as corporations and large private banks do not operate within national markets; they operate on a world scale. This is nothing new. But it is important because in this way they are well able to evade measures aimed at more political governance of the capitalist economy – rather, they can do so as long as the political framework remains only national.

We cannot operate simultaneously with two political slogans: 'fight corporate power!' and 'back to the nation-state!' We have to choose one of them and give up the other. But although today we do have an economy integrated through the transnational market, which is what economic 'globalisation' means in the first place, we have no adequately strong policy on the international level, not to mention a 'world government'. There is, indeed, something described as 'global governance', but this is vague, and not without reason. Here there are various actors at work: large industrial nations and political structures like the EU, but also non-governmental organisations with an international scope. Alongside these there are institutions like the World Bank, the IMF, and the WTO, but also emergent structures in Asia, with China at the centre. In this very mobile constellation a left can exert influence, at least if it wants to.

But this can only succeed if it throws all national narrow-mindedness overboard and really starts to exert influence in the EU. To do this it has to acquire coherence. Questions like those I have posed here require urgent discussion in my view. Otherwise we will get no further and certainly not forward.

Samir Amin – interviewed by Walter Baier

Vienna, September 2017

Walter Baier: The world always has been a dangerous place, but now it seems to have reached its most dangerous moment since the Second World War. Some say it has to do with Trump. Others believe that it is more structural. What is your interpretation?

Samir Amin: For me the reasons are structural. Of course Trump adds to it.

In the mid-1970s, the rates of growth of the capitalist developed centres, the United States, Europe, and Japan, fell to half of what they had been in the previous thirty years. And they have never recovered since. This means that the crisis continues and is even deepening from year to year. And the announcements that we are moving out of the crisis because the growth rate in Germany or elsewhere is rising from 1.2 to 1.3 is just laughable.

This is a systemic crisis. It's an L-crisis. A U-crisis, which is the normal type of capitalist crisis, means that the same rationality that has led to the recession, after minor structural changes, brings back growth. An L crisis means that the system cannot move up out of recession. It means that the system has to be changed. It's not only minor structural changes which are needed. It means that we have reached the point where capitalism is moving into decline. But decline is a very dangerous time. Because of course capitalism will not wait quietly for its death. It will be more and more savage, in order to maintain its position, to maintain the imperialist supremacy of the centres. And that is at the root of the problem. I don't know what people mean when they say 'dangers of war are greater than ever'? The war started in 1991, immediately after the breakdown of the Soviet Union, with the Iraqi war. There has also been war in Europe, with the breakdown of Yugoslavia. And now, in my opinion, we can see that the European system itself has started imploding. And you can see it not only in the negative results of austerity policies. Not only, of course, negative for the people but negative even for capitalism because they aren't bringing back growth, capitalist imperialist growth. They are not bringing it back at all.

Simultaneously, you can see it in a number of political responses, which are not responding to the real challenges such as Brexit. You can see it in Spain and Catalonia, and you will see more and more such. You can see it with the ultra reactionary chauvinistic governments of Eastern Europe. Therefore we cannot discuss how to prevent war, because war and situations still more chaotic are inscribed into the logic of this decaying system. Therefore we have to shift the question to how we can start moving out of the system.

Some years ago I published a book analysing precisely this long-term systemic crisis; its title was provocative: *Ending the Crisis of Capitalism or Ending Capitalism in Crisis* (Fahamu Books, Oxford, 2011). I saw then that we cannot move out of this pattern of crisis without starting to move out of the system itself. It's a gigantic challenge. The solution will not be found in a few years. Nowhere. Neither in the North, nor in the South. It will take decades and decades. But the future starts today. We cannot wait until the system has led to a gigantic war and ecological catastrophe to react. We have to react now.

This requires of the left, of the radical left – or, I would say, the potential radical left, which is much broader than the actual small number of heirs of the Third International, the communist parties and their milieu – much broader than that – that they acquire audacity. Audacity. At present there are resistance movements everywhere in the world, and in some cases quite strong resistance movements. In Europe, in Asia, in Africa, in Latin America, and perhaps even in the US. Working people are fighting perfectly legitimate struggles, but they are on the defensive. That is, they are trying to defend whatever they have gained in the past, which has gradually been eroded by so-called neoliberalism. That is legitimate but it is not enough. It is a defensive strategy which allows the power system of monopoly capital to maintain the initiative. But we have to move from there to a positive strategy, that is, to an offensive strategy and reverse the relation of power. Compel the enemy – the power systems – to respond to you instead of you responding to them. Take their initiative away from them. That is what the challenge is. Now, I am not arrogant. I have no blueprint in my pocket for what a communist in Austria should do, for what communists in China or those in Egypt – even my country – should do. But we have to discuss it frankly, openly. We have to suggest strategies, discuss them, test them, and correct them. This is life and struggle. We cannot stop, and in that respect since I'm here with the European organisation Transform – in other words, in my opinion, among the best of the European organisations – I want to say that what we all need in the first place is audacity!

WB: What would it mean? What would audacity mean in the case of Europe?

SA: I think we may or may not share this view. That does not much matter because we have to discuss it. I think this European construction has from the start been built with iron and cement in order not to be changed. It cannot be reformed. Cosmetic adjustments lead to nothing but more of the same. It has been built that way, and the treaties of Maastricht and Lisbon have kept it that way. Therefore I don't see any possibility of transforming it without first deconstructing the system, after which another one can be built. Please understand that I am not an 'anti-European', in the sense that I don't 'hate' the Europeans and I'm not a narrow nationalist of the South. No. Moreover, I think the European people have a history which has revealed positive elements, and there is capacity to re-animate them. In addition, the fact that Europeans feel they share some common culture can be a positive thing. But it is not so in the present circumstances, because now that commonality is used for Europe to be fellow travellers of the US, through NATO basically, but also through many other arrangements including financial ones, which reduces the role of Europe to zero. It's the US which makes the decisions and the European ruling class says 'yes, sir', and this cannot be changed.

Now, it can start to change if the popular movements move from resistance to an aggressive alternative. That could happen in some countries. It has started happening but only in some countries of Europe, Greece, Spain, Portugal… In Greece we have seen that the European system defeated that first attempt. And the European people, even those who are very sympathetic to the Greek movement have been unable to mobilise an opinion strong enough to change the attitude of Europe. That is a lesson. Audacious movements have to start, and I think they will start in different countries. I don't know where. I discussed this with, for instance, people from France Insoumise. I did not propose blueprints but I generally pointed to strategies starting with the renationalisation of big monopolies and specifically financial and banking institutions. But I'm saying that renationalisation is only the first step. It is the precondition for eventually being able to move to the socialisation of the management of the economic system. If it stops at the level of just nationalisation, well then you have state capitalism, which is not very different from private capitalism. That would deceive the people. But if conceived as a first step it opens the road.

Capitalism has reached a level of concentration of power, economic and therefore also political power, that is not comparable to fifty years ago. A

handful, a few tens of thousands of enormously large companies, a smaller handful – less than twenty major banking institutions – decide alone on everything. François Morin, a top financial expert who knows this field, has said that less than twenty financial groups control 90% of the operations of the global integrated monetary and financial system. If you add to this some fifteen other banks you go from 90% to some 98%. It is a mere handful of banks. That is centralisation, concentration of power – not of property, which remains disseminated, but that's of less importance – the point is how property is controlled. This has also led to control of political life. We are now far from what bourgeois democracy of the nineteenth century and the first half of the twentieth was. We now have a one-party system. With the social democrats having become social liberals there is absolutely no difference between the conventional right and the conventional left, which means we are living in a one-party system, as is the case in the US where Democrats and the Republicans, in my opinion, have always been one party. This was not the case in Europe and therefore capitalism in the past could be reformed. The social democratic welfare reforms after the Second World War were big reforms. In my view they were progressive reforms, even if they were associated with the maintenance of an imperialist attitude vis-à-vis the countries of the South. Now this is becoming impossible and you can see it in the one-party system which is losing legitimacy. In the last French election there was more than 50% abstention for the first time, which means people no longer believe in voting. But this also opens up a drift – and I'll come back to this – to fascism, to neo-fascism, which is on the rise everywhere, in the North and the South. Which is one of the reasons why we have to dismantle this system before reconstructing it. I find very strong opposition to this idea of dismantling it, particularly in Europe, and I am speaking with people who are members of Transform, who are –as I said – the best people to talk to in Europe. They are afraid that dismantling it will lead to worse. They think that Europe with all its imperfections and all its disastrous aspects is better than going to back to a situation of European nationalisms fighting one another.

WB: This is a long debate between the two of us. I believe it is based on a misunderstanding. Of course, there are many people in the left who see the situation as you describe it. Maybe I can help the discussion with the following comparison. Even if we agreed that it was impossible for the European treaties to be reformed what would follow from this? In 1917, Lenin recognised that the existing Russian state could not be reformed and concluded that a revolution had first to destroy the old state and create a

new, a socialist one. That is one consequence which you can draw when recognising that something cannot be reformed. The counter-example is Yeltsin who in 1990 concluded that the USSR could not be reformed; however, he decided to dismantle it, to break it apart and establish an order based on different nationalisms. One judgement, two opposing conclusions: socialism and nationalism.

The dilemma of Europe is not abstract. The left has to choose between the two directions and, accordingly, the alliances it prefers to forge. You can of course say that we should line up with the nationalists because they will create a big mess, a chaos, and out of this chaos we can create something new. Or you can say that in order to revolutionise the system we need to create alliances with those forces within the system who are defending the idea of freedom, of human rights, and of a culture of solidarity. I regard this as the core of the strategic problem, and we must choose between these alternatives.

SA: I have much sympathy with what you say, but I think we should imagine alliances at different levels. What you suggest is still on the defensive – the best defence possible with the broadest alliance. I can understand it perfectly. But we also need some sort of alliances looking beyond.

That leads naturally to the Russian and the Chinese revolutions and to the lessons of a century of history.

I consider the Russian Revolution as having started a revolutionary process, not as having achieved a revolution. A process is much more, and much longer, than any event, however important this event may have been. The event made possible the beginning of the process but not more than that. Russian society at that time consisted 80% of peasants. And therefore it faced two enormous challenges. The first was how to integrate the majority of peasants into the process of – I'm not saying of building socialism – but moving ahead on the long socialist road. And that is an enormous challenge. The second was the hostility of the Western capitalist countries. The Cold War is not something that started after the Second World War. It started in 1917 and never stopped. First, the intervention of the imperialist powers in the Civil War of 1918 – 1922, followed by the Cold War in the 1920s and 30s against the Soviet Union, then the Second World War, and then again the Cold War immediately after the victory over fascism. Those were the two challenges. The response of the system to those two challenges can be discussed today. But that's another set of debates. The Chinese Revolution went one step further. It took place in an even more peripheral country. Until today, it found a correct answer to the problem of how to integrate

the majority of the peasants. It was also confronted with a continuous Cold War and has been able to defeat it by moving into globalisation, with all its ambiguities and dangers. We should now see the problem in that way, that is: What is the next, the immediate next step on the road? Which strategy do we need to adopt?

For this I think – that is my personal opinion – we need a Fifth International. We not only need a revival of internationalism as a fundamental part of the ideology of the future, but we also must organise it – that is try to interconnect the struggles in different countries. Now, this international cannot be a reproduction of the Third. Because the Third International came after the victory of the October Revolution and a strong new state – the Soviet Union – and therefore survived – for better or worse – as a model for the others. We are not now in such position and therefore we must imagine another pattern for the new International. If we look at the Second and Third Internationals – the Second up to the First World War, not after – they shared the idea of 'one country – one party' – the correct party; all the others being 'deviationists' or even 'traitors'.

Moreover, when we look at the Second International we discover that there was indeed one party in Germany – but this Party was half-Marxian and half-Lasallean. There was one party in France, but it really associated three currents. There was one party in Britain, but it was a mix of trade-unionism and Fabianism. So they were different one from another, but they all had in common their pro-imperialist colonialist attitudes and – as was proven in 1914 – they worked with their bourgeoisies, against one another. The Third International recognised only 'one country one Party' – the 21 conditions – all the others being traitors and revisionists.

Today we are in a different situation; we have potentially radical, pro-socialist, anti-capitalist, anti-imperialist, forces – different in each country. We have to bring them together. We have to understand that what we share in common is more important than the differences among us. We have to discuss the differences and discuss them freely, without arrogance by proclaiming 'I am right and you are wrong'. Here are my arguments, here are yours, but what we have in common is more important and that should be the basis for re-constructing internationalism. I am saying this for the North and the South as well. Each has its specific conditions, and conditions are different from one country to another. The general view is similar but conditions different. At any rate, that is my vision on how to start the process.

WB: One question in this regard: Generally speaking I share this analysis, with some reservations. There is one argument in particular about which

I have strong doubts. Is it really realistic to establish 'system change' as a precondition for addressing the huge and global problems we are facing today? In theory, yes! But in practice: Can we accept that in the era of the threat of a nuclear war we hold that peace only be achieved if the capitalist system is overthrown? What about climate change? Can we afford to say 'either worldwide system change or ecological disaster'?

SA: I have no answer to that question, only intuitions or feelings. I am not able to argue with what appears to me to be convincing arguments.

I don't think we are going towards a global nuclear war. Instead, I think we have already moved into more and more 'small wars', which are disastrous for the territories where they occur. Syria is an example. In terms of Trump's war-mongering vis-à-vis North Korea – I am afraid Kim appears much more rational than Trump. This is an intuition. I don't think even that the establishment ruling the United States will let Trump do the worst. They would assassinate him as they've done through history.

Climate: There is climate change, and it's extremely dangerous, but I don't think that it can be stopped within capitalism and through the Paris Agreement, for instance. This is a zero agreement. Because to make it effective we need a gigantic transfer of finance from North to South, which is against the very logic of the system. So this will not happen, and therefore the Paris Agreement is just wishful thinking, nothing more. Even if public opinion doesn't believe that and thinks it's a good step forward. I don't think so. And therefore I see the question of starting to exit the system as urgent. It's the precondition. The precondition for everything. From stopping small wars – which are very destructive – to launching an alternative ecological-global policy and also for making possible a shift towards the socialisation of management.

WB: Does that mean that we accept a certain ambiguity of our strategy in implementing changes proposed by diverse political outlooks, because for us the shared strategy means entering into system change, while the other forces see it as saving the existing system?

SA: Yes. There are these ambiguities and we cannot avoid them. We shall have broad alliances with people who have never thought that socialism should be the answer to the crisis of capitalism. They will still think that capitalism can be reformed. So what? If we can work together against this capitalism as it is to-day, it would be a first step.

But I think we have to think ahead about how to create a Fifth International. I don't have a blueprint for this. It is not about establishing a secretariat or organisational leadership bodies. First, the comrades have to be

convinced of the idea, which is not always the case. Second, the Europeans have abandoned anti-imperialist solidarity and internationalism in favour of accepting so-called aid and humanitarian interventions – including bombing people! That is not internationalism.

I think that national policies – we use this word because there is no other word – are still the result of struggles within the borders of countries. Whether these countries are indeed nation-states or multinational states, they struggle within defined borders. Yes, this fact also creates problems, sometime important ones as we see in Spain. However, borders still exist. But these existing problems do not refute the idea that change has to start from the base and not from the top. And the base is the nation. Don't expect a UN conference with all the governments of this world deciding anything good and effective. That will never happen. Don't expect that even with respect to the European Union. It has to start from below. It is changing the balance of forces within countries, which then also begins to change the balance of forces at the international level. Therefore the task for internationalist solidarity, that of a Fifth International should be to minimise the conflictual eventual aspects of these changes and make them complementary to one another. This is true internationalism.

WB: The world is transforming itself rapidly. China is becoming more and more the main protagonist of the 21st century. People who are becoming aware of this are starting to ask what this might mean for the world. What is your take on the current developments in China?

SA: We have to start from the Chinese Revolution. We had in China what I call a great revolution. There have been three great revolutions in modern history – the French Revolution, the Russian Revolution, the Chinese Revolution – along with some in other countries like Vietnam and Cuba. But let's take the three major ones.

What I mean is that the projected target of great revolutions looks far ahead of the agenda of what is immediately possible. The French Revolution said liberty and equality. The so-called American Revolution did not project this target. The word 'democracy' does not appear in the US constitution. And democracy was considered a danger. The system was invented to avoid this danger. The system did not change the relations of production. Slavery remained a decisive part of the system; George Washington was an owner of slaves! Instead the French Revolution tried to connect conflicting values of liberty and equality. In the US it was liberty and competition, that is, liberty under the condition of inequality. The Russian Revolution proclaimed 'Proletarians of all countries unite'. As Lenin said, 'the revolution started in

the weak link but should expand quickly' – that is, in short historic time. He expected it would happen in Germany. History proved him wrong. It could have happened but it didn't. Internationalism was not on the agenda of real history. The Chinese Revolution invented the slogan 'Oppressed peoples unite', which means internationalism at a global level including the peasant nations of the South. Which is a step ahead. Widening internationalism. This also was not on the agenda of what could be achieved immediately. Bandung in 1955, which was an echo of the Chinese Revolution, was very timid. It didn't achieve much. It was watered down by nationalistic forces and to a large extent remained in the frame of a bourgeois national project.

Precisely because the great revolutions were ahead of their time they have been followed by thermidors and restorations. Thermidor is not restoration; it means a step back in order to keep the long-term target but manage it in time, with concessions. When was thermidor in the Soviet Union? Maybe it was the year 1924 with the NEP, although Trotsky said it was 1927. The Chinese say it happened with Khrushchev. There are good arguments for this, but other people think it occurred later with Brezhnev. However, restoration of capitalism really came with Yeltsin and Gorbachev. At that point the target of socialism was abandoned.

In China, we had a thermidor from the start – from 1950. When Mao Zedong was asked 'Is China socialist?' he said 'No, China is a People's Republic' and building socialism is a long road – he used the Chinese expression 'a thousand years'. So thermidor was there from the start. There were two attempts to go beyond that thermidor. The first one was the Great Leap Forward, the second the Cultural Revolution. Then we had a second thermidor with Deng Xiaoping. We still don't have a restoration up to now. Not just because formally the Communist Party has the monopoly of political power, but because some basic aspects of what had been achieved by the Chinese revolutionary process have been maintained. And this is very fundamental. I refer here specifically to the state ownership of land and its use by families in the frame of the revival of peasant agriculture, associated with the construction of a modern industrial system. These are the two legs on which China stands and moves. It defines a kind of state capitalism. Simultaneously, the Chinese project does not reject the idea of participating in globalisation, which is dominated by capitalist/imperialist major powers. Certainly, globalisation comes into conflict with the 'two-legs' Chinese strategy. They are not complementary; they are in conflict. China has entered into the globalisation of trade, and the globalisation of investments, but with state control, at least to a certain effective extent. In addition, China is not operating within globalisation just like those countries

which accept the conditionality imposed through free trade, free investment, and financial globalisation. China has not moved into financial globalisation. It has maintained its independent financial system, which is operated by the state. Not only formally but in substance.

My qualification is that China is not socialist but it is also not capitalist. It contains conflicting tendencies. Moving toward socialism or capitalism? For sure, most of the reforms that have been introduced particularly after Deng Xiaoping have been rightist. Making room, and expanding room, for the capitalist mode of production and the emergence of a bourgeois class. But, so far, the other dynamic – that identified by the 'two-legs strategy' – has been maintained, and this conflicts with the logic of capitalism. That is how I situate China today.

WB: And what is the role of China in a global perspective?

SA: China should and could play a positive role, initiating a multi-centred global system, which the Chinese leadership calls 'anti-hegemonic'. For the sake of diplomacy, they prefer not to call it 'anti-imperialist', which in fact is what they have in mind. To move in that direction there are some good signs and some bad signs. The good signs are at the political level. The Silk Road is not a trade agreement; it is a political way to make a rapprochement – a serious one – with Russia, with the Central-Asian republics and Iran – and therefore holds the door open for Middle-Eastern and Arab countries. It is positive. But it can remain wishful thinking on paper if it is not followed by complementary policies at the economic level. It is wrong to view the target of that strategy reductively as merely to ensure China's access to oil. China can help Russia to reconstruct its industrial capacity and can help Iran and eventually other Middle Eastern countries to construct theirs. The other part of the Chinese global geo-strategy – I refer here to the transport route through South East Asia by rail from China to Singapore and to Rangoon – has different objectives: to merely facilitate commercial penetration, or again helping the countries involved to industrialise and move partly away from imperialist control?

WB: Would you say that the influence of China on Africa is helpful for the respective countries?

SA: It could be. Until now it is mainly wishful thinking and an ambition to achieve commercial penetration. It is less bad than trading with the West, because trading with the West is accompanied by conditionality, and trading with China has no conditionality, but it is not the solution to the problems of African societies.

I'll give you a concrete example. In Zambia, after Kaunda was replaced by terribly ugly, pro-Western corrupt leaders, a new government was elected, not a revolutionary one. Three months after the election they invited me and asked me directly: We will soon receive a Chinese delegation. What do you think we can get out of this relation with China? I frankly said: the Chinese know what they want. They want copper. They do not mind if they invest in a private or in a state company, provided they also get an agreement that the copper gets to China and around a system of pricing. They know what they want. But you, what do you want? You have to know what you want. Do you want infrastructure? They can do it. Do you want industry? They can help. Do you want a revival of the peasantry? They have experience. You have to know what you want and you will probably get it. If you don't know what you want, the Chinese will get what they want with no counterpart to your benefit. You can get from them what you cannot get from the West. The West is imperialist. You have to know that. And my interlocutor told me: 'my administration doesn't know it.'

WB: In a conversation with you it would be unthinkable not to discuss the contradictions in the Arab world – all the more so that they have an impact on European societies. Would you say that one of the main problems in the Arab world lies in the defeat of the political and secular left?

SA: The US was surprised by the explosion in Tunisia and Egypt. They did not expect it. The CIA thought that Ben Ali and Mubarak were strong, like their police forces. The French also believed this with respect to Tunisia. But these gigantic, chaotic movements in Tunisia and Egypt lacked a strategy, and that allowed them to be contained in the old structures and decapitated. But then, just immediately after these two explosions, the Western governments understood that similar movements could also happen elsewhere in the Arab countries for the same reasons. They decided to 'pre-empt' the 'revolutions' by themselves organising 'coloured' movements controlled by them. To that end, they decided on supporting Islamic reactionary movements financed and controlled by their allies, the Gulf countries. The Western strategy was successful in Libya; but failed in Syria.

In Libya there was no 'popular' mass protest against the regime. Those who started the movement were small Islamic armed groups who immediately attacked the army and the police, and the next day called NATO, the French, and the British to rescue them! And indeed NATO responded and moved in. Finally, the Western powers achieved their goal, which was destroying Libya. Their propaganda said it was about destroying the dictatorship of Ghaddafi in order to establish democracy! Today Libya is much worse off

than it was then. But that was the target. It was not a surprise. The target was to destroy the country.

The same with Syria. In Syria, there was a growing civilian democratic popular movement against the regime, because the regime had moved towards accepting neoliberalism in order to remain in power. But the West, the US in particular, did not wait. The next day, they had the Islamic movements moving in and, with the same scenario, attacking the army and the police and calling the West in to help. But the regime was able to defend itself. The dissolution of the army expected by the US did not happen. The so-called Syrian Free Army is a bluff. These were only a small number of people who were immediately absorbed by the Islamists. And now the Western powers, including the US, have to recognise that they have lost the war, which does not mean that the Syrian people have won it. It means that the target to destroy the country, through civil war and intervention, was not achieved. The imperialist powers have not been able to destroy the unity or the potential unity of the country. That is what they wanted to do, with of course the approval of Israel – to repeat what happened in Yugoslavia. And they failed.

In Egypt, the US – backed by the Europeans who simply follow the US – chose the Muslim Brotherhood as the alternative. Initially, on 25 January 2011, the Muslim Brotherhood, lined up with Mubarak against the movement. Only one week later, they changed sides and joined the revolution. That was an order from Washington. On the other side, the radical left was surprised by the popular movement and unprepared; the youth was divided into many organisations, resulting in a lot of illusions and the lack of analytical and strategic capacity. Finally, the movement resulted in what the US wanted: the elections. In those elections, Sabahi, supported by the left, got as many votes as Morsi. That is around 5 million votes. It was the US embassy, not the Egyptian electoral commission, who declared Morsi the winner!

The mistake of the Muslim Brotherhood was to think that they had achieved a final and total victory and that they could exercise their power alone. So they entered into conflict with everybody including the army. If they had been smarter and had found an agreement with the army they would still be in office and sharing power with the army. That they wanted all the power for themselves and used it in such an ugly and stupid way, just a few weeks after their victory, turned everybody against them.

This led to 30 June 2013: 30 million people demonstrating in the streets of all the country against the Muslim Brotherhood! The figure is correct but nobody in the West says it. At that point in time, the US Embassy asked

the leadership of the army to support the Muslim Brotherhood despite the people. The army did not follow and decided instead to arrest Morsi and disband the so-called parliament – a non elected body made up exclusively of people chosen by the MB! Yes, as a result of these initiatives the leadership of the army acquired gigantic popularity. And it is understandable. But the new regime is simply continuing the same neoliberal policy. 'Tout changer afin que rien ne change'!

WB: The Middle East? Is it possible to improve the situation in Syria and Iraq without finding a solution to the Kurdish question?

SA: The Kurds must be recognised and accepted as a nation. They have a language, a territory, and I don't see why they should not be considered as such. But in alliance with other peoples of the region and against imperialism. Not in alliance with imperialism against the others. Nationalism is progressive in the South as long as it is anti-imperialist. But nationalism that just seeks the support of imperialism against neighbours is not progressive at all. The leaderships of the Kurds have unfortunately chosen the second option. In alliance with the US and Israel against the Arabs. This is a wrong choice whatever had been the unacceptable inability of the Arab leadership to manage a pluri-national state. Iraq is not the only state which is pluri-national; after all, communist Yugoslavia was able to manage pluri-nationalism very successfully for a long time. The Soviet Union also. But the Arab leadership is of a narrow-minded bourgeois kind, and therefore unable to manage the question. Yet that is not a reason to go and play as a card in the hands of the US. In addition, the choice the Kurds made led them into conflict with Turkey, because the Turkish regime is also unable to manage a pluri-national state, is unwilling to accept that Turkey is one state but two nations: the Turks and the Kurds.

Conclusion: we are in a situation in which we shall have more continuous armed conflicts in the Middle East. Which is also a way for the US to maintain its presence in the region.

Europe at the Crossroads

Jan Kavan

Europe is at a crossroads and has been there now for some time. One could even say that a spectre is haunting Europe – a spectre of several fears: fear of terrorism, of Islam, of war, Russia, China, North Korea, migration waves, of extreme populism and nationalism, xenophobia, authoritarian governments, and so on.

Let me say at the outset that I do not think the worst scenarios very likely, at least not in the foreseeable future: the collapse of the EU and its replacement by a number of authoritarian, nationalistic, and xenophobic regimes with a propensity to solve problems through aggression and even war. However, I am very afraid that if we are complacent in the face of this danger we may wake up one day in a still more tense, unfair, unjust, and dangerous world. We can detect all the ingredients of the potential catastrophe.

To understand the dangers that are now looming before us we have to remind ourselves of earlier problems and their roots.

The vision of Delors and other fathers of the European model, that is, of a peaceful, integrated, democratic, ecologically responsible, and socially just Europe, has long been no more than a rapidly fading dream.

The economic difficulties, particularly in Western Europe at the beginning of this century, were ascribed to the alleged profligacy of the welfare state, to overly generous social and unemployment benefits, to the fact that irresponsible social democratic governments ignored their increasing debts, and so on. This helped obscure the danger of neoliberalism, which under the guise of so-called necessary reforms began to acquire a terrible stranglehold on the whole of society. Furthermore, globalisation was perceived simply as economy driven and as generating a necessary drive towards efficiency and productivity requiring a reduction of costs in order to compete against those rising economies which have an advantage due to their low-wage workforces. This was coupled with a strong belief in the efficiency of the free market. The solution to rising poverty was to be found in the trickle-

down effect of the rich getting richer and thus increasing their investments.

When these neoliberal ideas were translated into policies there were obvious consequences: social programmes were drastically reduced, as was the role of the state in the economy, which led to greater privatisation and deregulation.

Deregulation enabled corporations and banks to pursue profits unimpeded by state regulation. The results are clear – privatisation of profits and socialisation of losses. Given the belief that large banks, when they experience major problems, cannot be allowed to fail as that would threaten the whole financial system, they had to be bailed out with losses transferred to the taxpayer, resulting in further and greater cuts in social spending. Growing inequalities and existential threats to the poor generated a decline in various forms of social solidarity and their reduction to forms of tribalism: religion, ethnicity, and race.

Europe's failures and Brexit

Europe failed to rise to the unprecedented series of challenges in particular around security, climate change, migration, and the economy. This gave populism a great opportunity to grow and spread its venomous rhetoric. Many Europeans faced with the decline in their standard of living, with unfulfilled promises, with the inability of the European institutions to deal with the migration crisis, with important decisions taken primarily by the non-elected financial oligarchy, began to feel increasingly alienated.

Brexit is just one of the recent and dramatic examples. However, it has to be understood that most people who cast their votes in the referendum against the EU have in fact voted against the policies of drastic cuts, against the deterioration of their standard of living, against the absence of any hope for changing the unpalatable status quo. Their vote was the result of the above-mentioned alienation but also of the lack of genuine and unbiased information, of the widespread fear of the future, and the prevailing atmosphere generated by the media. It is not surprising that the majority of Brexiteers are less educated, older people living in the provinces and countryside, people prone to blame foreigners for their problems. It is ironic that many people in Eastern and Central Europe blame Asians and Africans (and primarily Muslims they have hardly met) while many Britons blame Eastern Europeans who came to the UK to work there as EU citizens.

Anti-European British media encouraged citizens' fear that these Eastern Europeans would take their jobs and, by accepting lower wages, also reduce their own standard of living. This fear, combined with distortions, lies, and unfulfilled promises, led to the narrow victory of the Brexiteers. It is also

ironic that a majority of them came from poor rural regions and from the older age groups and the less educated who will suffer most from the UK leaving the EU. The first economic indicators are beginning to show a slow decline in British economic performance. But the most negative impact will only become clear at the end of the current negotiations with Brussels. Many supporters of hard Brexit are now turning to the soft Brexit option, but the fundamentally wrong decision cannot be overturned. A compromise is on the horizon.

The increase of social tensions and the rise of extremism

The increased social tensions in many European countries have led to the understandable search for a scapegoat that is an alleged threat to jobs, to national sovereignty, and to security. Security in its various forms has become the central concern. This has been further encouraged by the recent threat of terrorism.

At the same time, human rights and civil liberties are declining in their significance as they face two threats – the willingness to trade them for increased security and the decreasing belief in their universality.

The decline in the protective role of the state is also linked to the decline in democratic political culture. Most politicians are perceived as self-seeking individuals, and corruption has become more common and systemic. There is a widespread scepticism towards all traditional political parties, bordering on outright rejection especially among the young. Politicians are perceived as too pragmatic and most of them as corrupt. New political parties make full use of this atmosphere and get elected to positions of power simply by promising to reject the traditional parties that have clearly failed the expectations of ordinary voters as well as by promising to fight corruption, after which they quickly join the ranks of the most corrupt. There is a decline in political participation, increasing polarisation, and a rise of extremism. This development has opened up space for the emergence of new populist and nationalist groups and even extremists with a distinctly brownish coating. These new political parties and movements have not yet taken over governments but in many countries they have established a strong foothold in the parliaments and in the imagination of citizens.

The social-contract tradition presupposes that the social arises from the rational self-interested individual. However, when we today encounter the breakdown of pan-European solidarity, it is unclear how rational self-interest alone could prove to be the basis for the reconstruction of the European project. The crisis affecting the southern part of Europe in particular has little chance of resolution, at least on the economic side, without Germany

radically changing its economic policy. It needs to heat up its economy to stimulate demand, which is intended to encourage imports (particularly from the south), tourism, etc. and reduce the level of German surpluses (currently 7 per cent of GDP). This may indeed bring some inflation to Germany but the implementation of the Fiscal Compact's strategy of cuts (promoted primarily by Germany) will not save but destroy countries like Greece and further deepen Europe's social and political crisis. In the process, it will further undermine solidarity and drastically restrict the social, economic, and political rights of citizens.

I am afraid that Joseph Stiglitz was right when he warned that by adopting the German model Europe is in danger of committing suicide. We are dealing with a Europe in which the distribution of power and wealth is grossly unequal.

In his book *Ill Fares the Land* Tony Judt correctly pointed out that the democratic left failed to provide responsible answers to the economic crises of 2008 and subsequent years. He called for a democratic state based on solidarity and ethical principles and pleaded for brakes to be placed on further privatisation of the state and its dissolution in the hands of global capitalism. Unfortunately, this appeal has fallen on deaf ears.

Military adventures and immigrants

The situation in Europe has further deteriorated due to the consequences of some of the military adventures in which Europe (and in particular the US) have been involved in far-off lands. The civil war in Syria, including the proxy war taking place there between the superpowers, the consequences of the war in Afghanistan, the destruction of Libya, the climate change and poverty in Africa, and so on, have all led to the greatest refugee crisis since World War II. More than a million immigrants came to Germany, hundreds of thousands flooded small Sweden, and many thousands attempted to settle in France, or in an Austria that has been losing its patience. And we should not forget the extreme burden placed on Greece and Italy due only to their geographical position.

Some individual immigrants have committed cruel and despicable terrorist acts. It has been frequently overlooked that many of these terrorists were second or even third generation immigrants who expressed their frustration at not being accepted in the countries in which their parents and grandparents sought haven, at not being able to find decent jobs, and at being forced to live in ghettoes, for example in the seedy suburbs of Paris or Brussels. These communities seething with anger, frustration, feelings of powerlessness, suffering discrimination, isolation, and so on are relatively

easy and vulnerable targets for the recruiters of the reprehensible Islamic State, determined as it is to create havoc in Europe.

Large and powerful European states, especially former colonial powers, have clearly underestimated the need to consider all the necessary aspects of integration. Some countries have paid more attention to the needs of these communities (for example, Britain, or Sweden which is not a former colonial power) than others (for example, France or Belgium), but generally speaking the level of integration fell well short of what would be required to prevent major sources of tension and potential hatred.

I have to admit that the migration issue divides nations, generations, political parties, including the European Left (EL). The Party of European Socialists (PES) stresses the need to stand in solidarity with those fleeing war, poverty, and persecution. And it would highlight the moral duty as well as the legal commitment stemming from the 1951 Refugee Convention. In short, it holds that principles of solidarity, responsibility, and humanism should be unquestionably observed. This should translate into the fair sharing of responsibilities and solidarity between different EU Member States, including the full implementation of relocation and resettlement policies.

However, a number of socialist and social democratic parties have not accepted this position in their practical political decisions. And those which have, have experienced a certain loss of popular support. The issue has also divided 'old' and 'new' Europe.

The position of European social democratic parties is currently quite dismal. Some of them have been wiped off the political map almost entirely and no longer have any influence at all (Poland, Greece); elsewhere their role is quite negligible (France, the Netherlands); others have faced some of their worst electoral results since World War II (Germany, Norway). In my own country, the Czech Republic, the CSSD (Czech Social Democratic Party), until 22 October 2017 a leading government party, is experiencing a terrible decline which is not only due to corruption scandals involving some of its politicians and to the incompetence of others but is also the result of its leaders not having jumped in time and convincingly onto the anti-immigrant populist bandwagon.

Fear helps to promote populist groups

Generally speaking, the strong wave of fear has propelled ambitious politicians who proved able to turn new populist and nationalist groups into political parties, then using peoples' fears and prejudices and their intolerance of anything foreign and unknown in their quest for power. This fear helped the post-Haider Freedom Party in Austria, which has been asked to join the

government led by the youngest Prime Minister in Europe. In the Czech Republic this fear has blinded about 70% of the population.

In the EU the V4[1] countries opposed the compulsory quotas for the allocation of refugees to individual countries. The fact that they have been outvoted in this only helped further inflame the existing widespread distrust of the European Union. Paradoxically, even some leftist supporters of the CSSD and the Communist Party of Bohemia and Moravia (KSCM) began to applaud policies advocated by Marine Le Pen's Front National party in France, or by the Party for Freedom of Geert Wilders in the Netherlands, and by several other similar rightwing parties. I regard this as a very sad spectacle indeed.

I am, of course, aware that the positions of Eastern European politicians are based on different experiences and perceptions. You have to understand that we have no historical experience of immigrants from outside Europe, from different cultures, different religions, and different traditions, and thus we are vulnerable to media hysteria that generates fear, isolationism, extreme nationalism, and xenophobia. You may recall that in the 1920s and 30s, anti-Semites prevailed in regions without any Jews, and today anti-Muslims prevail primarily (but not exclusively) in countries where there are no (or almost no) Muslim communities. The fear of the unknown can be very great. Our history explains why we have not been prepared to accept larger number of migrants from distant foreign countries. We never had any opportunity to learn how to live with such citizens (with the Vietnamese being a certain exception), we have no colonial past, and we did not participate in the Western European economic miracle of the 1960s. We have no experience, but we have fear and prejudices. Other nations (for example the British) have learned to live with different ethnic groups for generations. This still lies ahead of us.

Let me take this opportunity to make clear that my own position differs from that of many of my compatriots (even if I understand the background of their viewpoints). I am obviously influenced by the fact that following the Warsaw Pact invasion of Czechoslovakia in August 1968 I had to emigrate and then spent twenty years in the United Kingdom. There I met many immigrants, especially from Iraq and Syria. I was many times treated in London-based hospitals by doctors and nurses from India, Bangladesh, or Pakistan. My son Jan was elected to the magistrate of Sweden's fourth largest city where both he and his wife, who works there in the municipality's

1 The Visegrád Group (also known as the 'Visegrád Four' or 'V4') is a cultural and political alliance of four Central European states - Poland, Slovakia, Hungary, and the Czech Republic.

social affairs department, have rich experiences with immigrants. I perceive their own stories as more authentic than tabloid descriptions of Sweden's allegedly blanket rejection of the wave of immigrants. I have also visited Syria, Jordan, Palestine (including Gaza), Egypt, Sudan, Yemen, Iraq, Iran, and several poverty-stricken African countries.

Furthermore, Nazi anti-Semites killed my paternal grandmother and other relatives of my father in concentration camps. Members of the Israeli Army killed one of my Palestinian friends, and their tank ran over a young American peace activist who protested against illegal settlements (I share the UN's assertion that these settlements violate international law) on behalf of a peace movement with which I cooperated during the 1970s and 80s. Both my Czech father and English mother have brought me up in the spirit of leftist values, which I refuse to give up. I find racists of all denominations and shades totally abhorrent. I reject any notion that one race or religion can reign supreme over all others.

The fear-mongering media campaign fuelled by irresponsible politicians seems paradoxically to have had its greatest effect in the Czech Republic where the government accepted only twelve immigrants. Many people do not seem to differentiate between asylum seekers and economic migrants. Furthermore, an increasing number of people seem to believe that the entire migration wave has been organised by the Islamic State or some other sinister terrorist organisation. As we know, the majority of immigrants are fleeing war, repression, or hunger and poverty. They listen to friends and neighbours or take advice from others on the social networks but are not guided by some invisible hand of a powerful worldwide conspirator. I believe that terrorist acts would have been committed even without a major migration wave because fanatical terrorists are convinced that they have to fight for their faith and against non-believers and heretics who reject their interpretation of religion as well as against the foreigners whom they blame for the disruption and subversion of their own countries.

We should remind ourselves that there was no major migration wave prior to the 2001 attack on the New York World Trade Center. The so-called Islamic State did not need any migrants to justify its murder of other Muslims.

Let me make clear that I do not wish to underestimate the dangers facing Europeans, European culture, and the wellbeing of citizens by a large influx of migrants from very different cultures, especially from those who refuse to accept the laws of their new countries and to try to peacefully integrate. If they commit crimes, they of course have to be punished according to the

laws of the land. I am only warning against the danger of generalisations and simplifications, fuelled by fear and biased reporting.

I often recall my conversation with the former Sudanese Foreign Minister Ali Karti. He pointed out that Indira Gandhi was assassinated by a Sikh but no one thought of blaming Sikhism (the seventh largest religion in the world) for this crime. Yitzhak Rabin was killed by a rightwing Zionist but no one thought of blaming Zionism, let alone all the Jews. In the US, in Oklahoma, mass murder was committed by a Christian but no one blamed his religion. However, when a crime is committed by a Muslim, then blame is laid on all forms of Islam. I have met a number of people to whom this criticism would apply. Last October in my own country about half a million people voted for the party of Japanese-born Tomio Okamura who blames Muslims and Islam for all the ills of this world.

We definitely need to tackle the reasons for the uncontrolled mass migration of recent times. Suffice it to say that the largest number of refugees come from countries that suffer from armed conflicts and wars. I believe that we should show solidarity to people who are attempting to escape places where people are shot, beheaded, or bombarded. They leave their homes to save their lives. They are escaping from the jihadists, from the radical fundamental Islamists, such as the adherents of the Islamic State (IS or ISIS or Daesh).

These dangerous fanatics have to be challenged and fought. Even as a life-long supporter of peace activities, I have no doubt that military action against the IS is fully justified. This war should even be intensified.

However, for this struggle to be successful in the long term, we need to analyse the reasons why such movements emerge in the first place and then attempt to prevent such developments in the future.

The need for analysis and effective response

Such an analysis requires a critical perception of some of our own actions. It is not surprising that the roots of IS can be traced to the aftermath of the US invasion of Iraq in March 2003. Members of the so-called 'coalition of the willing' are co-responsible. The bombardment of Libya or Yemen also led to the conversion of many into fanatics who now hate Europeans and Americans.

It is only logical that the burden of the current wave of refugees should be more equitably spread across Europe. But what is fairness and justice in this case? Many people argue that the greatest responsibility lies with the states that caused the problem in the first place. The most guilty states have to come up with a firm multifaceted response to this crisis. Efforts should be

made to rein in Saudi Arabia and end the war in Yemen as well as the chaos in Libya and the fighting in Afghanistan or Iraq.

We can all recall military interventions that pretended to protect the world from weapons of mass destruction which no longer existed.

Many former colonial powers opened the door of their countries once their colonies were granted independence, but there their magnanimity or bad conscience stopped. As I mentioned, they did not try hard enough to integrate the newcomers who were frequently escaping poverty. Their children and grandchildren today live in poverty-stricken ghettoes where they nurture their anger and frustration.

Europe has to be reminded of its original values. Defending them, Europe will not commit suicide, as some claim but, on the contrary, will become stronger and more consistent and authentic. It has to acknowledge the tumours inside its own continent; it has to reject xenophobia, arrogance, extreme nationalism, elitism, and the selfishness of those in power. In fact, financing an enlightenment campaign not only against these phenomena, but also in favour of the principles of solidarity, democracy, tolerance, and multiculturalism would not go amiss, though I am aware that to advocate this approach today means to find oneself in a minority. This, of course, does not mean that Europe should be endlessly open. This should not be allowed. Europe has to guard its own Schengen borders, its culture, its values, its identity. Sensitive, informed, rational attitudes should prevail over prejudices of all kinds, from blanket rejection to thoughtless and naive openness.

Furthermore, the EU, the US, and Russia should continue to seek a political solution to the war in Syria. Following a political compromise that would result in a transitional government, state-wide elections supervised by the UN must be held within 18 to 24 months. The results would have to be fully respected, (even if Assad is re-elected) unlike earlier experiences in Algeria or Gaza.

Remarkably erroneous policies led to the destruction of Syria, which was once stable, prosperous, and the only secular Arab country. One of the West's biggest allies, a very rich Saudi Arabia, is bombarding one of the poorest countries in the world, Yemen. Another ally, Israel, continues to occupy the Palestinian West Bank in defiance of UN resolutions.

On the other hand, there is an obviously great need to significantly improve living conditions in the countries from which the immigrants are escaping. There needs to be major investments in the destabilised regions. The provision of food, healthcare, and above all security must be ensured. An adequate infrastructure is needed so that these countries can trade. Only trade, not aid, can help them emerge from the dangerous spiral of poverty.

Rich European countries should also channel their finances to refugee camps in Lebanon, Jordan, and elsewhere in the region. In much better cooperation with the UN some effective help has to be offered Africa to fight extreme poverty and the consequences of climate change.

It is well known that more than half of the world's population has incomes smaller than two US dollars per day, and more than a billion people have to survive with incomes smaller than one US dollar per day. The gap between the developed and the developing world is widening rather than closing. In many parts of the world people live in fear of suicidal terrorists or of state terrorism, but even more people fear extreme poverty.

I am also aware that about 40 per cent of the refugees – according to the UN – are economic migrants escaping from poverty who do not conform to the Geneva Convention rules and thus are not entitled to asylum in Europe. They should be returned to their home countries, but – I repeat – Europe and the US should help these countries economically and financially so that there will be no need for people to avoid hunger by fleeing to Europe.

European security is endangered

Let me return to the theme of security in Europe. I believe that the future security of our continent is endangered by the current astonishing flourishing of authoritarian governments. Turkey is one such example. Erdoğan was elected in 2002 and hailed as the proof that one can be a Muslim but also a champion of democracy. At the end of the decade he started to adopt a more fundamentalist and authoritarian approach, until in 2013 there was the famous crackdown on thousands of protesters protecting Gezi Park in Istanbul from being replaced by a shopping mall. In 2014 he was accused, with his son, of involvement in corruption. He then accused the Gülen Movement, a spiritual movement led by an earlier ally, Fethullah Gülen who now lives in the US. In 2016 he used the attempted coup perpetrated by some military sectors against him as a pretext to suppress Gülenist and other dissidents. 60,000 people are in jail today, and a staggering 100,000 people have lost their jobs. The treatment of these people is ominous. They have also been banned from private employment, and their passports as well as those of their families have been annulled. Hundreds of judges, tens of thousands of teachers and university professors have been dismissed without any hearing.

It seems to me that Europe's (and the US') response was very muted partly because Turkey's army is the second largest in NATO and the major powers believe that they need Turkey to play its role in Syria (where Turkey is fighting primarily for its own interests and more decisively against the Kurds

than against the IS) but primarily because of the agreement with the EU, according to which Turkey is preventing a majority of immigrants from leaving its shores for Greece and thus for Europe.

The warning that the EU will not open its doors to Turkey's membership left Erdoğan unmoved. He was glad to receive the generous financial compensation from the EU, and furthermore if Turkey stays outside the EU it can reintroduce the death penalty which Erdoğan wishes to use against his opponents.

The danger of authoritarian movements

Authoritarian governments are now finding fertile soil even inside the EU. Poland and Hungary are some of the main beneficiaries of the EU's economic support. Poland joined the EU in 2004 and has received more than 100 billion dollars in various subsidies – which is twice as much as the Marshall Plan in current dollars, the largest transfer of money that has ever occurred in modern history. Yet the government has embarked on a firm path of dismantling democratic institutions (for example, the judicial system). Poland's government is ignoring the EU's appeals and warnings and is explaining to its citizens that the EU's threats are a response to the Polish refusal to accept the compulsory quotas of Muslim immigrants. The rejection of the quotas is welcomed by the population in all four Visegrád countries. Now this rejection has a rational basis in the fact that the quotas cannot work in the Schengen area where the immigrants have the freedom to move to whichever country they wish. They obviously prefer Germany or Sweden, and not only because of the financial advantages, but who would wish to live in a country where the local population adamantly rejects you?

Shifting the argument to the issue of immigrants helps distract from the fact that Brussels's target is the government's authoritarian measures. From time to time some EU politicians threaten to cut subsidies to countries that do not conform to the EU's rules. If such a threat is based on the assumed lack of solidarity given the rejection of quotas, then the Polish government is fully supported by all the other Visegrád governments as well as by all those who do not believe EU funds should be used as blackmail to pressure countries to accept immigrants. The argument against authoritarian measures gets eclipsed. Subsidies have not been cut; on the contrary, in the 2014-2020 budget there are another 60 billion dollars – half of what the world spends for development aid in nearly 150 countries.

Hungary has been governed since 2010 by a prime minister, Viktor Orbán, who is openly campaigning for 'an illiberal democracy' and sharply criticises European multicultural values. Just as Poland's Prime Minister, Beata Szydło,

Orbán is fairly silent about the EU's criticism of the recent curtailment of some human and civic rights and freedoms, but he emphasises his refusal to accept any immigrants. Hungary, despite its small population (less than ten million, versus Poland's 38 million) is the third largest recipient of EU subsidies at 450 dollars per inhabitant. One-third of the world's populations live on less than that. In addition, Hungary received 2.4 billion euros from the budget of the EU's Payment Assistance Program.

The Czech Republic and Slovakia share the same reluctance to accept immigrants from the Muslim world, but their governments continue to resist pressure to adopt more authoritarian policies of which there are nevertheless some in effect even there. In Slovakia, an extreme rightist party ,'Peoples Party Our Slovakia', led by Martin Kotleba, a Slovak politician with a distinctly brownish past, received 8 per cent of votes in the 2016 elections and has 14 MPs in the Slovak Parliament. In the Czech Republic, the ultra-nationalist anti-immigrant and anti-Islamic party 'Freedom and Direct Democracy' (SPD) led by Tomio Okamura received 10.64% per cent of votes in the October 2017 elections and has 22 MPs in the Czech Parliament where it and the Pirate Party occupy the third and fourth positions. The SPD party is, for example, closely allied with Marine Le Pen's Front National.

Of course, anti-immigration parties have won lots of support in Western Europe as well; for example, Austria's FPÖ received 26.9 per cent and has 51 MPs in the Austrian Parliament, making it the country's third largest party. I have already mentioned France's Front National and the Netherlands' Party for Freedom. Their popularity is disturbing but the governments of these countries have not yet adopted authoritarian features.

I am not saying that Erdoğan, Orbán, or Szydło are dictators. On the contrary, they are democratically elected, like Duterte in the Philippines or Mugabe in Zimbabwe and about thirty other authoritarian presidents in the world.

They have been elected primarily by older, less educated people from the regions, small towns, and villages. Many of them are very unhappy about their standard of living and living conditions, many are either unemployed or employed in unsatisfactory jobs, they are frustrated that their expectations have not been met, they are disappointed by the traditional parties (both on the left and the right), they fear for their future, and they are afraid of anything foreign, especially immigrants from other continents. They are suspicious of minorities and are easy prey for demagogues who cloak their ambitions in a cloud of extreme nationalism, patriotism, and xenophobia; and they tend to prefer rule by a strongman to democracy that may result in chaos and powerlessness. Many perceive themselves as victims of globalisation, which has produced extreme social and economic injustice. Ironically, many of

them believe that rich and powerful oligarchs would be prepared to bring them social and economic justice.

The populist misuse of corruption

All of this stratum strongly dislikes corruption, which is the most prominent problem of modern governments. However, the issue of corruption in politics has been instrumentalised by populists who have promised the electorate that they would stamp it out. In the Czech Republic this was one of Tomio Okamura's main slogans. In the US Donald Trump shored up his electoral campaign with it and rode this wave all the way to the White House. After a few months of his presidency, it is becoming obvious that many of his policies will primarily hurt those poor and less educated people who voted for him.

The electoral profile of those who voted for Trump, Brexit, Erdoğan, and Europe's populists is almost identical.

Younger voters, theoretically, could have changed this pattern but many of them have ceased being active in politics, because they feel left out and see parties as self-maintaining machines, ridden with corruption and inefficiency.

For me, the greatest divide runs between those who see the return to nationalism as the solution to their problems (which focuses their hostility on immigrants), and those who believe that their country, in an increasingly competitive world, would be better off if it integrates into international or regional organisations.

There is an urgent need to find new bases for mobilising Europeans not just against the current neoliberal strategies in their own countries but also at a pan-European level. Inward-looking ethnic nationalism in Europe has to be challenged, as it is clear that the protection of the nation-state in a Hobbesian sense cannot offer any guarantee of security or well-being to its citizens. An appeal to rationality produced by consensus would not suffice since the desired pan-European solidarity would challenge the power of many who benefit from the current system.

Given my own political convictions, I believe that cooperation and dialogue among left political parties is still possible and desirable. However, it is obviously necessary to promote pan-European cooperation between citizens' associations, civil rights groups, NGOs, and some pro-European groups supporting change. Together we have to find ways of challenging the power of Europe's financial oligarchy and economic elite without risking social disintegration, let alone violence. We have to struggle more consistently for greater participatory democracy, including participation in economic decision-making.

Supranational corporations should be placed under greater state control; we have to fight tax havens and evasion, fraud and corruption, raise corporate taxes, and enact a pan-European tax on wealth and all financial transactions. In sum, we have to support all measures that would separate business from politics. We need to re-establish the centrality of the social and to subordinate the economy to society, with the economy serving society and not the other way round.

The responsibility of the left

This has been the programme of the Party of the European Left (EL). The Party of European Socialists (PES) still, from time to time, issues well-sounding appeals and exhortations. However, leftist parties are not faring well. In Hungary and Poland they are almost invisible. In the October 2017 Czech elections the Communist Party of Bohemia and Moravia (KSCM) fell from 14.91% in 2013 to only 7.76% (its worst result since its founding in 1921) and from 33 MPs to only 15. The Czech Social Democratic Party (CSSD) fared even worse: from 20.45% in 2013 it fell to 7.27% and from 50 MPs to only 15. The Greens did not even get 1.5% despite having campaigned with quite an attractive programme, and their young radical leader Matěj Stropnický (son of the current Minister of Defence) immediately resigned. In Austria, the Social Democratic Party (SPÖ), despite having moved to the right, narrowly kept its second place only thanks to correspondence votes; it is now out of government. In France, the Socialist Party has to fight for its survival. In Germany, the SPD completely failed to challenge Chancellor Angela Merkel, and the leftist Die LINKE lost some of its votes to the populist, anti-immigrant Alternative for Germany (AfD). And I could continue for some time with sad statistics of this sort. For me the only slim hope is now embodied in Jeremy Corbyn's British Labour Party. He may win the next elections once the dashed hopes of Brexit become clear to the majority of voters.

Euroscepticism is on its rise. This is partly understandable given the frequently inept policies of the EU dominated by German and French bankers and financial oligarchs; it is partly the result of the image promoted by the anti-European media. In the Czech Republic the refusal to accept the euro is justified by referring to its failure in Slovakia (despite the fact that Slovakia is doing well and its citizens are fairly happy with the euro) as well as by the fear that once in the Eurozone Czechs would be asked to contribute to Greek efforts to reduce the debt which can never be repaid. There is no feeling of solidarity with the Greeks who are struggling under the weight of the debt (which they have inherited from the previous rightist government) and bearing the brunt of the influx of immigrants.

I remember one of the speeches delivered by Greek Prime Minister Alexis Tsipras when I was in Greece attending a conference organised by Syriza. Tsipras then expressed his surprise that Europe with its 500 million citizens is reluctant to accept 1 to 2 million immigrants while Greece with is only 8 million citizens agreed to look after 47,000 immigrants. At the same time, Greece has to deal with a further circa 40,000 immigrants who became stranded in Greece when Macedonia closed its borders to prevent the refugees from travelling to their desired destination – Germany. Tsipras then stressed that a majority of the immigrants do not wish to stay in Greece, despite its warm weather, because its unemployment hovers around 25% while Germany's is only about 4%. (It is the second lowest in the EU – only the Czech rate is lower). With tongue in cheek, Tsipras voiced his surprise that Europeans are more afraid of the immigrants than of the impact of capital that enslaves so many. He said that 'Europe is facing a shock' as it encourages states to close their borders and surround Europe with walls and barbed wire, while within the states we see the emergence of 'monsters, movements full of hatred'. The ideal of an integrated and united Europe is receding from the horizon. Through its policies the EU has created space for extreme-right and Eurosceptic movements. Tsipras concluded by pleading for an all-European alliance of political forces that would be willing to create a 'common democratic front' based on humanism, justice, democracy, and the principles of mutual solidarity. But Europe's left remained deaf.

I personally believe that Greece should be offered both financial and material help to enable it to cope with the multitude of refugees on its territory. This help should include a major cut in its existing debt. It seems to me that even the IMF is beginning to understand this. Chancellor Merkel should recall Germany's own role in the creation of the Greek debt and prevail over her Finance Minister Schäuble to implement such measures as soon as possible.

Europe is today at a crossroads. The danger of taking the wrong road looms very high. I believe that we should recall the words of Stéphane Hessel who reminded us that the Resistance had long ago fought against the 'corrupting power of money' and that 'the wealthy have installed their slaves in the highest spheres of the state. The banks are privately owned. They are concerned solely with profits. They have no interest in the common good. The gap between rich and poor is the widest it's ever been; the pursuit of riches and the spirit of competition are encouraged'. These words spoken years ago are still actual today.

The world now knows an unprecedented explosion of inequality, which is helping nationalism and xenophobia to become a central part of the

political debate. The left should wake up and remember its responsibilities. It needs to stop fighting other leftist parties or even various factions inside the individual parties. Such a luxury is no longer available to us. Europe has to leave its crossroads by taking a turn to the left.

I have to admit that I am still an old-fashioned leftist. I would like to see the emergence of a coalition of some of the traditional European leftist parties, although I am aware of the multitude of obstacles on that road. In the Czech Republic I respected many of the steps advocated in their programmes by the Greens and even by the Pirate Party. I am open-minded and am prepared to support a leftwing turn even towards an unknown new political system that may replace the present unsustainable one, if it is based on the values of social justice, cooperation and peace, solidarity, and genuine democracy. It would be wonderful if such an informal movement could reinvigorate the original ideals of Social Europe, that is, a Europe that is integrated, democratic, ecologically responsible, and socially just. We have to challenge the simple narrative of extreme ethnic nationalism. We have to challenge those who spread fear. If we do not embark on that road I fear that it may be difficult in the future to avoid conflicts, wars, and bloodshed. I am sure that the readers of these lines will not wish to take that risk. So let us work together and put the left back on the political map of Europe!

From Universalism to Diversity – How to Live in the Post-Western World of Hybrids

Veronika Sušová-Salminen

It is almost ten years now since the beginning of the Great Recession, and both the European Union as a whole and its individual Member States are still struggling. The Greek debt crisis is not over, the rift between the western and the eastern regions of the Union is more visible, populist Euroscepticism is still very much present, and relations with Russia are in a deep crisis of trust while the US under Trump is less enthusiastic about the European Union project and more particularly about a new division of costs in NATO. This list could be continued to include questions such as a democratic deficit within the EU, the weak architecture of the euro, migration (from and to EU countries), and of course Brexit. But what is very important to note is that current conflicts stemming from crises of different types are predominantly fought as cultural conflicts, as conflicts of values or about values. To translate these conflicts into socio-economic language appears very difficult.

The internal troubles of the EU are, however, an embodiment of a more complex crisis, which might be labelled in a somewhat clichéd way 'the crisis of Western hegemony' or perhaps less popularly 'de-Westernisation'.[1] This crisis is not only economic and demographic but of course also political and ideological. In every critical juncture of the EU crisis different elements can be found of the systemic crisis of Western hegemony. The world is moving towards a new structural organisation while the Western idea of the cohabitation of market economy and liberal democracy is being challenged by those on the margins. It seems fair to say that we have entered the era of 'hybrids', which mix Western values, institutions, and practices with local or traditional ones. The market system, or capitalism, still organises the global system, but political and value systems are becoming more diverse, in some cases more authoritarian, illiberal, or simply not liberal in different ways within this broad category (Putin's Russia is one example, but China

is another, while Turkey is still different, as is Venezuela, etc.). It is this political diversity that might be seen as a consequence of the varieties of capitalism and of local cultural influences that are making the core of the EU more anxious about its future, direction, and purpose.

Indeed, the equation, '*market plus liberal democracy means prosperity and peace*', which is being called into question, is a pillar of so called 'European values'. Its Eurocentrism as a composite part of Western hegemony (or hegemony of the core) is seen in a hidden, unspoken preference for sameness as well as the belief that this sameness is possible. The liberal vision of the Atlantic European Union, then, emphasises its place in the world based on the idea of a new interpretation of international relations. Peace in Europe is to be guaranteed by a rejection of classic great power politics, an emphasis on shared values and, conventionally, by the redistributive policies which aimed to reduce the biggest economic discrepancies between Member States – in terms of economic inequalities, or centre and periphery relations, in the name of development.

Unfortunately, the world of ideas and ideologies does not match the reality. The EU's ambition to promote its vision of the continent based on a new type of international relations was tempered by its security and defence dependency on the US, and, on a more general level, by the contradictions of capitalism. There were plans to create an independent European security system already in the 1980s and later in the early 1990s as part of the euphoria accompanying the end of the Cold War. But these plans were never realised and the EU continues to be a power based on words, on a moral rhetoric that rests on past memories, which has repeatedly failed to prevent war in the continent and beyond it – as in the war in Yugoslavia, in Kosovo, the bombing of Serbia, and more recently the Ukrainian crisis.

Moreover, as Gurminder Bhambra argues, the ideal of peaceable Europe is limited by the imagined boundaries of the EU – conflicts and wars outside Europe, such as the Algerian War at the period of the birth of the European integration idea or more recently those in Afghanistan, Iraq, and Libya are invisible and considered irrelevant.[2]

The same might be said of the socio-economic reality of the EU as manifested in different and often undeclared hierarchies that reflect a very specific division of labour and distribution of power – in other words, the political economy of the European Union.

These failures or inconsistent cracks in the European liberal narrative became more visible with the economic crisis. We need to be aware today that we are facing an uncertain period of transition whose key question will be to create an international order that enables the relatively peaceful

coexistence of politically and culturally diverse great powers, such as are today positioning themselves *outside* Western hegemony and its universalist liberal canon. In a way, this also means that the premises of postmodernism – that is, diverse overlapping narratives instead of a single totalising one - are being put to the test of the new boundaries of the emerging order. The liberal and universalist equation – that market plus liberal democracy equals prosperity, peace and freedom for all and everywhere – will be merely one outlook alongside others, because the West has lost the authority of a hegemon to promote this equation throughout the world. However, questions of political pluralism and diversity are doubtless also problems confronting the European Union internally. We should not forget this, for even if we abhor conservative and reactionary sensibilities they do tell us something of what society wants or is afraid of in the present: it is not purely about the past. Simple suppression without understanding is not an effective way of dealing with these differences.

Unfortunately, EU policies are still very reliant on its traditional universalism, which is paradoxically the child of the imperialist designs of the colonial and imperial European past. This old mode of thinking, however, increasingly represents a risk for Europe's future – simply because it is not able realistically and with fresh eyes to see beyond the old hegemony. It does not discern and evaluate new shifts in the gravity of power in the world, a shift towards Asia in terms of economy and demography as well as a clear decline of the US – a decline which is not just economic but mainly cultural as demonstrated by a paralysis of human capital needed to intellectually manage democratic politics and the role of world leader or hegemon.

Why is the imperial universalism of so-called 'European values' a problem for the EU and can new common frameworks be found for cooperation and prevention of conflicts internally as well as externally?

A very short history of European integration/expansion

The EU was historically developed as a Western European economic project associated with economic recovery in the shadow of Cold War system competition. In its origins European integration was a direct consequence of the imperial overstretch of powerful Western European nations, which led to the organically connected First and Second World Wars. Starting with what we can call a predominantly Atlantic core (Benelux, France, and Britain), economic integration expanded to Italy, and later to Southern Europe (Spain, Portugal, and Greece). West Germany was positioned more continentally than these largely Atlantic states, but its membership was the key to peaceful cooperation due to the historical French-German struggle for hegemony on the continent.

The general context of European integration was not just the Cold War, but (political) decolonisation between 1945 and 1975, which importantly framed its birth. It is the side of a story that is much less about values and more about a strategy to maintain global relevance by means of pragmatic cooperation and peace within the continent. Today, this aim is more distant as the EU increasingly loses its economic and demographic power, while its ideological hegemony is shaken.

Finally, it should not be forgotten that the EU is internally based on the deep and interdependent relations among nation-states and thus is a component part of international relations and of global politics. This also means that while these Member States can agree that being a part of the EU is in their interest, they still have their own interests. And this makes it extremely difficult to agree on an authentic European interest, which is however needed for a global strategy. Furthermore, national interests are not necessarily the objective, but rather a set of pragmatic aims in which cultural and ideological perceptions merge with myths and geography. The EU is also a community of unequals, economically, demographically, and ideologically; there are huge differences in terms of power distribution (for example, between Germany and Malta) and the ability to promote one's own interest in the EU and the world.

The end of the Cold War opened the way to the next two enlargements, in other words expansions, of the European Union (with this name since 1993). Two diverse groups joined while the EU was moving from economic to political integration. The first was Finland, Austria, and Sweden (former European Free Trade Association (EFTA) members), which in a sense changed their neutral status. Then former countries of the socialist bloc were admitted to the EU in two waves followed by Croatia. These two EU expansions indeed had very different frameworks and socio-economic and security implications.

I will focus on the 'Eastern' group to highlight what is wrong with the Eurocentric vision of Europe. It was indeed the second, so-called 'Eastern' enlargement of the EU (unfortunately, this name is not merely an objective geographical category) that underlined the universalistic appeal of European integration and in fact once again reproduced Eurocentric and Euro-Orientalist approaches to the newly integrated periphery. The overall narrative of enlargement was based on the idea of Europeanisation and neoliberal transformation, and so the candidates had to follow the model, accept the rules, and become EU-European, since otherwise they would not be considered European in terms of geography and culture. It was indeed a new confirmation of what Milan Kundera had criticised in his 1984 essay

The Tragedy of Central Europe, that is, the 'unbearable reality' that Western Europe did not accept Central Europe *as a composite and organic part* of its civilisational framework. Thus Western Europe did not feel the same loss as the Central Europeans felt when the Iron Curtain divided them.[3]

The EU was one of the most visible enforcers of the *neoliberal* transformation of its eastern wing, which after the Great Recession introduced new troubles. 'New Europe' was frustrated by how distant the prosperity was that market + democracy were supposed to bring. This narrative badly undermined the EU's prestige for the Eastern periphery due to low salaries, precarious living standards, increasing social inequality, corruption, and other maladies of peripheral capitalism. The Great Recession typically called the equation itself into question within the uneven network of relations and dependencies in the EU. The frustration turned nativist with features of economic nationalism and post-democratic populism. The new nationalistic rhetoric should not come as such a surprise considering the historical ambiguity of the nationalism of small nations in Central and Eastern Europe and their key focus – an (of course, bourgeois) emancipatory struggle against the *universalist* empires of the past.

Samir Amin reminds us that Eurocentrism is a distortion, a paradigm which helps primarily to mask 'real existing capitalism' as he calls it.[4] In practice, it means that the universalist recipes of Eurocentrism such as 'market + democracy = prosperity' or the idea of modernist 'development' in general do not jibe with the socio-economic reality. Instead, they make all complex societies chase after a dream based on the system that ensures that development and prosperity remain impossible. In other words, it helps not to see the real structures of capitalism and thus not understand that underdeveloped peripheral status is the other side of the coin of the developed capitalist centre. To be periphery has to do with the political economy of the centre; it is not any a culturalist construction or primarily the result of so-called 'backwardness'. Power uses ideology in order not to be seen as it is; or, as Aníbal Quijáno put it, the power of Eurocentrism is that its promises make it seductive, and its true repressiveness remains in the background.[5]

The periphery can hardly become centre by adopting 'European values'; it has to ideologically and culturally challenge the way capitalism operates. But this is exactly what none of the Central European conservatives want to do or even openly speak of. They have in common with many pro-European liberals a rejection of the idea that there is something profoundly wrong with the neoliberal capitalist system itself. None of them really wishes to challenge the system or to experiment with it. And if we consider the

election results, these two currents have majority support even if this means increasing polarisation.

Although the universalist narrative of the liberal EU is a mask to cover up increasingly sharper inequalities generated by neoliberal capitalism, this does not mean that ideals of democracy, prosperity (not necessarily material or consumerist), and peace are invalid but that they must be interpreted from an anti-imperialist and anti-capitalist or at least civic-emancipatory perspective. The same applies to liberalism, which is, in my view, an antipode of universalism. Indeed, universalism must be understood as a dangerous accomplice of imperialism. However, we now have to think about more immediate challenges within the existing world and European systems – it is only thus that we can turn away from the dangerous path of new conflict that would lead to the dissolution of the EU or to a global war.

How to deal with the political and cultural diversities of (peripheral) capitalism

The fault line between the western and eastern wings of the European Union is merely a local and specific embodiment of a more global problem. How can we, on its peripheries, deal with the political and cultural diversities generated by globalising capitalism? At a minimum, how can these diversities coexist under one umbrella without being destructive? Or, more radically, can the West live up to its liberal principles when facing its own global decline, considering that the struggle for hegemony has historically always been violent?

An example from outside the EU helps to focus the problem. EU expansion excluded its most important neighbour. Russia is a direct heir of the largest contiguous land-based empire in world history whose modern history is framed by peripherality and competitive relations with Western Europe (with this competition often located in Central and Eastern Europe). Russia's historical rise involved a love-hate relationship with the idea of Europe, which, in turn, saw Russia as a 'different' distant relative or even the constitutive Other, as Ivar Neumann argues.[6] However, Russia sees itself as a European nation, and its exclusion from the club based on a Eurocentric vision of EU-Europe has been understood in an increasingly bitter way. Today's Russia has in part abandoned universalistic and Eurocentric Western values – that is, the linear idea of transformation as Westernisation, as another adaptation and acceptance of the normative sameness imposed by the West. This was partly a result of strategic thinking and partly an outcome of controversial transformation processes in historically peripheral Russia.

Two key Russian arguments are sovereignty and autonomy. The question

of sovereignty is a new emphasis on the classical Westphalian idea, which has currently been undermined (by the politics of 'promoting democracy' and by the economic power of TNCs) without it being replaced by something structurally and functionally new. In this sense, Russia is a conservative actor, not an innovator or an openly revisionist power. The question of autonomy is not just a question of de-globalisation but is in fact also an emancipatory one when seen from the perspective of Otherness. It asserts the plurality of the world and the right of otherness, and rejects universal sameness. Largely misunderstood in the West, it is the latest example of historic Russian efforts at emancipation, which go back to Peter the Great and his policy of Westernisation.

This position means a partial or hybrid rejection of Western universality, including the EU idea of a liberal continent and of Europe. It offers the negotiated *coexistence of particularities* (the combination of Western ideas, practices, and institutions such as democracy, market, individual freedom, etc. with local ones such as centralisation, collectivism, or traditional authority). In this logic then, the problem is stated in a different way: under which *common* framework could such a coexistence of particularities exist and the latter be minimised?

Indeed, in one sense Russia is right. It was the imperfect Westphalian system that made it possible for very different states to work together internally. There was a clear demarcation line, which gave birth to state sovereignty and to the still anarchic nature of modern international relations. In short, this was a system which was not essentially universalist even when based on common rules of the game.

In the current discussions framed by the Great Recession and the political crisis of democracy, inclusivity has been seen as a solution for more visible social, economic, and political gaps that neoliberal capitalism – the only truly universal force – has created in different contexts and culturally different societies. This issue is very important for the internal structure of the European Union, but also for its external relationship to the world. Inclusivity cannot exist without *de-neoliberalisation* of the EU at its core and without a new emphasis put on bold and intelligent redistributive policies on the EU and national levels, something that is still a taboo even now that the neoliberal dogma is slowly dying. There can be no inclusivity without moving away from Eurocentrism towards more 'pluriversal' intellectual and political structures of coexistence.

Furthermore, the end of the 'liberal order' (or rather 'the end of the unilateral moment'?) is followed by the idea of a multipolarity giving stronger voice to the hybridity of emerging powers such as China and India

(and, of course, Russia) along with the West (USA, EU, and NATO). Such a development is not without risks because more centres of power will increase the anarchic aspect of international relations and threaten its stability. An alternative order is needed to define new common rules which cannot be abused and misused – as the US does for own purposes and interests. In short, multipolarity must be based on common rules to be followed. But I am sceptical that common rules will mean a universalist way of life or politics within different contexts. Globalisation did not usher in sameness despite the deeper connections; this means we cannot expect democracy to function in Bangladesh the way it does in Britain, nor that human rights will be seen and defined in Malaysia as it is in Germany, that feminist values in Nepal will have same content as in Spain, that Kenya will have the same interpretation of freedom and the individual as in Greece, etc. The decline of the West's hegemony is inevitably connected to more pluriversal tolerance and to the West's decreased capacity to influence the world's internal cultural and political developments. Finally, Western, or Western-imported, violence has too often cast the West in a dubious light.

There is an alternative idea to the multipolar approach in the idea of pluralistic peace recently proposed by German authors Mathias Dembinski and Hans-Joachim Spanger.[7] It is an interesting argument based on John Rawl's political philosophy of liberalism and seeks to re-establish a relationship with hybrid Russia based on pragmatism and tolerance. In this anti-universalist argument, Russia is accepted as it is, while the West is to search for a basis of cooperation and common interests despite Russia's different political and cultural make-up. It is a model based on the idea of a status quo with an emphasis on common rules such as non-expansion and the respect of fundamental human rights beyond other internal differences. But it also openly rejects the export of Western democracy as such. Dembinski and Spanger clearly say that the key is a liberal principle of tolerance within a common space of rules. This therefore means that the role of values in international politics must be renegotiated and changed. The idea that otherness must be changed into sameness in every corner of the planet must be abandoned. That idea is not only impossible but also deeply conflictual and too often counterproductive.

Chantal Mouffe made the same argument in 2005. She proposed that the only way to prevent a 'clash of civilisations' produced by the unilateralism of the US is to 'take pluralism seriously instead of trying to impose one single model on the whole world'.[8] And, as she put it, such a new multipolarity means the search for a multipolar equilibrium while recognising the pluralist character of the world. The same goes for the European Union as one of these

poles. The EU internally consists of diverse cultures, languages, countries, and their interests, civilisational and religious influences, the political cultures under which national politics operate, and so on. Imperial/colonial efforts to achieve internal uniformity in the name of capitalist expansion is the death of Europe. As it was in the past.

NOTES

1 For example Waler D. Mignolo, *The Darker Side of Western Modernity. Global Futures, Decolonial Options*, Durham NC: Duke University Press 2011, pp. 44-52.
2 Gurminder Bhambra, 'Postcolonial Europe, or Understanding Europe in Times of the Postcolonial', in Chris Rumford (ed.), *The Sage Handbook of European Studies*, London: Sage, 2009, pp 69-86.
3 Milan Kundera, 'The Tragedy of Central Europe', *New York Review of Books*, 24 April 1984.
4 Samir Amin, *Eurocentrism*, New York: Monthly Review Press, 1989, pp. 1-11.
5 Aníbal Quijáno, 'Coloniality and Modernity/Rationality' *Cultural Studies*, 21,2-3 (2007), pp. 168-178.
6 Ivar B. Neumann, *Russia and the Idea of Europe: A Study in Identity and International Relations*, London: Routledge, 1996.
7 Matthias Dembinski and Hans-Joachim Spanger ,'Entspannung geboten Antwort auf die Kritiker des Pluralen Friedens', in *Osteuropa*, 5/2017, pp. 135-137, online <https://www.zeitschrift-osteuropa.de/hefte/2017/5/entspannung-geboten/>
8 Chantal Mouffe, *On the Political*, London-New York: Routledge, 2005, p. 115.

Confronting 'Governance' and Exit – Whither the European Union?

Maastricht as a 'Civilisation' – Historical Fragments of an Oligarchical Culture[1]

Leonardo Paggi

The crisis of the European Union is developing in a continually more unmistakable direction through the inextricable intertwining of three problems: a) Its interrupted development. The data speak clearly: between 2009 and 2014 the economy of the Eurozone fell by 1% and has not regained the 2008 levels; in the same period – without looking at China (+53.9%) – the USA grew by 7.8%, the United Kingdom by 4.5%, and Japan by 2%. b) The collapse of popular consensus: here it must be said right off that Brexit has by now urgently and inescapably reintroduced the problem of democratic legitimation that the European process has kept unresolved from its inception and which from now on will be increasingly more difficult to sweep under the rug. c) The exponential growth of xenophobic nationalism: the migration flows, a potential growth factor in so far as they offer a limitless supply of labour power with ruinous effects on the austerity regime, have everywhere stoked the feelings of insecurity of the popular strata and opened them to political adventures of all colours.

These are the results of a quarter century of European integration officially launched by the signing of the Treaty of Maastricht of 19 February 1992, which represents a major rupture but at the same time also a substantial continuity with the preceding history of the integration process. With the creation of the single currency a truly supranational power was established for the first time. The nation-states are in fact deprived of the consubstantial power to 'issue money'. At the same time, however, the treaty enshrines the definitive recognition of absolute freedom of movement for capital and entrusts the governance of the new currency to a European Central Bank that is to concern itself exclusively with price stability.

In this respect, the Treaty abandons a previous configuration, which had, up to the 1970s, always strictly tied the prospect of a single currency to the creation of a federal political power based on the existence of a

single balance of payments and a single tax system capable of mitigating, through transfers, disparities in the economic and social developments of single countries.[2] Nevertheless, Maastricht is not only an infernal device of European economies that prevents growth by blocking support for domestic demand. It is also a culture and vision of society. It is no accident that the ratification of the Treaty coincided with a profound geopolitical change in the equilibrium in which contrasting visions of the world had existed throughout the Cold War.

Without this radical mutation in the world's structure it is impossible to understand how the modifications in the political economy, although radical, could introduce a slow but relentless change in the nature of European civilisation. Indeed, a drastic change is occurring in the contents of the citizenship pact signed at the end of the Second World War, but at the same time a marginalisation of political decision-making in favour of a bureaucratic administrative power that presents itself as an executor and guarantor of market discipline; this change has been followed by a crisis of political systems that has guaranteed democracy as *alternance*, and finally also a recasting of historical memory and consciousness which obscures the deep nexus between the European project and the catastrophe of the Second World War.

Maastricht and governance

Philippe Schmitter remains fully aware of the impossibility of going beyond the framework of what he himself calls 'modest reforms' The European Union is not a state and much less a nation, and the idea and practice of democracy are unthinkable and inseparable from the historically determined framework of the nation-state exercising full sovereignty.[3] Now it is rather clearer how, with Maastricht, the issue of a deficit of democracy has faded into the much more radical issue of the disappearance of the political.

The stages of this path are readily recognisable. The nation-states foreswear the fundamental prerogative of governing their own economy in favour of an organism that is pre-emptively stripped of any political dimension of a federal sort. At the national level the, completely political, power disappears of governing domestic demand, without an analogous prerogative being reconstituted at the federal level. The ECB takes the market as the obligatory point of reference in governing the currency, arriving at a paradoxical recreation of the gold standard regime. Naturally, the new liberalism has absolutely no naturalistic vision of the market as something that is born and is reproduced spontaneously by dint of its own forces. The eighteenth-century creed of a 'self-regulated market' has given way to the consciousness that the

market is necessarily a political construction that needs to be defended and protected, but – and this is the essential point – not through a succession of discretional decisions; it is, rather, to be maintained through a system of impersonal rules.[4]

The transformation of the banking crises into crises of public budgets, as a result of the uncontrolled bailout policies without quid pro quo's that have been enacted everywhere, has led to the appearance of the figure of the debtor state programmatically exposed to what Jens Weidmann, president of the Bundesbank, likes to call, in perhaps unconscious Foucauldian language, the 'discipline of the markets'. The new supranational power, in fact, has absolutely no interest in assuming the responsibility of 'ruling'. It wants to monitor and punish violation of the rules that the states have negotiated and subscribed to in the language of private law. The distinction between state and government that is asserted at the centre of Foucault's research in the late 1970s is striking today for its impressive anticipation of the logic of European *governance* in which we are immersed. What is involved is a 'method' whose specificity is 'in bypassing the institution from behind, in bringing out what could roughly be called a technology of power'[5] through technologies and '*apparatuses*' ('*dispositifs*') as forms of power that are alternative or 'parallel' to those which arise from political representation.

A useful development of the concept of *apparatus* has been put forward, which suggests as its distinctive feature the separation between being and practice: 'the term apparatus designates that in which, and through which, a pure activity of governing is carried out without any basis in being'.[6] This means a framework of distinction and contraposition between 'living beings' and the apparatuses, the latter understood as 'a pure activity of governing that is only aimed at its own reproduction'.[7] The apparatus of governing produces 'de-subjectification', or, one might say, depoliticisation, and passivity.

These conceptual refinements are anything but irrelevant for a better understanding of the circumvention of politics and the state pursued by EU *governance*. The appreciation accorded the nation-state, which occurs through the increasing responsibility given to the European Council, is also only apparent. Precisely because of the principle of subsidiarity put forward and codified by Maastricht, the nation-state becomes the passive instrument of the realisation of a supranational order that could not be constituted and move forward by entrusting itself exclusively to the cosmopolitan dimension of globalisation but which instead has to be grounded in territories and nations.[8] The state is not a victim of global processes, as has often been naively and simplistically supposed, but is complicit in propagating them in

a way that is no less essential for being subaltern. Austerity policy and the crisis of politics are therefore advancing hand in hand, not only in terms of the punitive social contents but also in the procedures of power that place the state in parentheses, prefiguring a legality increasingly separated from any form of democratic legitimation. The EU rules that Maastricht began to establish not only conflict with the European constitutionalism that emerged from the Second World War but also internally disempower the political systems, exposing them everywhere to the shock waves of populisms of various kinds.

Maastricht and the crisis of democratic political systems

Two authors with a classical social democratic culture, Colin Crouch and Wolfgang Streeck, today maintain that Maastricht reopened a conflict between capitalism and democracy through a) the constitution of increasingly oligarchical economic powers and b) the aggravation of the system of inequalities.[9] The 1999 Blair/Schröder manifesto was an attempt to lend coherence and ideological dignity to a new political approach already widely adopted in the government practices of European socialist parties. It is a hymn to modernisation bereft of any consciousness of the cyclic character of capitalist development, that is, its structural tendency to alternate growth and crisis.

The abandonment of the role of social protection traditionally played by the left opened a phase of intense mobility in European political systems. The successes of Berlusconi and of the Lega Nord in Italy and of the Front National in France (which in the 2002 presidential elections beat the socialist candidate in the primaries) were largely determined by a shift in the working-class vote. This was the beginning of a still ongoing molecular process, which amounts to what Gramsci called an 'organic crisis'.

In his analysis, the crisis of democracy is always intertwined with forms of entropy of the political: 'at a certain point in their historical life the social groups detach from their traditional parties […]; when these crises occur the immediate situation becomes delicate and dangerous because the field is open to violent solutions, to the action of dark forces'. The crisis of the political party is all the greater the greater is the strength of the powers constituted 'relatively independently of the fluctuations of public opinion'.[10] Italian fascism arose out of a situation of this kind. But involutional tendencies of an authoritarian or Caesarist type can also appear within a continuation of parliamentarian forms of government.

This theoretical model has something to say about the processes now underway. I have primarily in mind here the turn accomplished in Italy in November 2011. It was the conclusion of the project of a reformist and liberal-

democratic refoundation of Italian politics (to become a 'normal country') that gestated in 1989. The pressure of the financial markets opened the road to a veritable state of exception as a form of government. Decisive steps of democratic processes (in the first place recourse to the ballot box) were set aside, naturally to 'save' democracy. With the nomination of an 'outside *podestà*' as Prime Minister – this was explicit way in which Mario Monti was defined in the pages of *Corriere della sera* in August of that year – two things were accomplished: a) the prerogative of the executive to determine the government's orientation vis-à-vis the economy, having already adopted the programme dictated by the ECB; this was then generalised at EU headquarters in June of the following year with the approval of the Fiscal Compact; b) the end of bipolarism and of the harsh but vital confrontation between the right and the centre-left, which had in a sense kept Italian democracy on the alert during the Berlusconi decade, and the formation of a majority of 'national unity' (the communist terminology was proposed by the then President of the Republic) that duplicated all the degenerative phenomena (*trasformismo* and corruption) already present in Italy's political system. It is the liberal-democratic principle of government *alternance* that was explicitly called into question. In the February 2013 elections, with 25% of eligible voters not going to the polls, a third of the electorate rejected *en bloc* the established political organisations, opening up a structural crisis of the political system reconstituted after 1989, with the end of the Cold War.

Identical phenomena occurred in Greece, with the insurgence of a populist formation that then rapidly transformed itself into a grand coalition managing austerity policy. And the same scenario can be expected now in Spain after two consecutive elections.

The same grand coalition in government in today's FRG exhibits, although without the populist phenomenon, partially analogous tendencies. Angela Merkel has been in power for more than ten years. The SPD was dealt a strategic defeat in the 2005 elections due to the ruinous tampering with the labour market and the social state on the part of Gerhard Schröder with the aim of giving new impetus to German exports. The German social democrats, reduced to electoral levels below 25%, and without any programmatic identity, were now the junior partner of a majority united in managing a European policy founded on balanced budgets. Precisely the violent reactions recently unleashed around the problem of immigration show how, in the context of this coalition and based on this policy, a massive rightward shift of the country's political axis has taken place, which makes it increasingly difficult to bring about any possible attenuation of austerity policy.

Austerity policy, moreover, has shown itself to also have a strongly binding effect of an ideological sort. There is sometimes talk, as regards the scolding tones of German public discourse, especially involving Europe ('they should do their homework', etc.), of echoes of a Protestant tradition. I think, however, of a completely different ancestry – specifically, in terms of the major emphasis being placed in the terrain of economic analysis on competitiveness and competition, that a Social Darwinist tradition is re-emerging, which has long ago left a nefarious mark on European history. The vision is coming back of the individual who realises what is best in himself in pitting himself against his peers, that is, once again, individualism as the survival of the fittest. There is no need to waste words on the authoritarian essence of this view of the world. Nevertheless, it is important to be aware that it is precisely this interpretation of subjectivity that has been an essential factor in affirming neoliberal mass common sense.[11]

Maastricht and Brexit

The 'civilisation' of Maastricht, however, is not without its weaknesses and contradictions. The British vote has triggered the debate that the Greek case in July 2015 was not able to stimulate. On that occasion Wolfgang Schäuble, rather, went as far provocatively as to sneer at the decision of the Greek government to hold a referendum. The day after the event, the spectre of what was possible became visible. The journal of the Italian employers' association, Confindustria, assumed the burden of an openly Jacobin position: 'Wake up, Europe!' was the continual headline for three days in *Il Sole 24 ore*. In an editorial, the director Roberto Napoletano even asked that German trade surpluses be used to finance the development of all countries.[12] It is not clear how long a position of this sort will be maintained that wants to see the Prime Minister in office seek greater visibility. The German press, in turn, immediately took up diametrically opposed positions. Even the liberal *Süddeutsche Zeitung* used decisively anti-British tones and openly delegitimised the meaning of the referendum.[13] As far as German companies operating in England are concerned, starting with the Deutsche Bank, the newspaper announced their rapid return back home.

There is an open spirit of retaliation. But it will become more difficult to ignore the importance of the popular vote, as occurred in 2005 with the French and Dutch rejection of the constitutional Treaty. Referenda analogous to the British vote are being projected in Denmark, Holland, Hungary, and Poland. Also, without accepting the catastrophic prediction of George Soros, who sees the EU condemned from now on to inevitable disintegration, it is clear that the new pronouncements in favour of exit

will make the position of those who intransigently defend the established order untenable. This is where all the importance of the British vote resides, which, in drawing attention back to the issue of necessary democratic legitimation of the process of European integration, is beginning to shift political weight towards the vast spectrum of social strata increasingly hit by austerity policy. Because this is what is at issue here, not a presumed and anachronistic 'sovereignism', absurd in terms of the inevitable process of globalisation.

Nevertheless, it is indispensable to realise that the German line can prevail only to the extent that it unites all of Europe in a vast and solid area of consensus, first of all among the entrepreneurial strata. Austerity policy certainly prevents the pie from growing, but in the prostrate posture of trade unions and political representation of the world of labour everywhere it is possible for the ruling strata to take increasingly greater portions of the pie. Profits can grow without running the political risk of a redistributional conflict that would inevitably open up in a situation of development.

In conclusion, the prospects of a political Europe, whose remaining shreds are still occasionally displayed in Sunday columns or in bombastic speeches at official commemorations,[14] can progress only to the extent that an attack on austerity policy materialises. Federalism, that is, a political power capable of re-establishing the nexus between growth and equality, far from emanating 'inevitably' from the process of economic integration managed by the markets, as functionalist theory has long maintained, can only advance to the extent that the social and political conflict is reopened.

NOTES

1 This article is based on the first chapter of Aldo Barba, Massimo d'Angelillo, Steffen Lehndorff, Leonardo Paggi, and Alessandro Somma, *Rottamare Maastricht: Questione tedesca, Brexit e crisi della democrazia in Europa*, Rome: DeriveAprodi, 2016.

2 Massimo Pivetti, 'Monetary versus Political Unification in Europe: On Maastricht as an Exercise in "Vulgar" Political Economy', *Review of Political Economy,* 10 (1998), pp. 5ff.

3 Philippe C. Schmitter, *How to Democratize the European Union – And Why Bother?*, Lanham MD: Rowman & Littlefield, 2000.

4 The distinction between the old and new liberalism is a specific theme in the theoretical research of Pierre Dardot and Christian Laval, *The New Way of the World: On Neoliberal Society*, London/New York: Verso, 2013.

5 Michel Foucault, *Security, Territory, Population – Lectures at the Collège de France 1977-1978*, New York: Picador/Palgrave Macmillan, 2009 (2007). Cited here from the Italian edition: *Sicurezza, territorio, popolazione. Corso al Collège de France (1977-1978)*, Milan: Feltrinelli, 2005, p.93.

6 Giorgio Agamben, *What Is An Apparatus? And Other Essays*, Stanford CA: Stanford University Press, 2009. (Quoted from: *Che cos'è un dispostivo?*, Rome: Nottetempo, 2005, p. 93.)

7 Agamben, p. 32.

8 In this sense the practices of EU governance appear to be perfect examples of the theory of 'de-nationalisation'. 'To study the global does not mean only to focus on that which has an explicitly global scale but also the practices and conditions that, although on a local scale, fall within global dynamics' – see Sassia Sassen, *Sociology of Globalization*, New York: W. W. Norton, 2007 (quoted from the Italian edition: *Una sociologia della globalizzazione*, Turin: Einaudi, 2008, p. 18.).

9 Colin Crouch, *Post-democracy*, Walden MA: Polity, 2004; ibid., *The Strange Non-Death of Neoliberalism*, Cambridge UK/Walden MA: Polity Press, 2011; Wolfgang Streeck, *Buying Time: The Delayed Crisis of Democratic Capitalism*, Brooklyn NY: Verso, 2014.

10 For a re-examination of Gramsci's thinking with an eye to the present crisis see Michele Prospero, *La scienza politica di Gramsci*, Rome: Edizioni Bordeaux, 2016.

11 On the complex relationship between individualism and liberalism, with analyses that examine '1968', see Ida Dominijanni, *Il Trucco. Sessualità e biopolitica nella fine di Berlusconi*, Rome: Ediesse, 2014.

12 Roberto Napolitano, 'Europa, svegliati. O lunedì o niente', Il Sole 24 Ore, 25 June 2015.

13 As an example see Stefan Braun, Daniel Brössler, and Sebastian Schoepp, 'Aufstand gegen den Brexit', *Süddeutsche Zeitung*, 27 June 2016.

14 Very typical of the tendency to combine, only verbally, austerity policy and federalist rhetoric are the articles by Giorgio Napolitano collected in: *Europa, politica, passione*, Milan: Feltrinelli, 2016. On this see Leonardo Paggi, 'La strada maestra verso lo status quo', *Il Manifesto*, 11 June 2016.

150 Years After *Capital* – The EU's Economic Reforms

Ilona Švihlíková

Introduction

Economic reforms for the EU are – once again – in the limelight. Although the prevalent view is that the current situation of the euro area is not sustainable (and certainly cannot be called socially progressive), the most charitable thing one can say of the proposed reforms is that they only improve the neoliberal capitalist core of the European Union and its Monetary Union (EMU).

Understanding these economic reforms of the EU, focused as they are on the EMU, requires an understanding of the current stage of capitalism. The EU and especially the common currency framework do not exist in isolation from the development of the socio-economic system, and the current stage of capitalism is reflected in the current form of the EMU.

In what follows I will first look at the main issues involving the EMU's functioning, with a focus on its most problematic aspects. Then I will look at the overarching capitalist framework, focusing on major systemic forces that influence the system as a whole. And, finally, I offer suggestions as to how the EU's economic problems might be dealt with and how disruptive forces might be deployed against the system. My position is a radical left one, which means that 'moderate' or social democratic views are seen as insufficient and as in the end giving in to capitalist forces.

The EMU – problematic issues

There are several problematic issues connected with the current form of the economic and monetary union. First, there is the very 'DNA' of the euro as the institutional and systemic completion of the common market.

Second, there are issues around the reaction to the debt crises in peripheral European countries. Specifically, these reactions further solidified the neoliberal, anti-progressive framework of the EMU.

We can summarise the failures as follows, the first aspect of which was present at the birth of the common currency:

- The common market, of which the euro was to be the crowning touch, is based on liberalisation of capital and trade in goods and services. The mobility of labour was more of a complement. Most importantly, through the common market the EU (the EC at the time) accepted the logic of competitiveness and of competition among the Member States. The established framework inevitably led to downward social pressure, which was later reinforced by the transformation of the post-communist countries, serving as they have as cheap-labour hubs. This competitive framework was not accompanied by corresponding social protections, which led to the rise of the new right.

- The convergence criteria are erroneous from the macroeconomic perspective. They focus on economic 'outputs' and do not take into consideration different economic structures and value-added integration into the international division of labour, etc. Their outlook is very limited, again strongly influenced by neoliberal thinking – thus the criterion of a deficit ceiling.

- The institutional weakness reflects the fact that the EMU is an imperfect currency area. A fiscal institution is largely missing, as the common EU budget is too small to allow for the exercising of the necessary functions, originally called for even by mainstream economists. To fulfill the allocation and stabilisation function the budget would have to approach 20% of the euro area's GDP; it is currently only 1% of GDP. The European Central Bank's (ECB) mandate is very limited, focusing only on inflation (unlike the US' Federal Reserve System (FED), for example). Social issues (wages and social standards) are not taken into account.

- The current EMU is not an optimum currency area. Looking at three major theories on the topic, we come to the following conclusions. From Mundell's point of view[1] the crucial aspect is the mobility of labour and capital. As the mobility of capital is usually not a problem the issue becomes labour mobility. Unlike in the US, labour mobility in the EU is comparatively limited due to linguistic and cultural differences. Kenen's view focuses on the economic structure, which proved to be one of the key factors in the debt crises.[2] Kenen's conclusion for a functioning monetary union is that the countries should have diversified economies, however similar in structure. But this condition has not been met. McKinnon's theory concentrates on the openness of the economy.[3] It holds that monetary union should function well among countries that are open to trade and trade among each other.

In this case, the euro area would be a candidate for an optimum currency area. But as the economic reality has shown, the EMU is not an optimum currency area and its deficiencies have negatively influenced not only the socio-economic performance of the euro area but the idea of European integration as such.

To sum up the first point, the framework and institutions of the EMU did not take into account the possibility of asymmetric shocks, relying only on the very unsatisfactory convergence criteria. No mechanism, no institution of fiscal transfer union were put into place to compensate for this serious flaw. Thus it was only a question of time before problems would occur. They were connected to the systemic crisis of the Great Recession.

The reaction to the debt crises reinforced the EMU's neoliberal character. Reform – even in the mildest reformist sense – is now even more difficult to achieve than it was before the crisis, as the neoliberal approaches have been solidly anchored in various treaties. In brief, the effects of the debt crisis are as follows:

- Germany has achieved absolute dominance not only in the eurozone, but in the whole EU. The power asymmetry has had profound impact on economic policy. Paradoxically, instead of a 'European Germany', which was one of the basic ideas of the European integration process, we now have a German Europe.

- Austerity policy is of German origin. As Paul Krugman put it, when it comes to macroeconomics, Germany lives in a different intellectual universe,[4] which would not be a problem if Germany had not been able to impose austerity policy on countries stricken by debt crises. At any rate, my aim is not to provide an in-depth analysis of the real roots of the debt crises in which current-account imbalances play a crucial role. The German surplus was recycled to peripheral countries (for example through debt financing). The 'rescue' of these countries was more or less the rescue of German banks. Austerity policy was not only implemented but also anchored in treaties like the Fiscal Compact. Therefore its functioning is not limited to crisis situations: on the contrary, it creates crisis situations as it forms part of 'the only correct policy'. It consists of cuts in expenditures on public services, social benefits, etc., and of tax hikes, for example, the VAT, which is a regressive tax with greater impact on the poor. The Fiscal Compact seriously limits a government's fiscal room for manoeuvre and therefore aggravates crisis situations, forcing countries to 'grow out of the crisis' through export

surpluses (export-led growth), thus following the German economic model as the only viable option.

- Austerity policy has had very negative impact on the whole euro area, not only on countries hit by the crisis. The social impact is disastrous in terms of wages, unemployment, youth unemployment in particular, precarisation of work, and the phenomena of hysteresis, which leads to a permanent loss in potential output.

- The common currency was supposed to result in convergence among EMU members. However, because of its architecture and the reactions to the crisis, the opposite occurred. In fact, the euro is a tool for divergence, exacerbating differences in the economic structures of Member States.

- The divergence is creating three 'zones': the core, made up of Germany and the satellites with a common economic structure (Netherlands, Austria), the southern periphery (Spain, part of Italy, Greece, etc.), and the eastern periphery.

We are witnessing deepening divisions between these 'zones', which are also reflected on the political level – in the loss of legitimacy of governments forced to pursue the only 'correct' – German – policy and the increase in nationalism and chauvinism, which are in fact defensive strategies and reactions to the straitjacket created by Germany. It is hard to imagine a positive future for the euro area and by extension the EU. What is therefore at stake in reform is the further viability of the EU.

Capitalism is not what it used to be[5]

Much has been written about the neoliberal turn in the 1980s connected with globalisation. Some key issues with the EU and the EMU's architecture have been mentioned above – the limited room for fiscal policy, the lack of attention given to social rights, etc. In terms of the EU as a whole, the transformation of the post-communist countries is also an important factor. The EU was not the main actor in the economic transformation; in fact, it played a rather limited role. The transformation process was more or less governed by the Washington Consensus. One possible explanation is that the EU itself was in the course of completing its neoliberal turn. Despite expectations, no sort of 'Marshall Plan' ever emerged, probably because the threat of the alternative system had vanished.

The post-communist countries thus passed through the transformation process in a neoliberal direction. They re-integrated into the world and the European economy on the basis of cheap currency, cheap labour, and vicinity to Western markets. After more than two decades we see the consequences:

the creation of the second periphery in the EU, countries with cheap labour and trade unions with limited power. From some countries, for instance Poland, many emigrated abroad in search of better wages, which however then put pressure on wages in the Western countries. Chauvinism, with the image of the 'Polish plumber' ready to take away your job, is more alive than ever. This is one of the consequences of the neoliberal transformation that backfired on the core countries of the EU.

Capitalism, like every socio-economic system, is going through different stages of development. Globalisation (the neoliberal phase of capitalism) is the latest of them. However, after the Great Recession we are still seeing a chaotic situation, both on the level of practical economy, and (happily) also on the academic level in terms of economics. What are the main features of the current stage of capitalism?

- Financialisation, which in itself does not create any new value but, on the other hand, 'draws' resources away from the real economy. We can roughly define it as an increase in the importance of the financial sector for GDP and the increased use of financial instruments.
- The importance of debt as an economic stimulant is decreasing. Just as obviously, the debt is not repayable (and was never intended to be repaid, unless used as a political weapon against countries like Greece).
- Rent-seeking is perhaps the most important feature of the current stage of capitalism. Strong rent-seeking suggests not only the situation of 'state capture' but, from the socio-economic point of view, also the less important role played by profit.

It is now 150 years since the appearance of Marx's *Capital*, which was the breakthrough text that shed light on the mechanism of capital at the core of the system. The problem for today's capitalism – whose internal and external forces created the above-mentioned features – is its loss of legitimacy. Instead of expanding private capital valorisation, which could be perceived as legitimate (although not necessarily socially fair), we are witnessing a system that is losing its legitimacy. However, even if illegitimate a system can function – at least for a while.

There are nevertheless obvious signs that the system cannot reproduce itself. High inequality and reduced social mobility are the most explicit of these. Capitalism's self-destructive forces were partly cushioned in the 1950s and 60s because of the 'pact' between capital and labour, which was, among other factors, enabled by the spread of labour-creating technologies.

High inequality has made many conscious of the control exerted by

the 1%. This and the rent-seeking that is substituting for entrepreneurial activities connected with profit are signs that instead of symbiosis in the social economy we are in a situation of parasitic dominance. Capitalism is losing its legitimacy for two principal reasons: its non-functioning (with rent replacing profit as the main surplus) and – a more positive development – the alternative features (for example, the sharing economy) that are disruptive of the system.

These are alternative elements in the system that have bases other than capitalism. Although they exist *within* the capitalist system here we could reasonably expect to see the well-known historical process of quantity turning into quality. There are many signs pointing to the importance of the public sphere for full-capacity usage, with subsidies and contributions for the development of social enterprise as examples.

We see the principle of sharing, for example of knowledge and skills, made possible by modern technology, together with autonomous activities (LeT systems, cooperatives, participatory companies). Although these are minority phenomena there is a high probability of their spreading.

As we have said, the EU is part of the capitalist system and reflects its problems and contradictions. Solutions therefore have to take this, and the competing dynamics, into account: on the one hand, the parasitic features represented by rent-seeking and, on the other, the expansion of the sharing principle in various forms.

Economic reforms of the EU

On the left, we basically see, on the one hand, reformist approaches that essentially envisage the system as remaining capitalist but with some alterations, regulations, redistribution, etc. and, on the other, the radical approach, which hopes EU reform can be used for a gradual change of the system as such. The two approaches do not necessarily contradict each other and may be complementary.

The reformist, or social democratic approach, assumes the ongoing existence of the capitalist system but sees it as needing 'correction' – for its own sake.

The reformist approach may include the following:

- Reinforcing the EU's social pillar. This could mean strengthening collective bargaining, establishing a common minimum wage mechanism, by enhanced job creation through the public sector, etc.
- To make this policy work, austerity policy, which is its antithesis, must be abandoned – not just temporarily for the sake of cyclic development but

permanently removed from all EU documents – Fiscal Compact, Growth and Stability Pact, etc. States must regain their space for manoeuvre in carrying out fiscal policy.

- The fiscal room for manoeuvre cannot remain purely fictional. This means first of all an end to the 'race to the bottom' among the Member States. Tax competition must come to an end. We cannot expect the EU to combat tax havens (like the Virgin Islands or the Cayman Islands) while having Member States that are practically tax havens themselves: Ireland, Luxembourg (which the current EC president, Jean-Claude Juncker, worked to keep that way), Cyprus, Netherlands, etc. Corporate taxation needs to be harmonised within certain parameters. Of course, countries that base their competitive advantage on low taxation (mostly post-communist countries) may be given special transitional treatment. There needs to be common measures against tax evasion (not only in corporate taxation through tax competition plus transfer pricing but also major evasion in VAT through so-called carousel fraud).

- Implementation of the Financial Transaction Tax (FTT), which has been discussed in the EU, though with no result, would be a further progressive step. The special tax would help to decrease the advantage capital has over labour and also create additional financial resources that could be used for public job creation, infrastructure projects, environmental projects, etc.

- A stronger common EU budget would be a logical consequence of the previous measures. As said above, it can have a stabilising role, for example for countries that would be hit by an asymmetrical shock. Not only the fiscal space given to the shock-stricken countries but also the common EU budget could be used to improve the situation.

- Further reforms should tackle the question of the ECB. Its current mandate is very narrow, and there are serious flaws in the institution's legitimacy. The first step could be to broaden the mandate, for example along the lines of the US' Fed. In addition, the ECB should become a 'lender of last resort'.

- The EU should not support, or become involved in, trade and investment contracts that effectively enforce a race to the bottom, include provisions that could weaken environmental and social standards, or even include the Investor-State Dispute Settlement Clause (ISDS).

- The EU should establish a list of public goods that are not to be privatised and must be kept as commons (in the form of state ownership, cooperatives, etc.); these should include water and water infrastructure, at least the basic education systems, pension system schemes, and healthcare institutions.

Although these reforms may seem radical – certainly from the point of

view of the current establishment – they do not necessarily presume the transition to a different socio-economic system, although many of them can be used for transition.

What would the radical approach include?

It is in fact much simpler and includes two basic, though not necessarily simple, tasks:

- Since the economic situation is a question of power an analysis through the lens of political economy is crucial. The most important task of the radical left is to deprive the 1% of its power. I do not believe that the task of the radical left is to establish an artificial bureaucratic system of the kind that existed in my home country Czechoslovakia and in other East Bloc countries. Such a system would, I believe, be doomed to failure. The new system has to grow organically from the weaknesses and contradictions of the old, naturally incorporating new structures and mechanisms that are closely connected with the latest technological development.

The power of the 1% is anchored in rent-seeking, which even for capitalist standards represents a parasitic mechanism and de facto reflects the deep crisis of capitalism. Rent-seeking is connected with privilege. The radical left therefore needs to analyse and attack this privilege, something I personally doubt can be accomplished through elections alone.

- The second task is to create, support, and spread alternative 'structures and mechanisms' whose logic is not capitalist. These include a broad spectre of commons, cooperatives, participatory processes (participatory budgeting, employee participation), but also sharing features – for example platforms like Wikipedia. Radical approaches should not block the development of new technologies, which would be regressive. They should prevent the concentration of technologies in the hands of 1% and their abuse.

The reform of the EU is important within the current state of affairs because the possibility of EU break-up, or rather its 'emptying out', is quite high and has in fact already begun. Both the reformist and the radical approaches require an actor. In view of the current decline of social democratic parties the radical left is in a unique position to stake out a dominant position within the left.

NOTES

1 Robert A. Mundell, 'A Theory of Optimum Currency Areas', *The American Economic Review* November 1961.

2 Peter Kenen, 'The Theory of Optimum Currency Areas: An Eclectic View', in Robert Mundell and Alexander Swoboda (eds), *Monetary Problems of the International Economy*, Chicago: University of Chicago Press, 1969, pp.41-60.

3 Ronald McKinnon. 'Monetary and Exchange Rate Policies for International Financial Stability: A Proposal', *The Journal of Economic Perspectives* 2,1 (1988), 83–103. For more arguments see Richard Baldwin and Charles Wyplosz, *The Economics of European Integration,* London: McGraw Hill-Education, 2009.

4 Paul Krugman, 'Germany's Drag', New York Times, 26 August 2016, at <https://krugman.blogs.nytimes.com/2016/08/26/germanys-drag/>.

5 This section is freely based on: Ilona Švihlíková and Miroslav Tejkl, *Kapitalismus, socialismus a budoucnost*, Prague: Rybka Publishing, 2017.

Endless Recovery?

Joachim Bischoff

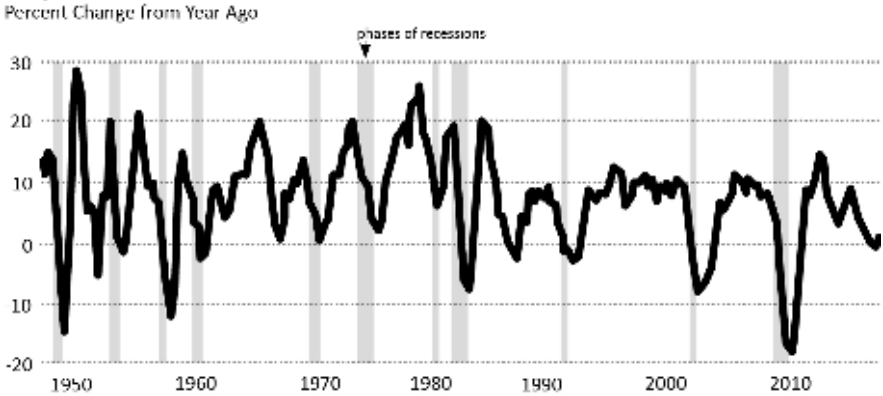
The growth rate of global GDP has increased markedly in the second half of 2016. The main contributors to this are the capitalist core countries, and the most important factors for the accelerated recovery are that:

- The US has not put into effect its frequently announced comprehensive protectionist measures.
- The UK's exit negotiations have up to now not triggered any stronger economic collapse.
- The Chinese government has been able to stabilise the real estate markets and the financial sector, to preliminarily brake capital flight, and continue China's high growth.
- Finally, pro-European parties have prevailed in the national elections of EMU Member States.

At the same time, it is possible that the recovery cycle in the US has already peaked. Donald Trump's election, the announcement of a large infrastructure programme, and the prospect of tax cuts have clearly prolonged the present business or economic cycle – but the cyclic character of economic development cannot be suspended.

Graph 1: Private Nonresidential Fixed Investment

Percent Change from Year Ago

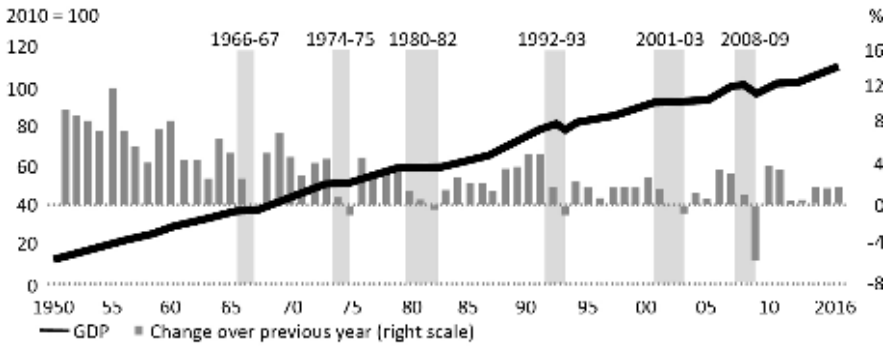


Mainstream economists have identified the starting and ending points of the various business cycles and their phases. For the US this occurs through the quasi-official cycle dating done by the National Bureau of Economic Research (NBER).

Is the US economy approaching the peak of the current economic cycle? The symptoms – stagnating corporate profits, volatile stock markets, the collapsing credit volume of banks, falling bond yields, and rising corporate debt – are signals that a weakening trend is beginning in the US. Nevertheless, the incipient slowdown in 2015 only triggered a dip in investments. The higher growth rate beginning in fall 2016 is not convincing as a return to normality.

In its 2017-2018 annual report,[1] the German Council of Economic Experts has published a chronology of Germany's business cycles, as it has done ever since 1950. Its method is oriented to the practice of the NBER.[2]

Graph 2: Phases of recessions since 1950



Sources: Deutsche Bundesbank, German Council of Economic Experts

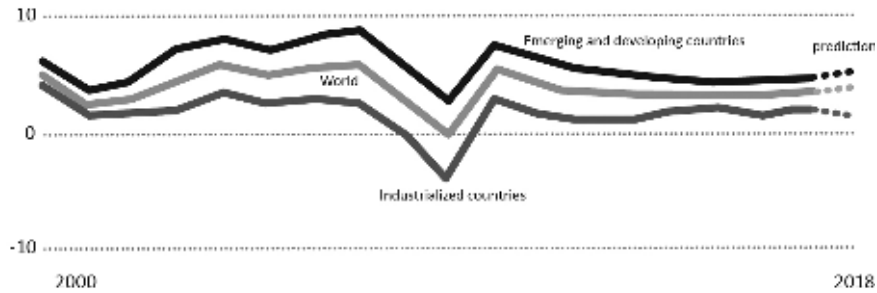
The length of the upswing that began in 2010 is striking – both in the US and Germany. The Council of Experts does not categorise the economic downturn at the end of 2012 and beginning of 2013 – based on the cycle in the US and therefore the global economy – as a recession but as a temporary interruption of the recovery.

Long upswing

Since the 2008 financial crisis the central banks have pumped billions of US dollars into the economies of the developed countries. In fall 2017 the world economy actually no longer needs an artificial respiration machine. Although the economies of the core capitalist countries have grown in the end, they have lost the ability to react to the next downturn, which will inevitably come.

Global growth has accelerated since the beginning of 2016 and reached an astounding 3.4% in the first half of 2017. In so doing it has surpassed long-term expectations by almost a complete percentage point. The labour markets are doing better, private consumption is robust, and corporate investments are on the rise. Many economists are concluding that we are now in a recovery phase, that, moreover, growth appears to be decoupled from cyclical movements. The world economy has needed almost eight years of recovery before capital accumulation could return to its familiar channels; eight years of great insecurity and continuous fear that growth could tip over into the wrong direction; and eight years in which the world economy was on drip-feed and supported by massive monetary stimulus packages that were put together by the large central banks after the financial crisis and the European debt crisis. The world economy is to grow in real terms by 3.6% in 2017 and 3.7% in 2018. In contrast to the lean years 2015 and 2016, which showed slightly more than 3% growth, this is a hefty acceleration.

Graph 3: The global upswing is gaining some momentum
Change in real GDP in %



Source: IMF

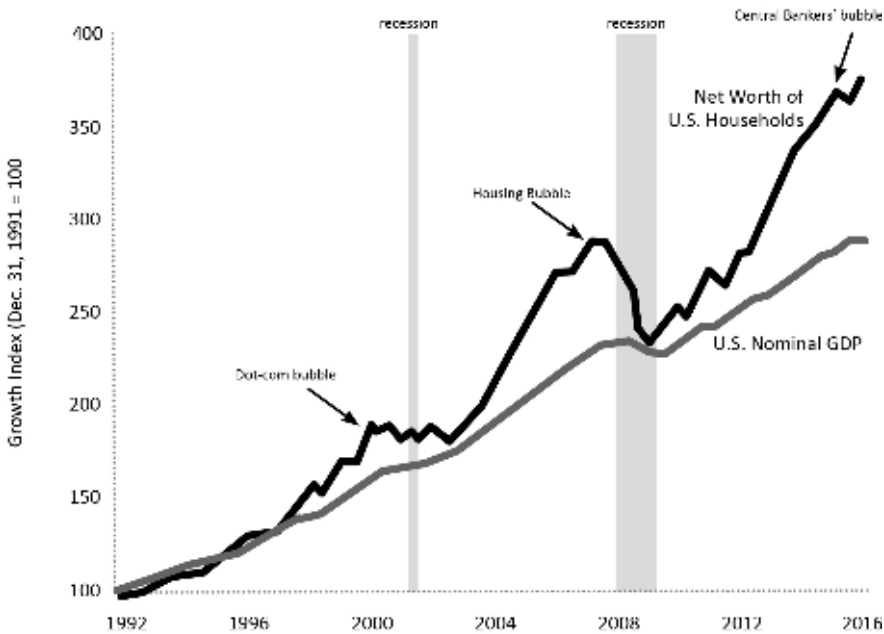
The serious financial and economic crisis was first of all a challenge for the political establishment of the national states because the very comprehensive bailout packages for banks and for stabilising the economies caused enormous budget deficits and growing national debt. The dramatic rise of state debt since 2009 was not the cause but the result of the economic and financial crisis. It was to a lesser extent caused by Keynesian, in other words deficit-financed, stimulus programmes. Government measures to bail out banks played, by far, the greatest role in increasing the level of state debt.

After the perils of the collapse were survived, there was scant fiscal room left for business stimulus packages, tax cuts, or infrastructure investments. Therefore the central banks took over the task of assisting economic speedup. They lowered prime lending rates in order to make cheap money available

and encourage consumers to take out more credit, and so kick-start the economy. Although this was a classic monetary-policy manoeuvre the effect remained minimal. As a consequence, some of the world's largest money-issuing banks entered new territory and launched the biggest monetary-policy experiment in history: Along with an extreme low-interest-rate policy the banks of issue resorted to massive purchases of securities. With 'Quantitative Easing' (QE) growth was to be stoked and deflationary downward price spirals combated.

However, the deployed monetary policy of QE also had negative consequences along with its stabilising effect. With their interventions the leading central banks have transformed the traditional business and financial cycles of past years into a dangerous 'asset price cycle'. In view of the unbelievably long low interest-rate phase today and the resultant booming bond, stock, and real-estate markets, the world economy ought to have entered an equally strong upswing – but this is not what has happened. According to the Bank for International Settlements,[3] the extent of the assets held by banks of issue in the last nine years in the most important highly developed national economies (the US, the Eurozone, and Japan) has grown altogether by 8.3 billion US dollars – from 4.6 billion US dollars in 2008 to 12.9 billion US dollars at the beginning of 2017.

Graph 4: Asset Prices vs. GDP



Source: Bloomberg LP and TCW

Yet these massively expanded balance sheets have not accomplished much. In the same nine-year period nominal GDP rose in these countries precisely by 2.1 billion US dollars. This involves an injection of 6.2 billion US dollars of surplus liquidity – the difference between the increase of the central banks' assets and nominal GDP – that was not absorbed by the real economy but instead is sloshing around the global financial markets and is leading to a distortion of asset prices across the whole spectrum of risks.

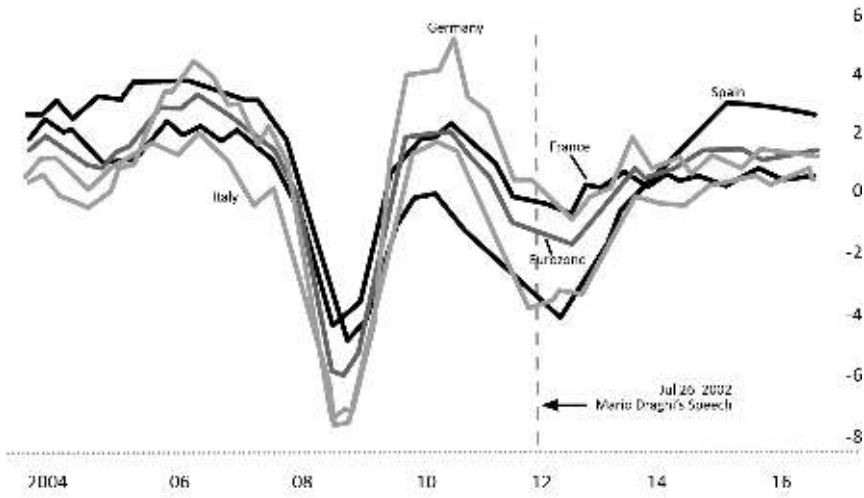
Social demand today continues to be financed by an excess of loans and debt instruments. Between 1950 and 2007 the private debt of the developed national economies grew from 50% to 170% of GDP. Since 2008 private debt has been shifted to the public sector, in which high budget deficits represent both an inevitable consequence of the recession after the crisis and an essential precondition for maintaining appropriate levels of demand. Total public and private worldwide debt reached a record high in March 2017 of 220% of global GDP. In 2007 it was only 180%. As a result, interest rates could not return to pre-crisis levels without risking recessive effects. The recovery of the global economy this year reflects neither a return to pre-crisis normality nor the success of monetary policy.

The stimulation of asset prices (real estate, securities) has solidified social inequality in the core capitalist countries. In their annual meeting, the International Monetary Fund's (IMF) economists criticised the growing inequality in many countries and put forward the theory that this is inhibiting economic growth. The IMF considers higher taxes on the wealthier citizens of the industrialised countries acceptable because, it claims, it would counteract inequality and not harm growth. It sees inequality as harming social cohesion and fostering political polarisation – with the dangerous consequence that growth would, it maintains, no longer be sustainable. If large sections of the population do not come to enjoy the fruits of economic growth and at the same time if they see their jobs and incomes threatened by import competition and technical transformation they will support a politics of isolation that will raise barriers to immigration and imports.

Europe

European countries in particular found it difficult to go beyond the pre-crisis level of social added value. For the Eurozone there was an accelerated growth rate in 2017 as well; the economy of the nineteen euro countries has grown by 2.1%. This is almost a half percentage point more than the IMF economists had still been predicting in spring. The prognoses have been revised upward for Austria, Italy, Spain, and Germany. On the other hand, things look less good for Great Britain, which can achieve an economic growth of 1.7% in 2017 and 1.5% in 2018.

Graph 5: The recovery was slow, but it is real
Annual change in real GDP (%)



Source: Fidelity International; Haver

The US

Since mid-2009, when the recession triggered by the financial crisis came to an end, the US has found itself on a growth trajectory. This makes it the third-longest recovery phase in US history. But the average annual expansion was only slightly above 2%, which is lower compared to historical growth figures. In the estimation of the US' central bank there will be little change in this percentage in the near future. Thus the median projections of the Fed for 2017 were 2.2%, 2.1% for 2018, and 1.9% for 2019. It appears that the figure will continue to oscillate around the 2% mark.

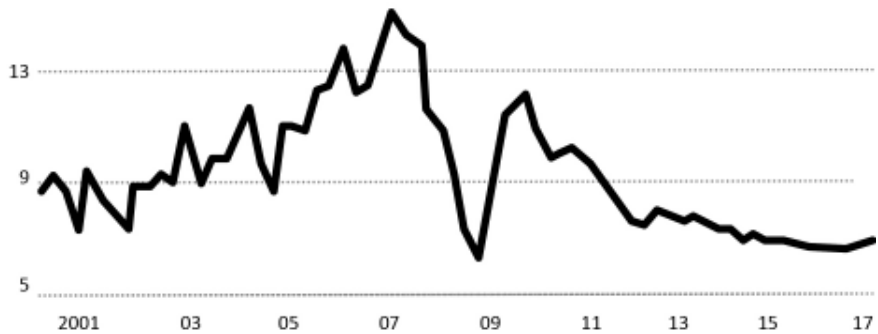
In the US, Japan, and other developed national economies, the mostly light recovery is being caused by the rise in total demand – conditioned by the ongoing relaxed monetary and fiscal policy – as well as by the growing confidence of corporations and consumers. All together the picture of the US upswing – moderate growth with a slightly inflationary impetus – has changed little. Significant and sustained rises in growth are not expected.

China[4]

For now, the world's second largest economy has stable growth. The OECD has assessed Chinese growth for 2017 at 6.8% and for 2018 at 6.6%. China's central bank is assuming that the economy of the People's Republic will have grown at 7% in the second half of 2017. Its director Zhou Xiaochuan has announced that progress has been made in the reconstruction of the world's second biggest national economy, that imports and exports have

risen sharply, and that at the same time the current-account surplus has decreased. The People's Republic has set out to achieve top status in seminal technologies in the next years. At the same time their export dependency is to be decreased and domestic consumption boosted. Zhou emphasised that a forward-looking budget and monetary policy should tackle the Chinese economy's weak points. In this connection he pointed to the risks in the so-called shadow-banking sector and the real-estate market. The People's Republic's growing debt is seen as a serious potential danger, and consequently the rating agency S&P has recently lowered their rating for China.

Graph 6: China's growth is slowing down
Change compared to previous year's quarter in %



The growth dynamic will abate because the government wants to reduce the high debt level especially of state enterprises. Finally, the OECD has warned of the increasing debt of Chinese enterprises and said that unbridled lending represents a serious danger to China's economy.

China's government is facing the urgent task of reconstructing the economy away from giant investments in infrastructure and towards more growth in the service sector. Therefore the government is – to some extent – putting up with weaker growth.

In view of a very high savings rate and its emergence as an international creditor China is seen as stable in terms of its financial situation. Due to its low level of state debt, most experts assume that China will have no problem in handling unexpected loan defaults and the attendant financial burdens.

Measured by its production capacity, China today has the world's largest processing industry and has become the world's largest exporter of high-tech goods. In 2014 China had more than 3,840 billion US dollars in foreign exchange reserves and held 1,270 billion US-dollars in US government bonds. In the same year China imported goods at a value of about 1,960 billion US dollars and was thus, after the US, the world's second largest

import market. China today is an important factor in the world economy.

A reform of current fundamental concepts of economic management is increasingly being seen as necessary – away from extensive growth towards intensive growth, away from a strong export orientation towards more domestic consumption, away from the 'world's extended workbench', with its low-cost and low-priced products, towards more efficiency, technological leadership with its own innovative capacities, high-quality products, and more services.

The capacity for reform has become central to the Chinese leadership, and this also involves the political system.

End of the upswing?

After a long recovery the world economy is trending upward. For the first time in years all capitalist core countries and their most important trading partners are registering economic growth and rising rates of employment. No country is in danger of recession.

And yet there are sceptical voices. Some economists fear that the tempo of recovery is insufficient to secure the upswing in the middle term. The IMF views the financial markets' exaggerations critically.

The economist Barry Eichengreen[5] sums it up as follows: 'The central banks have done what they had to do to stabilise the economy and fuel inflation. As in all medical treatments there are side effects. But just because there are excesses in the financial markets the banks of issue ought not to lose sight of their core task, which is simply to look after price stability'.

Nouriel Roubini[6] can imagine three possible scenarios for the world economy in approximately the next three years. In the bull scenario, the world's four biggest economies – China, the Eurozone, Japan, and the US – carry out structural reforms to increase potential growth and mitigate financial vulnerabilities. These sorts of efforts would guarantee that the cyclic upswing is tied to strong potential and actual growth and so provide for robust GDP growth, a low but moderately rising inflation, and relative financial stability for many years to come. The stock markets in the US and worldwide would reach new high levels based on the stronger macroeconomic frame.

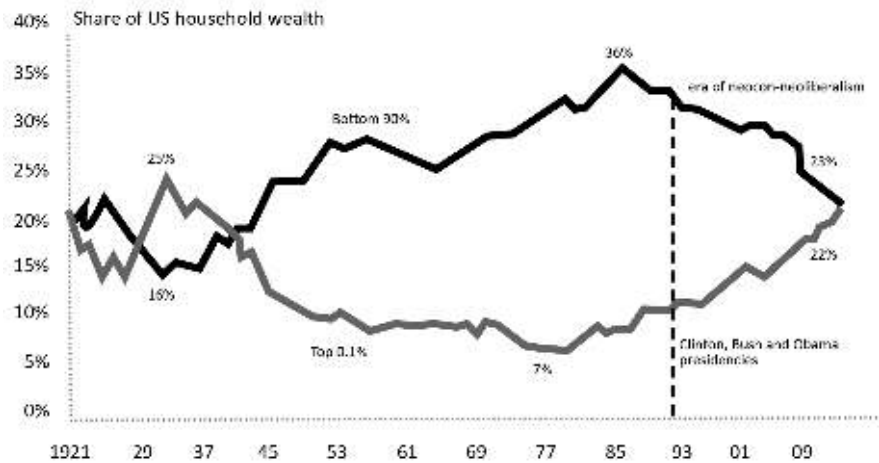
In the bear scenario the opposite happens: The world's biggest economies do not carry out structural reforms to increase potential growth. In this scenario the lack of reforms in the important national economies results in a low trend growth inhibiting the cyclic upswing. If potential growth remains low, a loose monetary and credit policy could lead to price increases for products and/or asset prices and at some point precipitate a cyclic slowdown – and possibly a full-blown recession and financial crisis if asset price bubbles

burst or inflation accelerates.

It is especially the Trump Administration which could play a decisive role in this negative scenario. With the implementation of a policy of tax cuts overwhelmingly benefitting the rich, the continuation of trade protectionism, and increasing limits on immigration the upward trend could be choked. Extreme tax-policy economic stimuli – such as Trump is seeking – cause steeply rising budget deficits and debts, which lead to higher interest rates and a stronger US dollar, which in turn dampens further growth.

The third and most likely scenario lies somewhere between the other two. The cyclical upturn, both in growth and in the stock markets, continues here for a while due to the remaining tailwind. However, while the important national economies would pursue some structural reforms to increase potential growth, the tempo of the transformation is much less and its extent much more modest than would be required for maximising growth potential.

Graph 7: Distribution of wealth in the US since 1917



Source: BofA Merrill Lynch Global Investment Strategy, Emmanuel Saez & Gabriel Zucman, 2015

Greater economic growth – President Donald Trump's election campaign promise

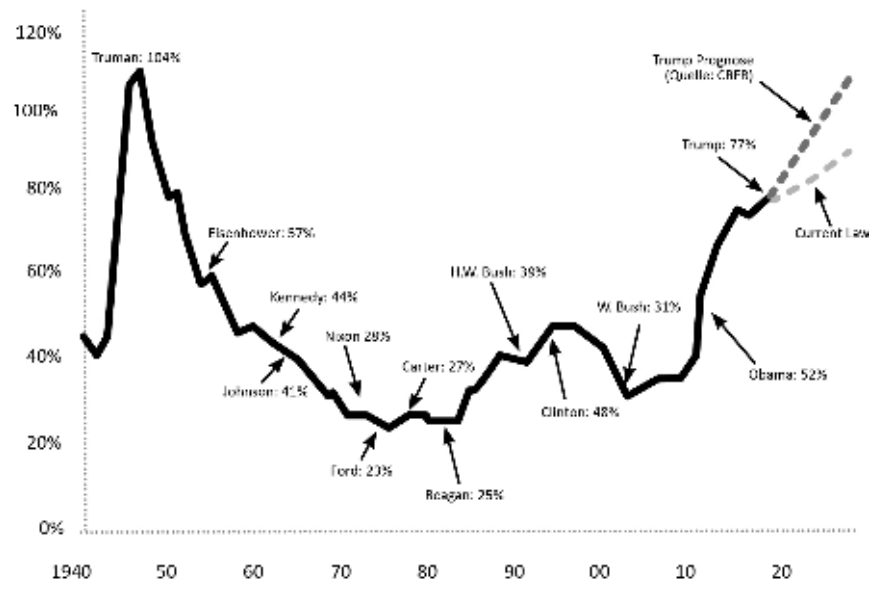
Nothing of what many citizens had expected of the US' new administration has so far been delivered by President Donald Trump: no infrastructure programme, no tax reform to ease the burden on lower- and middle-income households – and no measures to boost the economy. After the Republicans had to grudgingly concede defeat in the attempt to abolish Obamacare, they turned their full attention to the issue of tax cuts.

In actuality, the pressure for accelerated economic growth is considerable. Only at first glance is the US economy running smoothly. For years the US has been recording growth higher than, for example, Europe and Japan – and nearly full employment. But on closer inspection the situation is different. Prosperity continues to be unequally distributed. Since 2000 real income has diminished for more than half of US residents. The low unemployment is also deceptive. The reality is that many US citizens have given up hope and left the labour market.

While President Trump plans tax breaks for the wealthy and corporations, even the IMF is making different proposals. In its view, it is above all lower and middle incomes that need relief. In addition, the Fund would like to see further steps to strengthen the lower income strata. A uniform and higher minimum wage is also among the proposals, which include easier access to the educational system and better social security. All of this, the IMF is convinced, would not only reduce inequality but also raise productivity. Instead, in its budget plan, the US government is providing for major cutbacks affecting the lower- and middle-income groups.

In recent years it has become increasingly difficult to deny that the incomes of most US citizens are stagnating and that at the same time the elites are better off than ever before. In the last generation, employees' wages have sunk, most drastically those of white workers, precisely those who – if they have any education at all – have completed secondary school education. For

Graph 9: Debt-to-GDP for New Presidents (OMB, Debt Held By Public, FY End)



Source: Twitter/Holger Zschaepitz @Schuldensuenner

this group Trump's slogan 'Make America Great Again!' really has meaning. But the pathologies they have to suffer go much deeper and are reflected in the data on criminality, drug abuse, and the number of single parents.

What Trump and the Republicans are offering in reaction to the challenges of sluggish growth is a tax concept whose advantages will overwhelmingly not benefit the middle strata but the US' millionaires. The problem of inequality will be significantly worsened by the tax reform.

While as a candidate Trump criticised the indebtedness of the US, he is now proposing tax cuts that would increase debts to several trillion US-dollars over the course of the next ten years – and not 'just' 1.5 billion US dollars due to a supposed growth miracle that is to result in more tax revenues. It is the promise to 'drain the swamp' in Washington that got Trump elected. Instead it has become bigger and deeper. With the proposed reform he is now threatening to devour the US national economy.

President Trump's stated aim is to raise the US' growth level to over 3%. This is to occur with tax reforms, deregulation, and through trade agreements. There is great doubt that this skittishly acting administration can get growth-promoting reforms off the ground with a solid congressional majority. As for now, at any rate, little points to a leap in the growth rate. In view of Trump's erratic course one ought to be content simply to hold on somehow to the 2% level.

The former head of the US bank of issue, the Fed, Ben Bernanke, has great doubts about the 3% economic growth targeted by the US administration.[7] 'It is definitely possible that it can be sustainable but not very probable', Bernanke said. In the short term tax cuts could indeed ensure stronger growth because demand and consumer enthusiasm would increase. But there would 'probably not' be long-term growth. Steven Mnuchin, on the other hand, reinforces the government's assessment that tax cuts and less regulation of the country's economy would boost growth to 3% or more.[8] On the White House's internet site the talk is even of 4%.

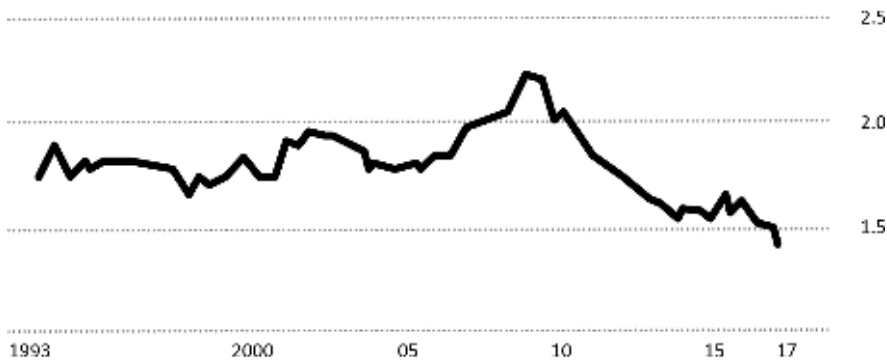
Investment gap since the great crisis

What is decisive for a sustainable course of capital accumulation are investments in private capitalist and public capital stock. Trump announced billions to be invested in the national economy, to build and modernise streets, bridges, airports, and harbours. In actual fact, expenditures for public infrastructure have dropped to their deepest level.

The American Society of Civil Engineers estimates that the recreation of US infrastructure on an acceptable level would cost ca. 4.6 trillion US dollars between 2016 and 2025. That is 2.1 billion US dollars more than

was previously thought. The development of new financing sources for infrastructure investments is therefore decisive for the future of US capitalism.

Graph 10: Unreconstructed
United States, public construction spending, as % of GDP

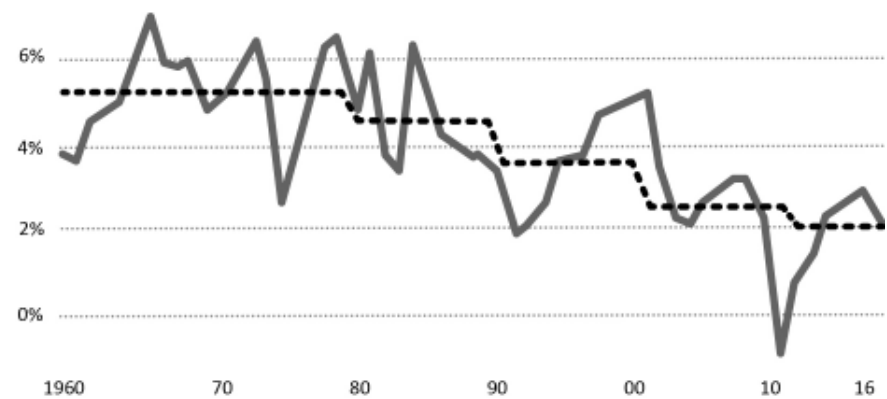


Source: Economist.com, US Census Bureau

Most economists agree that improvements in infrastructure not only create jobs in the building sector and other related industries in the short term but that they also increase overall economic efficiency in the long term. Less traffic jams, shorter commuting and delivery times, smooth and low-cost energy supply, stable and powerful data networks, etc. are economic factors.

Trump's plan for infrastructure investments of a trillion US dollars over five years has met with considerable resistance in Congress. It is possible that there will be partnerships between the private and public sectors – with tax

Graph 11: Development of private net investment in the USA
1960-2016, as % of GDP



Source: FRED (Federal Reserve Bank)

benefits for private firms. This kind of approach can hardly be expected to spur the economy.

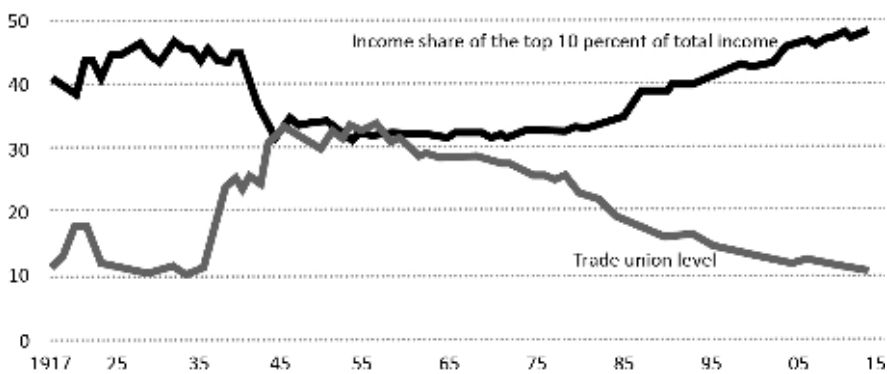
But the private capitalist sector's investments are also weakening slightly. Many corporations are swimming in liquidity. In view of the further sharpening of unequal distribution and the excessive volume of credit the expectations of profitability from increased investments are too low. In the meanwhile, debt has reached a level at which a return to a normal interest-rate cycle is impossible because it would have severe consequences for the economies and the political relations of force.

The economic-policy lesson then is: Since, in economic development, the whole population is not uniformly involved in the distribution of increases in income it will be increasingly hard to guarantee a sufficient investment development and extension (including modernisation) of the social capital stock.

The need to create 'inclusive economic growth' is on the agenda of the US and the other core capitalist countries. In the latter the tendency to increasingly unequal distribution of wages is a decisive impediment to growth. A background to this partial devalorisation of wage labour is the chronic weakening of the trade unions' influence. This lag in wage income and with it the undermining of the value of labour power is a long-term tendency.

Graph 12: That's why unions are important

Trade union level and income share of the top ten percent of US society (in percent)



Source: Economic Policy Institute 2017

The weakening of the trade unions is an important factor in growing inequality:

> In recent years international organisations have increasingly pointed to the connection between the weakening of collective bargaining agreements

and the downward tendency of wages, which has further intensified in many countries as a result of the financial and economic crisis. On this basis, a connection is seen to increased income inequality in large areas of the OECD Member States, which, in the current economic debate, is increasingly discussed as a stumbling block to the development of the overall economy, while in the previous two decades inequality was mostly considered more of an incentive to growth and as a necessary by-product of 'employment-friendly' wage trends.[9]

In the last two years in the US there is something approaching full employment, although wages are lagging. Although the unemployment rate has sharply fallen in the last ten years wage increases have been mild. The worldwide ebb in the wage accounts of private households is attached to changes on the side of wage labour: The percentage of total employment represented by forced part-time jobs and temporary employment has clearly risen almost everywhere. There is an unambiguous connection between involuntary part-time employment, precarious work, the continued decline of binding collective bargaining agreements, and a continuously falling wage growth.

Graph 13: Wages have been rising again for two years
Employment costs and hourly wages, increase

Source: Datastream

The value of labour power can no longer be ensured by trade unions throughout the whole domain of wage labour. Adequate minimum wages and an extension of the collective bargaining agreements made possible by trade unions are essential to an about-turn towards greater wage justice, but this needs to be accompanied by a series of improvements in social transfers.

Inclusive economic growth is a condition for a comprehensive investment and innovation offensive in the public and social infrastructure.

NOTES

1 Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung, *Für eine zukunftsorientierte Wirtschaftspolitik, Jahresgutachtung 2017/2018*, at <https://www.sachverstaendigenrat-wirtschaft.de/presse-jahresgutachten-2017-18.html>.
2 NBER, Business Cycle Dating Committee, September 2012.
3 Bank for International Settlements (BIS), 'Monetary policy: inching towards normalization', in: *87th Annual Report – 1 April 2016–31 March 2017*, 25 June 2017.
4 See Joachim Bischoff, 'Xi Jinping, die KP und der Umbau Chinas', *Sozialismus* 12/2017.
5 'US-Starökonom: "Die Deutschen brauchen keine Angst zu haben". Trotz wachsender Wirtschaft müsse die EZB ihre ultralockere Geldpolitik fortsetzen, sagt Barry Eichengreen', Interview in *Der Standard*, 18 October 2017.
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7 'Ben Bernanke explains what Donald Trump gets wrong on the economy. In an extended interview, the former Fed chair talks tax cuts, infrastructure needs, and why coal jobs won't come back', Updated by Jim Tankersley, 6 June 2017, at <vox.eu>.
8 Gillian B. White, 'Steven Mnuchin's Defense of Trump's Tax Plan', *Atlantic Monthly*, 28 September 2017.
9 Bundesregierung [German Federal Government], *Lebenslagen in Deutschland – Fünfter Armuts- und Reichtumsbericht* [Living Conditions in Germany – Fifth Poverty and Wealth Report], April 2017, p. 69.

The European Union – History, Tragedy, and Farce

Marisa Matias and José Gusmão

There is an apparent moment of peace in the European Union. A moderate economic recovery is being made the basis for a number of quite optimistic declarations and initiatives regarding the future of Europe. In some peripheral regions, such as our own, the reversal of certain austerity measures has lent credibility to the idea that alternative policies can be implemented in Europe. Everybody has forgotten about Greece, the Greek ultimatum, and the current situation and its causes.

In this scenario, the left can either take the optimistic path and hope for the best or it can pause and reflect on all the structural problems that have been identified since the beginning of the EU and on the solutions that were put forward in these past few years. Can we realistically hope for a Union in which left-wing policies can be implemented? Is there room for full democracy and citizen's choice in the European Union, or are we simply trying to make the best of an ultimately unsalvageable project?

The answer to these questions, of course, constitutes the main strategic issue for the European left. Whatever our answer, our position on the European question will shape most of our national and international struggles and our ability to provide mobilising alternatives to the political centre, other than the ones provided by the far-right. Facing this issue is an unavoidable responsibility

History: Europe's founding myth

The main European delusion is the idea that the European Union's sorry state is due to the subversion of the generous and solidary intentions of its founding fathers. If we discard the propaganda about the European Social Model, which was never actually converted into real European law or policies, it becomes clear that the EU was never intended as a Union based on economic and social solidarity. In fact, it was never intended to be a

Union in any way, shape, or form.

Since the very beginning, the European Union was all about free trade. The 'single market' is an original way of saying free trade, with decreasing room for public policy and with a playing field designed for the most competitive economies on the continent. The EU's institutions and rules were designed to serve the economic nationalism of Germany and similar economies. Funding directed to peripheral economies' development made European integration more appealing to public opinion, but it came at an extremely high price.

Peripheral economies were forced to dismantle many of their most important productive sectors, and many others were quickly wiped away by the abrupt opening of their markets. As things moved along, structural funds became increasingly scarce and conditional on neoliberal structural reforms. In the European integration process, the stick was stronger than the carrot.

Of course, it is possible to agree on the origins of the European project and still have different views on what to do from now on. Clearly, it would have been much better to have been wise enough not to have stepped onto the European train from the platform in the first place rather than jumping off the train at full speed. On the other hand, if we have come to believe that the train is pulling our countries towards a cliff then jumping off right now does not seem such a bad idea.

Tragedy: The financial crisis and the EU's ugly face

Economic divergence was the main feature of European integration from the very beginning, but this process accelerated dramatically with the monetary union. The nominal convergence process and the introduction of the euro generated huge economic imbalances between central and peripheral economies. These imbalances grew steadily during the euro years without much of a fuss being made over it. Most people simply did not know about the issue, and those who did overwhelmingly believed that since we were all in the same boat things would somehow even out.

They did not. When the financial crisis came, and after a timid and brief countercyclical effort, the European institutions imposed on Member States – in varying degrees – severe austerity policies connected with a structural reforms agenda, which were not subjected to any democratic scrutiny. Moreover, the severity of these policies was extremely selective as was indeed the degree to which European rules were effectively enforced.

While peripheral economies are threatened and bullied for their public accounts imbalances, Germany has accumulated record high and persistent current account surpluses, which are profoundly disruptive for the Eurozone.

Nevertheless, Germany has not had to face the slightest reproach from European institutions. European commissioners make it a point of stating very clearly that their assessment of compliance with European rules is made on a 'case-by-case' basis. This, of course, creates absolute arbitrariness and completely different treatment of different countries with different degrees of political power.

These events have made a critical point about the European Union increasingly clear: The EU is not a democracy. In fact, it does not even have a state based on the rule of law. European institutions and law have created a system in which some leaders resemble ancient sovereigns exercising political power. This makes European integration a gigantic step backward in Europe's political system. Almost all national democracies in Europe are more democratic than the European institutions. And the ones that are not face far fewer difficulties from the EU than the governments that have democratically decided to diverge from European institutions.

Such was the case with Greece. The ultimatum was that imposed on the Greek government continues to produce devastating economic and social effects, but it seems that even a significant part of the left is willing to forget that this ever happened. In our opinion, the Greek lesson – and what a hard one it was! – has shown us one simple thing: A government of a peripheral country that is unwilling to contemplate and prepare for a break with the Eurozone is basically condemning itself to obey whatever orders it is given by the European institutions. To reject the possibility of a break is to place our countries in an objective state of diminished political autonomy and accept any European fate. This is a very bleak perspective, as the recent political initiatives have once again confirmed.

Farce: By now Europe has no feet

The present debate in the European institutions is quite a degrading one. After economic incompetence leading to the post-crisis disaster, after the disgraceful behaviour of European institutions in the refugee crisis, Europe's peoples are witnessing a ludicrous debate on the future of Europe. The wrong answers are being given to the wrong questions by the wrong people. The European Union faces sluggish economic growth, massive macroeconomic imbalances, unsustainable public debts, an unreformed financial system, and a continually growing far right. While these issues remain to be addressed, European bureaucrats are intent on promoting the militarisation of Europe.

While this happens, Europe's left has its own problems to solve. The existence of different national strategies is not, in our opinion, one of them. It is only natural that left organisations devise their own strategies and

alliances to deal with national problems and political equilibria. However, understanding the European crisis and providing a plausible common response is equally important. And we are still very far from achieving that objective.

The European centre is tipping to the right, both in the contents of policy-making and at the institutional level. The defeats that are being suffered by socialists everywhere are producing a more aggressive conventional right and providing more and more breathing space to the far-right's solutions to the discontent of Europe's populations. Blaming workers for their electoral choices – as is very common in the case of Brexit – is hardly a viable option. Much less a democratic one.

It is time for the European left to understand what growing sectors of Europe's populations are understanding: the European Union is not going to change. What we see is what we are going to keep getting. And if the left does not provide people with a plausible alternative that deals with the concrete problems of their lives someone else will. The prospect of a break with the euro is not a pleasant or, for the moment, a popular one. But it has a decisive advantage: it is possible. And it can mobilise national sentiment around the defence of workers' rights and the welfare state, instead of racism and xenophobia. On the other hand, if we stick to generic rhetoric about how the united left is going to change the European Union, we will fool no one but ourselves.

Left Alternatives for Fostering Solidarity in Europe[1]

Axel Troost

The most recent meeting of the EU heads of state and government perfectly illustrated the strain under which the European project currently finds itself. Today the European Union is facing the most challenging period in its 60-year history. Its mission to establish ever greater convergence between its members is looking less and less achievable. This is particularly true in the wake of the 2008 financial crisis, which exacerbated an already-widening gap in national living standards, economic resources, and development potential between EU states.

In effect, the concept of a 'two-speed Europe' also appears to have failed. The Union's original objective, the safeguarding of peace in Europe following two devastating world wars, has been achieved and is now widely taken for granted. 2015's uncontrolled influx of migrants highlighted the need for more secure borders and, even more pressingly, to address the EU's inadequacies when it comes to handling asylum seekers. As a consequence, the EU saw one of its biggest accomplishments, freedom of movement within the Schengen area, become subject to harsher restrictions.

Nation-states no longer in control

The financial crisis and its aftermath brutally revealed the shortcomings of this union of nations, and the migrant surge only exacerbated existing tensions. Both the high number of refugees and the introduction of free movement of labour helped stoke fears among the population of an excessive strain

1 See also Klaus Busch, Axel Troost, Gesine Schwan, Frank Bsirske, Joachim Bischoff, Mechthild Schrooten, and Harald Wolf, *Europa geht auch solidarisch*, Hamburg: VSA, 2016; Frank Bsirske and Klaus Busch: 'Die Zukunft der EU: Integration statt Krisenverschleppung', *Blätter für deutsche und internationale Politik* 9/2017, 9-96; Joachim Bischoff, Klaus Busch, Mechthild Schrooten, Björn Radke, Axel Troost, and Harald Wolf, 'Europa: Was wird aus dem deutsch-französischen Tandem?', *Sozialismus* 10/2017, 4-30.

on public services, of growing unemployment, and of being overwhelmed by foreigners. This was all fuelled by a steadily rising scepticism towards globalisation and free trade, which created the perfect mix for nationalist, chauvinistic opinions to take hold that not only questioned the legitimacy of the EU but international agreements and treaties in general.

The euro, supposedly the crown jewel of European integration, is now at the core of Europe's crisis. The EU played a part in creating social and economic imbalances between Member States, and this was only made worse through the introduction of the euro. Thanks to low interest rates and easy access to loans, the single currency allowed many countries to increase public and consumer debt, but this also led to misspent funds and financial bubbles. Moreover, there was nowhere near enough harmonisation of national economic policies, which is vital for a currency union. In recent years, Europe has also become a popular scapegoat for problems at the national level.

It was these failings that, in part, led the British public to narrowly vote in favour of leaving the EU. What was long considered a marginal position held by an eccentric minority has now become reality: the United Kingdom, a former world power, the third-largest Member State and the EU's second-biggest economy, will leave the European Union by 29 March 2019. But agreeing on the terms under which the country departs, and the shape which any post-Brexit relationship will take, is proving to be seemingly impossible for the remaining 27 Member States and the soon-departing British. The gaps that Brexit will create in the EU budget are just one of the many issues yet to be resolved.

A turning point?

After years of recession and fragile recovery, the Eurozone and EU economies are starting to once again show signs of growth. This is not least attributable to a flexible interpretation of the rules concerning budget and debt levels, efforts made by the European Investment Bank and via the 'Juncker Plan' (i.e., the European Commission Investment Plan for Europe), and, most of all, the ECB's expansive monetary policy. In July 2012, ECB president Mario Draghi declared: 'within our mandate, the ECB is ready to do whatever it takes to preserve the euro'. This entailed a bond-buying programme and other quantitative easing schemes that had long been successfully trialled by other central banks. In the years since, the ECB's balance sheet has increased by a third and it is now applying negative lending rates. This unconventional monetary policy has succeeded in calming the markets, but it has not addressed the structural issues within the economic and financial system.

What is more, these measures entail damaging side effects. When borrowing costs are too low, this can lead to poor investments, which creates fertile ground for new value adjustments and crises.

Europe's politicians have failed to tackle the structural problems of the current monetary union. The long overdue restructuring of the European banking sector is happening but at a sluggish pace. State budgets are underfunded, but until now this has been masked by the ECB's low interest rate policy. In both Greece and Italy industrial output has fallen by a quarter, and unemployment remains at an unacceptably high level.

The EU's promise to harmonise economic and social conditions within the Eurozone has not been backed up with the appropriate measures. When the single currency was introduced, Germany took advantage of a crucial factor: competitive divergences could no longer be offset by increasing or decreasing the value of domestic currencies. Successive governments' policies of one-sidedly fuelling Germany's export-driven economy, and subsequently its economic growth, by exploiting collective demand within the European internal market was given a substantial boost by the currency union. As economically weaker neighbours were no longer able to devalue their currencies, they were now subjected to growing pressure to reduce costs internally by aggressively cutting wages. Countries that refused to take this step saw public debt rise. For just under a decade, this 'creditor-debtor' relationship seemed to work.

The EU Commission's White Paper on the 60th anniversary of the Treaties of Rome

In March 2017, the EU initiated a new discourse on the future of a united Europe, publishing a White Paper that sketched out possible scenarios for how the Union could evolve in the coming years. Five reflection papers were also compiled, including one on the social dimension of Europe and on the deepening of the economic and monetary union.

In the short term, the Commission plans to reform the banking union and create a capital markets union by 2019, and in the medium term (from 2020 to 2025), the body hopes to restructure the Eurozone's financial framework, the European Stability Mechanism (ESM), and the architecture of the monetary union. In order to realise an effective financial union in the medium term, the Commission has claimed that further risk-reduction and -sharing measures are required. The Commission thus rightly criticises the fact that there are no existing joint safe assets in the Eurozone that are on a par, for example, with US treasury bonds. Member States' government bonds generally have different risk profiles, which impacts bank balance sheets in

periods of crisis and leads to different credit and interest rate structures in the various states. To eliminate such differences, the Commission argues that the introduction of a European safe asset should be considered.

In the medium term, the Commission is also arguing the case for the creation of a European macroeconomic stability mechanism, which serves to supplement national budgetary stabilisers when heavy asymmetrical shocks hit individual states, but does not include permanent transfers. This could take a number of shapes, argues the Commission: one option would be a protection regime for the public investments of those states hit by a crisis. The Commission is also considering the establishment of a European Unemployment Benefits Scheme that would supplement national instruments, or a 'rainy day fund' that states could access to limit the impact of a shock. Finally, the Commission argues that an autonomous Eurozone budget could also help ensure stability.

The Commission has also hinted that it might alter the structure of the Economic and Monetary Union. This would include the introduction of a European Treasury that would be responsible for overseeing the Eurozone's economic and financial policy, macroeconomic stability, and the euro budget, as well as issuing European safe assets. The Commission also argues that a European monetary fund (set up as an alternative to the Washington-based International Monetary Fund) could help stabilise the Eurozone.

Macron's blueprint to strengthen the Eurozone and the EU

French President Emmanuel Macron has also weighed in on the discussion surrounding how deeper integration of the Eurozone and the EU could be achieved. Given the difficult political situation in France and other EU Member States, his aim is to begin a process of profound transformation through joint investments in the future. Macron's proposals, which include a Eurozone budget and finance minister as well as new funding ideas, all follow the same objective. A budget for the Eurozone that encompasses a range of financing methods remains a priority. Macron argues that this instrument could be used to set up permanent budgetary transfers from the most economically sound countries to those who have been disadvantaged by the Eurozone's austerity policies and/or who would otherwise be at risk of becoming economically isolated. He envisages a joint budget that would be funded through tax revenues collected by individual states. A separate Eurozone parliament would also ensure the requisite political oversight and trust. A properly resourced body such as this would then allow countries like France to increase infrastructure spending and create jobs without violating the budgetary deficit limit.

In principle, the French president's political offensive should be welcomed. However, his road map for greater integration goes far beyond what is achievable in light of the current situation. Macron's macroeconomic approach to financial policy diverges starkly from that of the German government. His idea to restructure the European Stability Mechanism and his decision to distance himself from austerity policies show that he can offer a solution to overcoming the EU and the Eurozone's structural deficits that serves as an alternative to the choices offered by former German finance minister Wolfgang Schäuble. I believe it is crucial to support Macron in his efforts to reform the EU, even if his labour market changes back home have rightly triggered a wave of protests.

A budgetary union would certainly make sense and would at least offer the Eurozone a sensible way out of the impasse in which it currently finds itself. But Macron's approach is not only inspired by a different vision of the European project; it is also a prerequisite for the success of his own domestic economic plan: without increased fiscal flexibility within the Eurozone, France will not be able to resolve the issues currently plaguing its labour market. The success of Macron's presidency thus hinges on the cooperation of the German hegemon. President Macron appears to have already laid out his challenge to the expected German response: 'Without transfers, you will not allow the periphery to converge and will create political divergence towards extremists.'

This process of convergence could be the catalyst for a precursor to a Eurozone budget – a feature inherent to any functioning currency union. This budget would have separate financial resources at its disposal (e.g. a joint financial transaction tax as well as a small portion of a harmonised corporate tax), and raising loans based on this framework would also be possible. To overcome the existing structural defects, it is crucial that the currency union take an approach that utilises Community financial resources to tackle ongoing investment restraint. The aim should thus be to establish a legal framework for a restructuring of national debt that is both lawful and in line with regulation. At the same time, the ESM needs to be included in European Community Law and transformed into a functioning European monetary fund. These changes could be the start of a new Eurozone architecture, one that is increasingly based on Community institutions. A 'special euro Commissioner' could serve an additional executive function in a strengthened Eurozone.

'The Pillar of Social Rights'

The current debate in Brussels concerning the future of the EU and the Eurozone still falls far short of what is needed and lags far behind the

challenges posed by what has now become a deep economic and political crisis. EU leaders recently met in Gothenburg to sign the 'Proclamation of the European Pillar of Social Rights'. Equal opportunities and access to the labour market, fair working conditions, as well as social protection and inclusion are to be the core principles of a new, more socially conscious European Union. With this proclamation, the EU hopes to take the wind out of the sails of the populists and the Eurosceptics whilst also tackling the continent's growing social divide. In stark contrast to the reality on the ground, President of the European Commission Jean-Claude Juncker stated, 'Our Union has always been a social project at heart.' For him, it was 'more than just a single market, more than money, more than the euro'. The EU commissioner for social affairs, Marianne Thyssen, added that 'social Europe is the way forward'.

But what will this new 'social Europe' look like? The EU states, the European Commission and the European Parliament have jointly committed to fulfilling twenty rights and principles with the aim of applying them throughout the Union. The list includes a right to lifelong learning and equal pay between men and women.

- Young people have the 'right to continued education, apprenticeship, traineeship or a job offer of good standing within four months of becoming unemployed or leaving education'. Members States have also committed to prevent 'employment relationships that lead to precarious working conditions'.
- 'Adequate minimum wages' are to be ensured along with affordable childcare. In addition, employees shall be granted a right to 'a reasonable period of notice' and to legal assistance, and they also have the right to 'adequate compensation'. People with caring responsibilities should be granted the 'right to suitable leave and flexible working arrangements'.
- The self-employed and employees should be given 'adequate social protection'. Those who have contributed to a pension scheme should have access to 'an adequate income' in old age. According to Chapter III (social protection and inclusion), everyone has the 'right to timely access to affordable, preventative and curative health care of good quality' and at-home care.

As it stands, this agreement is sadly nothing more than a non-binding declaration of intent as countries are not legally obliged to apply the 'social pillar'. Each member is ultimately responsible for ensuring these standards are reached across the Union. The head of Germany's Trade Union Confederation (DGB), Reiner Hoffmann, has rightly called for a long-

awaited 'binding European bill of workers' rights to significantly strengthen the social dimension of the internal market'. He went on to say that 'the weak, non-binding provisions currently in place must be turned into a solid cornerstone of social rights', that the 'social pillar' needed to be made legally binding, and that adequate financing should be made available for the implementation of the standards.

This plan shall remain nothing more than a pipe dream unless Germany radically alters its attitude towards the EU. The clear nationalist rhetoric espoused by the Bavarian State Minister for European Affairs, Beate Merk (from the Christian Social Union), makes this plain to see. She continues to insist that each country should take responsibility for itself: 'We cannot have a situation where German pensioners and taxpayers are having to pay for increased welfare benefits in Greece and Bulgaria.'

The renaissance of the nation-state

For several years now, the citizens of Europe have observed that regardless of who they vote into power, nothing improves; in fact, much has gotten worse. Whilst corporations and shareholders rake in billions in profit, pay little to no tax, and pocket government subsidies, across Europe those in the lower third of the income pyramid desperately compete for low wages whilst witnessing the dismantling of their protective rights.

The bitter irony of all this is that the EU institutions are in no way directly responsible for the actual cause of their hardship; the blame lies with national governments. It is ultimately the government apparatus and the political elites of various countries who have subscribed to the logic of austerity for decades and, in so doing, have hindered efforts to create a single market that is structured and run socially and democratically. That is the reason why, to this day, there is no minimum tax threshold for corporate earnings – national governments would rather engage in race-to-the-bottom corporate taxation – and why the EU has so far failed to implement a common social policy: there are always enough governments that stand in the way due to such policies not squaring with their national strategies.

It is thus no wonder that Europe is once again at risk of being consumed by a contagion of nationalism. In a joint working paper, German Social Democrat Sigmar Gabriel and President Macron conclude: 'We have to find and implement the means by which European general interest will stop appearing different from national interest. Our common goal is to render it unthinkable for any country in pursuit of its national interest to consider a future without Europe – or within a lesser union. We can achieve this goal through a union of solidarity and differentiation. France and Germany have

the responsibility to lead the way, because Europe cannot wait any longer.'

The blame for the current wave of crises we are witnessing does not chiefly lie with the EU's bureaucrats in Brussels: these events were primarily triggered by rising pressure caused by globalisation and technological change combined with political failure at the national level in Member States, including the United Kingdom. The financial and banking crisis stemmed from inadequate regulation and supervision of domestic financial markets and from the irresponsible conduct of many banks. National governments should have kept ballooning public debt in check as stipulated by the European regulations (which were shamelessly flouted). In EU Member States, national- and municipal-level politics have become marred by corruption and an inability to reform.

The questions now being asked about the European Union's legitimacy, which are partly due to a lack of transparency and of meaningful social policy on the part of Europe's economic and political elites and partly result from the ire of emboldened right-wing populists, mean that the political left needs to treat the Europe issue as a priority both now and in the future.

Building blocks for a fundamental realignment

There are solidarity-driven European alternatives to neoliberal austerity policies and solutions proposed by nation-states. Proponents of renationalisation are quick to overestimate national governments' scope for action, seemingly unaware of the deeply interlinked nature of the global economy. They play down the costs entailed in reversing existing European integration, particularly in terms of the euro. Against the backdrop of free movement of capital and goods, and a shared currency, it is impossible for national governments to go it alone and single-handedly implement progressive ideas in central policy fields such as the economy, welfare, and wages. However, close cooperation between the largest economies (e.g. Germany, France, Italy) would be an opportunity to create greater scope for action. But it should be noted that the most radical renationalisation measure – the reintroduction of national currencies — is neither economically viable nor is it politically desirable. This would entail drastic transition costs without effectively strengthening a government's hand to enact more progressive policies. The alternative to less Europe is more Europe, but with a slight difference: the aim is to build a democratic and social Europe that breaks with the neoliberal logic enshrined in the Maastricht Treaty.

It is wrong to unilaterally force through structural adjustments to the Eurozone's national economies by introducing wage reduction and austerity policies that ultimately lead to economic depression. Europe needs social

and ecological restructuring as well as sustainable economic growth. And Germany needs to rethink its leading role, which until this point has mainly consisted in the widespread imposition of austerity; the economic powerhouse should step away from its current-account surplus-driven economic policy (which thus also entails rising debt levels abroad and the export of unemployment) and embrace a new trajectory towards a more even-handed trade balance.

To effectively counter the justified criticism levelled at the EU's policies, as well as the current discontent with the Eurozone and the policies of the European Central Bank, institutional and instrumental measures are imperative. This will also require a fundamental shift in economic and social policy.

Here the main points will be:

- preventing a loss of democracy, including austerity doctrines imposed on crisis countries by technocratic institutions;
- defending democratic freedoms and political liberalism. This will require new European alliances and a break with the neoliberal pacts of the past, i.e., resisting further steps towards centralist, anti-democratic and neoliberal integration at different levels as long as the EU continues to primarily function as a neoliberal project;
- addressing the frustrations felt towards the economic order, i.e., voicing criticism of austerity and the EU's structural inadequacies;
- advancing the EU economically: the most pressing task here will be the fight for social and ecological restructuring, more jobs, and higher wages so that every European country is able to firmly draw a line underneath the financial crisis. This will require structural reform, a stable financial system and more investment. The EU should adopt additional responsibilities where there is a consensus among Member States. This could mean a two-speed Europe where further integration measures are initially adopted by some but not all states. Any expansion of the current cooperation should be seen as an experiment;
- allowing current-account imbalances as part of a euro compensation union, supported by a euro investment scheme and designed by an economic coordination council established temporarily for this purpose (and as a precursor to a European economic government) and financed from the increased funding of the EU structure and cohesion fund as a further stage of the Juncker Plan;
- establishment of a separate fiscal capacity for the Eurozone through the imminent application of a financial transaction tax and issuing Eurobonds;

- closing tax havens within the EU and taking steps to prevent tax dumping by stipulating minimum rates for corporate tax whilst simultaneously harmonising a broad tax base and (thus) preventing transnational corporations from avoiding tax by moving profits to low-tax nations; measures to prevent businesses from transferring profits to tax havens must also include an international harmonisation of corporate taxes based on a broad tax base and an adequate minimum tax rate;
- allowing debt relief for heavily indebted countries;
- lifting the ban on direct public-sector financing to turn the European Central Bank into a fully fledged central bank that can adequately fulfil its role as lender of last resort;
- drastically contracting and re-regulating the financial sector, introducing a broadly applied financial transaction tax (here it is necessary to resist recent attempts by Macron to water down the financial transaction tax so that it would simply be a 'tax on shares');
- containing secondary markets across the EU, including a ban on naked short selling and high-frequency trading.

In the medium-term, certain institutions and instruments crucial to handling crises need to be further enhanced:

- institutions and procedures of economic coordination should be further developed to become a European economic regime that would be democratically legitimised and overseen by the European Parliament and whose tasks would include the establishment of a development model for structural policy (including detailed plans at different decision-making levels) and the coordination of a macroeconomic policy mix derived from structural, financial, and fiscal policy;
- the current ESM should be transformed into a European Monetary Fund (EMF), whose tasks would include monitoring the symmetrical compensation of euro states' current and capital accounts;
- the European Investment Bank (EIB) should be developed into an institution for equity capital as well as a bank capable of dealing with tasks related to economic policy concerning the pooling of public and private funds so that a European structural policy can be implemented at the respective government levels in accordance with the selected models;
- a public European rating agency should be established.

In the long term, the objective is to replace the current transitional (hybrid) character of the Eurozone with a European economy (European process of

total reproduction) with cross-border economic regions for the reproductive recreation of value and material, and to fully realise the concept of a European federation through a social union (underpinned by value-creation processes and transfers) that aims to achieve equal living standards in participating states and to materially guarantee these objectives. Within the context of such efforts to turn an economically consolidated Eurozone into a European economy, there is scope to open up membership to other countries.

Such considerations would allow the political left to make a meaningful contribution to the political debate surrounding Europe's future and to support existing visions, such as those proposed by the French president, that offer the potential for alternative reforms.

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The Multiple Aspects of EU Exit and the Future of the Union

Marica Frangakis

A significant change has taken place in the state of affairs of the EU in the aftermath of the global financial crisis in 2007/2008, which morphed into a debt crisis in the Eurozone in 2009/2010. What was thus far unthinkable, namely the exit of a Member State from the Union, became a possibility. Grexit introduced the notion as a possibility, while Brexit turned it into a reality.

More specifically, since 2010 and the emergence of the debt crisis, Greece's exit from the Eurozone has repeatedly been the object of speculation on the part of the European political establishment, even though it is a legal impossibility according to the Treaty of the European Union (TEU). On the other hand, Britain's exit from the EU, which will take place in two years' time, has taken the European ruling elites by surprise. It is the first formal exit of a Member State from the Union.

Rumblings of other exits can also be heard from various quarters and countries, such as the Netherlands (Nexit) and the Czech Republic (Czexit), and the anti-EU Front National party did exceedingly well in France's April 2017 presidential elections. In the Netherlands, the anti-EU Freedom Party came second in the March 2017 national elections. In Austria, early parliamentary elections were called for 2017 – instead of 2018 – with the aim of checking the rise of the Eurosceptic, far-right Freedom Party.

Exiting the EU has thus become both an idea gaining ground and a reality soon to be put into effect. This is a turning point in the history of the EU, which rests on the premise of an 'ever closer Union'.

The present conjuncture – which may indeed prove to be a 'critical caesura' defining future developments in Europe – presents both risks and opportunities. Dealing with the risks and taking advantage of the opportunities will be crucial for the future of the European Union and the role of the left in shaping it. If anything, the experience of the Greek left

has taught us that one can never be too prepared for what the powerful and unrelenting ruling elites of the present-day EU will dispense.

From an 'ever closer union' to Brexit

In the first half of the twentieth century Europe was ravaged by two world wars, embroiling almost all the nation-states of the time. Not surprisingly, at the end of each war, the idea of somehow uniting Europe surfaced both in political discussions and in European consciousness. The idea of a European federal union was first brought up at the 1929 Assembly of the League of Nations.

Such ideas were mainly concerned with the need to promote economic goals, with a Europe without borders and customs put forward as a means of promoting peace and development. However, although the primary concerns of these discussions were economic, one cannot dismiss the search for a common feeling of togetherness, which needed to be restored. As Louise Weiss, a French Jewish feminist, wrote in her *Memoires d'une Europeenne* (1969), 'we were still true Europeans' in the pre-war years.[1]

The spirit of European consciousness is currently embodied in Article 1 of the TEU, which states that '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', while Article 3 states that '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, that of excluding a Member State still less so.

In particular, no provision in the treaties or law of the EU outlined the ability of a state to voluntarily withdraw from the Union. This was changed by the Treaty of Lisbon, which amended the Treaty of the EU, inserting the new Article 50, which states: 'Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.' Furthermore, Article 50 lays out a procedure for the negotiation of transitional arrangements and envisages an agreement with regard to the future relationship between the EU and the departing Member State, a procedure known as 'negotiated withdrawal'.[2]

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 penalising a Member State is in 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. The conditions for identifying such a breach are especially

stringent, as laid out in Article 7 of the Treaty.

In fact, the notion of an EU exit was until recently so unheard of that, on the enactment of Art 50 of TEU, the Legal Counsel of the ECB noted that, '… a recently enacted exit clause is prima facie not in harmony with the rationale of the European unification project and is otherwise problematic from a legal perspective; a Member State's exit from the Economic and Monetary Union, without a parallel withdrawal from the EU, would be legally inconceivable; while perhaps feasible through indirect means, a Member State's expulsion from the EU or EMU, would be legally next to impossible'.[3]

The notion of the irrevocability of the Union was shattered by the British referendum of 23 June 2016, in which 51.9% of the participating UK electorate – or 17,410,740 persons - voted to leave the EU, as opposed to 48.11% - or 16,141,2241 persons – who voted to remain a member. The fact that 72.21% of registered voters and 65.38% of the population of voting age turned out to vote adds to the significance of the referendum's result.

Contrary to the prevailing spirit in the Treaties and in the minds of political actors as well as most Europeans until a few years ago, the agreement to be reached with Britain following the 'Leave' result 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 importance for the future of the EU. The solidity of the Union has been challenged, as political, economic, and social pressure is mounting throughout its Member States, hitting different countries with varying intensity.

The Brexit vote, with its undertones ranging from nostalgia for the British Empire to the rejection of an institution that seems irrelevant to ordinary people's lives, has opened a Pandora's box. Europhobic sentiments have been reinforced, and Euroscepticism, already on the rise, is expanding. In the left as well, the idea 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.

Speculating on Grexit

Although the expulsion of a Member State from the EU is not provided for in the Treaties, there has been speculation on the possibility of Greece being 'kicked out' of the Eurozone by its partners and creditors ever since the beginning of the Eurozone crisis. This speculation has indeed deepened the crisis both in Greece and in the Eurozone, as it has given rise to a great deal of uncertainty, which is translated into a high cost of borrowing in the

financial markets and reduced demand and investment in the economy.

It is worth noting that Grexit was never employed by the Greek side as a threat to destabilise the Eurozone. This is quite remarkable as there was ground for using such a threat in combination with the demand for debt relief in the wake of Greece's debt crisis in 2009/2010. The fact that it was not deployed is indicative of the close links between the Greek and the European political establishments, since such a demand would benefit Greece at the expense of private investors, mostly large European banks.

The opportunity for this demand was lost by 2012 and with Draghi's statement that the ECB would do 'whatever it takes' to preserve the stability of the European financial system. Draghi's dictum was in fact a precursor of the quantitative easing programme of the ECB, which has flushed the European financial system with liquidity since the beginning of 2015.

While the threat of Grexit was never used by the Greek side, it was explicitly employed by the country's creditors, that is, its Eurozone partners under the leadership of Germany. This threat underpinned the propaganda enthusiastically spread by much of the popular press in Germany and in other countries, blaming the Greeks at large for the ills of their economy. 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.[4]

More specifically, Greece's Eurozone partners provided financial assistance conditional on harsh austerity, deregulation, and privatisation measures, thus exacerbating rather than resolving the situation. While Greece depends on such assistance in order not to go bankrupt, its creditors keep providing it in order to avoid the risk of a default by a Eurozone Member State, which would present a challenge to the irrevocability of the euro.

The crisis in Greece led to the rise of the left, culminating in Syriza's victory in the January 2015 national elections and the formation of a coalition government with the small centre-right party ANEL (Independent Greeks).

The Syriza-led government was politically trapped from the start, as it had to negotiate the closure of the 2012 programme by the end of February 2015. At the same time, the public coffers and the economy were in bad shape. Syriza's efforts to negotiate a pact with Greece's creditors that would be mutually beneficial were in vain. Its Eurozone partners brandished naked political power, aided by the ECB's asphyxiation of the economy. During this process the threat of Grexit was famously made by the German Finance Minister, Wolfgang Schäuble.[5]

At that point, Syriza took the historic decision to sign a new agreement with the country's creditors, also conditional on the measures associated

with the previous two bailout agreements, and to call for new elections in September 2015. The party suffered a split, as many leading members formed a new party on a platform of default and exit from the euro. The outcome of the September 2015 elections gave Syriza a clear victory, and it again formed a coalition government with ANEL. The party formed by those who had left Syriza did not pass the 3% threshold to enter parliament. Does the decision made by the Syriza leadership appear justified? What has it since achieved in government that can be characterised as left-wing policy?

Syriza has never accepted ownership of the bailout programme, which is a major source of irritation for the creditors. The political significance of this position is that Syriza has pursued a number of objectives over and above the programme. These include the following:

- Revealing and dealing with the intricate web of relations between the political system, the media, and the banks. This triangle of relations underlies the clientelist state characterised by tax evasion and corruption. Syriza's policy has been (a) to force these interrelations into the open, through public hearings; (b) to oblige TV station owners to obtain an operating license; such licenses, which should have been issued more than twenty years ago (!), had been conveniently overlooked by all previous governments; (c) to pass a law obliging the banks to publish their expenditures on advertising and the loans granted to media owners;
- Abolishing the majoritarian electoral rule and replacing it with proportional representation, a long-standing demand of Greece's left;
- Dealing with the humanitarian crisis, which has reached unprecedented proportions for a European country in peacetime;
- Officially recognising the right of the LGBT community to establish marital relationships on the basis of a civil union agreement;
- Stabilising the country's banking system, which has suffered a significant flight of deposits and a great increase in non-performing loans since 2012;
- Dealing with the refugee crisis, which has assumed gigantic proportions. In 2015, 856,723 arrivals were registered, in comparison to 43,500 in 2014. This influx of people tested the limits of the state apparatus and of public finances. Greek society however managed to cope with it and extend a helping hand to the migrants and refugees literally being washed onto the shores of many Greek islands in the Aegean Sea.
- Furthermore, while implementing the fiscal consolidation terms of the Agreement, Syriza is putting its own mark on the policy mix adopted.

For example, the emphasis has shifted from cutting public spending to raising taxes, from indirect taxation, which is regressive, to direct taxation, from horizontal tax increases to increases that weigh more heavily on the wealthier segments of society.

- At the same time, a roadmap for the restructuring of the public debt has been agreed on. Although this is a work in progress, it provides a policy handle in the ongoing discussions on debt relief.[6]
- On the European front, Syriza has taken the lead in forming an alliance with the other Southern European countries. The First Mediterranean EU Countries Summit took place in Athens in September 2016. The Athens Declaration contains a common position on Brexit, on the refugee crisis, on youth unemployment, on growth and investment, on security, and on relations with the Mediterranean and African countries.

Overall, Syriza is persevering in a very unequal political battle. The Greek economy needs to be shored up and Greek society given back its sense of dignity. There are positive signs, as growth is picking up and unemployment is being reduced. It is a slow but steady process which offers hope for a better future.

On the other hand, Grexit is never very far from the mind of the German elites. For example, Christian Lindner, chair of the Free Democratic Party, insists that debt forgiveness to Greece be tied to Greece's exit from the Eurozone, while remaining in the EU. In his opinion, 'Greece gets a debt cut, the money is gone, but for that Greece has to leave the euro zone, get a new currency of its own which it can devalue and increase its competitiveness in tourism'.[7]

Assertions of this kind are not only nonsensical in terms of economics, since they ignore the internal devaluation that has already taken place, but also dangerous in terms of politics. In particular, the fact that such speculation has a boomerang effect, striking back at its propagators, does not seem to have reached home. Indeed the handling of the Greek crisis by the European and Greek ruling elites has undermined popular trust in the ability of the EU institutions to handle a crisis in an equitable and efficient way. Nevertheless, the ruling elites remain confident in their own capacity to deal with the problems at hand.

Implications for the future of the EU

Do these two cases of EU exit, actual and speculative, constitute critical junctures in the evolution of the EU? What kind of disintegrative forces do

they unleash? In order to gain some insights, we shall compare Brexit and Grexit – the modalities involved and the issues raised.

The UK submitted a notification of intention to withdraw from the EU and EURATOM on 29 March 2017, marking the opening of negotiations under Art. 50 TEU. A space of two years is then allowed, during which the Union negotiates and concludes an agreement with the UK, setting forth the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. The final UK-EU agreement will be concluded by the European Council acting by a qualified majority. It must also have the consent of the European Parliament and, under certain circumstances, be ratified by the national parliaments of the 27 Member States. This is the case where the UK-EU agreement cuts across policy areas within the preserve of Member States. The talks expire on 29 March 2019. At midnight of that day, the UK will cease to be a member of the EU.

The areas to be negotiated concern (a) citizens' rights; (b) financial settlement; (c) jurisdiction and legal status; (d) trade; (e) security; (f) Ireland and Northern Ireland; and (g) other areas of cooperation. Sequencing is a further issue. At the insistence of the EU, the areas of citizens' rights and the financial settlement have been prioritised. The EU's guiding principle is that 'nothing is agreed until everything is agreed'.[8]

More than a year after the referendum and five months into the negotiations, very little has been agreed. Furthermore, the two sides seem to be talking past each other, while acrimony is building up especially over the so-called 'divorce bill', which is estimated on the basis of different principles by each side resulting in different figures, varying from zero to €100 billion! Such a profound disagreement is fuelling uncertainty, even mistrust, between the two sides. For example, following the third round of exit talks, the EU's chief negotiator, Michel Barnier, accused the British side of being 'nostalgic and unrealistic' while his British counterpart , David Davis, called for the EU to be 'flexible and imaginative'.[9]

The issues raised by the negotiated withdrawal of the UK are numerous and complex. 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. However, in the snap elections of June 2017, the Labour Party increased its vote share considerably, while the far-right UKIP failed to enter parliament. These developments point to a politically fluid situation, although the economy will come under increased pressure due to the uncertainty created by Brexit, adding to the general upheaval.

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 Southern Europe will also be affected, as they come under intensified scrutiny by the financial markets. In addition, right-wing populist insurgents will be inspired by Brexit to try to shape political debate.

Overall, Brexit opens the way to a long process of negotiation, the outcome of which is at best uncertain and at worst damaging, especially for Britain, as it will need to disentangle itself from forty years of economic and regulatory integration with the EU.

What appears to be complex and uncertain in the case of Brexit would in all probability be simply chaotic in the case of Grexit. Assuming a euro-exit were legally possible under the EU treaties, the issues raised are many and especially intricate. Capital Economics, a London based think-tank, which in 2012 won the Wolfson Prize for the best proposal to 'safely dismantle the Eurozone', concluded that a country contemplating leaving the euro would have to keep its plans secret until the last minute, introduce capital controls, start printing a new currency only after formal exit, seek a large depreciation, default on its debts, recapitalise bust banks, and seek close co-operation with remaining Eurozone members.

This is a long list of requirements, which suggests that 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.

If Brexit is then a long and complex process, while Grexit is an intricate if not chaotic one, what are the implications for the future of the EU?

The disintegration process set in motion by both exits is indeterminate, in the sense that they unleash forces and dynamics which might significantly transform the EU institutional equilibrium whilst simultaneously being constrained and shaped by it.[10] The multiplicity of crises facing the EU at present - not least of which is the refugee crisis - is a further complicating factor.

Disintegration is not integration in reverse. A disintegration theory is needed; one that will help analyse the motivations of different actors and model their interaction in order to project how this process will unfold beyond the near future. As the search for answers is intensified, so is the debate around theoretical constructs.

The EU is at a crossroads. It is a composite polity having certain state characteristics, while characterised by a variety of asymmetries. During the crisis the Community method, emphasising the role of the supranational

bodies in the decision-making processes, gave way to increased intergovernmentalism. Furthermore, a decision-making hierarchy composed of France and Germany emerged, followed later by growing German unilateral leadership. The bitter taste of a 'democracy without choices' which has spread across the EU does not augur well for the future of the Union.

In characteristic fashion, the President of the European Commission, Jean-Claude Juncker, is quite confident that 'Europe has always been at a crossroads and has always adapted and evolved'.[11] Thus the Commission produced a White Paper on the Future of Europe detailing five scenarios: (1) carrying on; (2) nothing but the single market; (3) doing more; (4) doing less more efficiently; (5) doing much more together.

Typically, the scenarios put forward by the European Commission overlook the inherent contradictions and tensions in European societies and economies. Examples of such tensions are: the working conditions in a post-crisis environment of heightened insecurity and increased deregulation; the role of finance in post-crisis conditions; increasing poverty and inequality; lack of opportunities for a fulfilling life; the growth of a 'subaltern' class across the EU; the marginalisation of new immigrants and the growth of racism; and the growing appeal of ultra-right political forces, which was already evident in the 2014 European election results. Overcoming such tensions is going to be decisive for the future of the EU.

Possible scenarios for the future of the EU have further been put forward by the Congressional Research Service of the US Congress – namely (1) muddling through; (2) establishing multiple speeds; (3) looser, more intergovernmental configuration, and (4) more integrated configuration.[12] These bear a striking resemblance to the reflections of the Commission. In both cases what is basically advocated is a rearrangement of the existing state of affairs rather than a caesura.

It may well be argued that the existing political establishment is not capable of bringing about the type of change needed for the Union to embark on a new course, a course of economic transformation, solidarity, and democracy. It is against this background that the left is called upon to make its contribution to the future of Europe.

The role of the left

Both Brexit as a reality and Grexit as a possibility constitute turning points in the history of the EU. Membership in the Union is rejected in the first case and exclusion is used as a threat in the second. Business as usual is no longer possible. A new era has begun.

Since the inception of the EU in its various forms, the left has argued

against the EU's three main deficits, that is, its democratic, social, and ecological deficits, which cannot be overcome without peace and solidarity as the overarching principles. At each juncture in the history of the Union, not a peace project in itself, the left has tried to intervene, making proposals for an alternative way of functioning for the European institutions in order to better serve the public interest. As the power of finance increased, the left fought against its antinomies and the neoliberal policies that went with it.

The crisis has acted as a catalyst in terms of political developments. Although many on the left could see it coming, the left as a whole was slow in responding in terms of organising its forces and effectively intervening in the political process. The left's structural weaknesses and its lack of political mediation limited its role as a political actor.

The rise of Syriza in Greece was an exception aided by the depth of the crisis, the evidently failed policies of the Troika and of the established political parties, and the coming together of various factions within the Greek left. The European left rallied around Syriza, providing valuable support. However, when Syriza was elected to government and after a six-month long period of negotiations, as a result of which Syriza agreed to 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 given. The hypothetical question however remains. Only history will show whether the route followed by Syriza was the right one.

Lexit – a left political proposal for exit from the EU – came up in the 2016 British referendum. The argument of Lexiters is that the 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. This is a laudable ambition and political objective. However the roadmap leading to the desired goal is not there. In view of the internal weaknesses of the left and its lack of political mediation in the decision-making processes, it is hard to see how these goals can be achieved. Nor does the historical experience of the twentieth century provide many useful lessons.

Overall, the left finds itself in a difficult position. Never in the post-war period has there been such a crying need for it to play a role. 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. In this respect, the Syriza experience is of value.

NOTES

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Brexit – Towards the Precipice

John Grahl

It is increasingly obvious that Brexit is a Luddite project, one that will severely damage the existing productive systems which link Britain to the other members of the EU. Damage will result from new barriers to the movement of goods and services and, equally important, from the disruption of integrated control systems. Examples of the former include the likelihood of costly customs and other administrative procedures which will obstruct internationalised supply chains and cause losses to the British financial sector as the City of London moves outside the EU. Examples of the latter cover everything from veterinary inspections relating to meat imports from non-EU countries to the disorganisation of civil aviation as Britain ceases to be a party to the EU's 'Open Skies' agreement.

It would be possible to mitigate the costs of Britain's departure from the EU by pursuing a 'soft Brexit'. In particular, membership of the European Economic Area would preserve Britain's membership of the Single European Market. The Single Market is of great importance to Britain because it has unusually high net exports of services, especially, but by no means exclusively, of financial services.[1] However, such a move would be politically difficult: in general terms it would involve something analogous to colonial status for Britain – still bound by EU rules but no longer with a voice in EU decisions; specifically, it would prevent Britain from exercising full control over immigration from the EU, a very salient issue during the referendum debate.

Another possible version of 'soft Brexit' would be for Britain to retain membership of the EU's customs union. Strictly speaking, Britain would form an additional customs union with the existing customs union. This, however, would also imply quasi-colonial status, in that Britain would have no control over trade with third countries – such control was a key objective of many supporters of Brexit and especially of those Conservative politicians who provided leadership for the 'Leave' campaign in the referendum.

If these 'soft' approaches are ruled out, what will happen to UK-EU trade? The default position in the absence of any agreement would be application of WTO rules. The tariffs this would entail would be the least of the consequent problems. Trade in services is often exempt from tariffs but subject to multiple non-tariff barriers which the WTO could do little to overcome. The application of customs procedures to EU-UK trade in goods, on the other hand, would be an administrative nightmare: the number of declarations to be processed would be multiplied by three or four.

The political decision to leave the EU in the referendum of 2016 and its acceptance by the May government took place without any serious examination of these costs. The negotiations with the EU to determine the conditions of departure and to agree on new trading arrangements are now making it clear that the British are magnificently unprepared for the radical economic disturbances that are approaching and have no clear view on how to cope with them.

There are sharp divisions in the cabinet between ministers whose goal is a complete and thoroughgoing departure from EU institutions and those whose main concern is to limit the economic damage inflicted by Brexit. Recently, a major concession made by the former to the latter is the acceptance of the need for a transitional period following Britain's formal exit in March 2019. During this period, trading arrangements would continue as they are now. It is not clear whether EU negotiators will agree to such a period or, if they do agree, what they will demand in return.

The length of the period is a sensitive political issue. Pro-Brexit politicians insist that transition should be over and the definitive post-exit trading arrangements in place before the next scheduled general election in 2022. Otherwise, the terms of exit could become a central issue in the election and its outcome might be to reject the negotiated arrangements, perhaps in favour of British re-entry.

British objectives

How do the British negotiators envisage UK-EU relations after exit? The formula often used is a 'new, deep and special partnership'. Although this is hopelessly vague it also raises a specific legal problem. WTO rules permit customs unions and free trade areas. But, except in the cases of customs unions and free trade areas, the 'most favoured nation' principle rules out 'special' treatment of particular trade partners; a 'special' deal for UK access to EU markets could be challenged by any other WTO members who consider that they are disadvantaged by it. A good source for the multiple dangers of a 'hard' Brexit is to be found, somewhat surprisingly, in the very

Conservative Sunday Telegraph in the columns of Christopher Booker. No admirer of the EU, Booker is nevertheless convinced that a disorganised and hasty withdrawal could be catastrophic for Britain.

Although British ministers have repeatedly demanded that the discussion of future trading arrangements be brought forward, they have only in recent weeks produced a position paper on their own objectives. This is an astonishing document.[2] With almost no reference to actual experience or to empirical studies, two extremely speculative 'models' are advanced. The first might be termed the 'technical fix'. It envisages the introduction of tariff and other trade barriers between the UK and the EU but would seek to minimise their impact on the flow of imports and exports using what are admitted to be untried procedures and as yet undeveloped digital technologies. 'Streamlining' and simplification of procedures will supposedly reduce the costs of obtaining customs declarations, permitting the British authorities to verify them and ensuring that tariffs are paid and regulatory requirements are met. Attempts will be made to move these procedures away from the borders themselves by allowing trusted enterprises to complete them from their offices. Waivers will be offered for as many types of product in transit and as many enterprises as possible.

The document refers to the ongoing replacement of the existing customs software, CHIEF, by a new system, CDS, intended to be operational in January 2019, that is, two months before it will be needed in the event that a transitional period is not agreed. Previous experience with the government's introduction of complex new IT systems does not encourage confidence that the promised streamlining and simplification will have the desired impact on the costs of trade.

One can already see an erosion of the restored autonomy which Brexit supporters promised. How can regulatory enforcement be simplified? Clearly by aligning British regulations as closely as possible with those in the EU. The same applies to other 'non-tariff barriers' such as taxes and technical standards – the imperative of reducing frictions in EU-UK trade will militate strongly against any particularist British stance on these questions.

A similar erosion is taking place in terms of trade in services. Chancellor of the Exchequer Philip Hammond, the minister seen as most explicitly aware of the dangers of Brexit, has suggested that Britain's financial sector, although it will necessarily be outside the Single Market, may continue to sell financial services in the EU on the basis of regulatory 'equivalence'. How can such equivalence conceivably be achieved except by the British simply replicating the regulatory structures of the EU? If the governance of one of the largest and most important sectors of the British economy is essentially

determined in Brussels, what is the price of reasserting 'sovereignty'? One of the many ironies of Brexit is that it has undermined the growing influence of the City of London within the EU financial system. The project of a Capital Markets Union, whatever one's view of its prospects of success, clearly accorded great importance to the British financial sector which was seen as central to the less bank-dominated and more security-market-oriented system which EU leaders, anxious to accelerate economic growth and disappointed by the recently cautious performance of the banks, intended to construct. The status accorded to the City was suggested by the appointment of British Commissioner, Jonathan Hill, to lead the drive for CMU. Hill resigned immediately following the British referendum which clearly called into question London's future role in EU finance.

The whole 'technical fix' trade scheme depends on the good offices of the EU. A very large fraction of UK trade with countries outside the EU does not pass through British ports but through Rotterdam and other ports on the continent. The goods concerned enter or leave Britain on lorries crossing between Dover and Calais. Thus the 'facilitation' of UK trade with third parties would hinge on the active participation of customs administrators across the EU.

But the inadequacies of the 'technical fix' pale into insignificance when compared with Britain's alternative model of future UK-EU trade, the 'new customs partnership'. Here Britain would 'operate a regime for imports that aligns precisely with the EU's external customs border, for goods that will be consumed in the EU market, even if they are part of a supply chain in the UK first'. This would 'remove the need for the UK and the EU to introduce customs processes between us, so that goods moving between the UK and the EU would be treated as they are now for customs purposes'. At a stroke Britain has its cake and eats it – no barriers to trade between EU and UK but complete autonomy for Britain in its trade with third parties. Some complex tracking of imports from other countries after they enter the UK is clearly going to be necessary to ensure that those bound for the EU do not benefit from easier, UK, entry conditions – if the goods in question are part of a complex supply chain into both EU and UK markets enforcing the distinction could be quite a challenge. The necessary reciprocity from the EU is not mentioned but also bears thinking about: just as Britain would impose EU tariffs and conditions on third party goods entering the UK but destined for the EU so EU members would have to impose British tariffs on Britain-bound goods entering the EU. If they declined to do so the goods trans-shipped to Britain via the EU would cross the English Channel tariff-free, subject to the EU's commercial policy not that of Britain. If, on the

other hand, EU countries did agree to act as a customs agent for the British they would have dismantled their own Single Market. At present, goods are either entitled to be in the EU or not, and if they are so entitled they circulate freely throughout. In the future there would be two classes of goods – those entitled to circulate freely and those admitted only because they are destined for Britain. This phantasmagoria was published as the negotiating position of the British government.

The 'opportunities' of Brexit

If Brexit goes ahead, substantial impairment of British trade with the EU in both goods and services cannot be avoided. Trade frictions will also tend to be followed by declines in investment since free access to the huge market of the EU has been until now of considerable advantage to both domestic and foreign investors in Britain. Are there any benefits from British withdrawal to compensate for these very concrete and increasingly understood costs? Some Conservative politicians continue to insist that there are important advantages to enter on the asset side of the Brexit balance sheet.

Without undue simplification the political supporters of Brexit can be divided into two broad groups. The mass support for the Leave campaign in the referendum tended to come from older voters, with less than average formal education, and lower than median wages. They were found especially in areas which had suffered most from industrial decline. Although Leave voters were in the majority in every region of England outside London the decisive factor was 'the six million Leave votes cast in England's historic industrial regions'.[3] Migrant workers from the EU, seen as pushing down wages and putting pressure on public services, were to some extent a scapegoat to these voters, although in reality it has been the outward movement of industrial capital, not the inward movement of labour, which has undermined the economic position of Britain's industrial workers, while public services have suffered essentially from the priority accorded to tax reductions over the last four decades. There are clear similarities with other revolts against the political establishment, for instance in the US.

However, there was another important component of the Leave campaign – ultra-liberal Conservative politicians provided many of its leading figures. Although they shared with the mass Leave supporters a concern for British sovereignty their actual goals were very different. Nigel Lawson, Chancellor of the Exchequer during the Thatcher governments, spoke for this group when he wrote that Brexit makes it possible to complete the Thatcher revolution. Conservative figures such as John Redwood and Iain Duncan Smith, both former cabinet ministers, see the EU as imposing regulations

which distort markets and impair the competitive process. Within the present cabinet, Liam Fox, now secretary of state for international trade, is a leading representative of this tendency. The group sees a principal benefit of Brexit as a recovery of UK control over trade policy, making it possible to strike trade deals with partners outside the EU.

These two groups of Leave supporters may well come into conflict as Brexit takes place. On the issue of immigration it seems inevitable that the mass of Leave voters are doomed to disappointment. In formal terms post-Brexit Britain will have regained control over immigration policy, but in practice high levels of immigration will continue because migrant labour has become a material necessity for the British economy and several sectors – agriculture, construction, hotels and catering – would be in serious trouble without it. Reassurances to employers in these sectors have already been given. Some post-Brexit restrictions on immigration from the EU would be politically unavoidable, but it is unlikely that they would be drastic, and no restrictions at all are envisaged for the near future.

On the other hand, the social consequences of 'completing the Thatcher revolution' would surely be to exacerbate the frustrations and discontents which led to the Brexit vote. At least in principle Prime Minister May has acknowledged this in several speeches condemning the rise in inequality. There is a government commitment – it remains to be seen how binding it will be – not to use Brexit to weaken labour market regulation or employment rights. Now, a strong flow of inward investment is surely a key objective of the ultra-liberal Brexiteers: if immigration is reduced, even partially, and deregulation is ruled out while a question mark is placed over British access to EU markets, then Britain will have difficulty in offering either lower wage costs or better sales prospects to potential investors. Abundant FDI seems improbable in such a context.

As for trade deals around the world, it is difficult to see how Britain on its own can secure better terms from third countries than it could obtain as part of the world's largest trading bloc. The EU has recently negotiated trade agreements with Canada and Japan. What conceivable advantage would either of these countries offer the UK above those they have conceded to the EU?

A customs union requires its members to adopt a common trade policy towards outside countries: this eliminates the need for internal borders but by the same token subjects the participating states to supranational control over their trade policies. Hence the determined rejection of continued customs union membership by the neoliberal Brexiteers. On the other hand, free trade agreements require rules of origin. For example, the NAFTA establishes free

trade between the US and Mexico, but the US still has to control imports from Mexico to ensure that they are, indeed, of Mexican origin and not, for example, Chinese. The multiplication by the UK of bilateral free trade deals would require rules of origin of increasing complexity. Meanwhile EU exports to its own free trade partners would risk restriction if there was a significant British component since, Britain no longer being in the EU, they also could fall foul of rules of origin.

In terms of non-trade barriers – regulations, safety standards, technical specifications, etc. – the situation appears to militate against the vision of a Britain trading freely with partners around the planet. To defend its EU markets, Britain will have to comply with EU rules in all these aspects – its rules, that is, will have to mirror those imposed by the despised Brussels officials and enforced by the hated European Court of Justice. Imports into Britain from third countries will thus have to observe EU rules just as though Britain was still a member. In this and many other respects departure will fail to bestow the promised independence on the UK authorities.

Economists for Free Trade

This is the new name for the group, 'Economists for Brexit'. What are we to make of the Brexiteers' promise of multiple, highly advantageous, trade deals with countries around the world? A recent paper from Patrick Minford, doyen of the UK's neoliberal economists, provides both a more convincing view of what might be possible in this respect and at the same time a *reductio ad absurdum* of the global free trade position.

Minford is not particularly concerned about a drop in British exports as a result of Brexit; nor does he care much whether Britain is actually able to secure deals which stimulate exports. For him the prize is more and cheaper imports – it would be nice if the reduction or abolition of tariffs and import barriers by Britain were reciprocated, but this is by no means necessary, unilateral trade disarmament will underpin Britain's future prosperity:

> What many people do not realise is that the biggest gains from free trade come from a country eliminating its own trade barriers against imports from the rest of this world. Indeed, most people think the opposite: that the big gains come from other countries lowering their trade barriers against our exports. But this is quite wrong for a country like the UK […].[4]

The basis for this insouciance about exports is Minford's very abstract conception of trade. It is true that a unilateral liberalisation of imports benefits

domestic consumers. By the same token it harms domestic producers. Under certain assumptions it can be shown that the (static) gains of the former outweigh the losses of the latter. The key assumption, nearly always counter-factual, is that the labour displaced by cheap imports is smoothly and rapidly redeployed at close to its previous levels of productivity. Minford implicitly makes such an assumption but goes further – he supplements neoclassical logic with Schumpeterian dynamics – to claim that the pressure of competition from imports, even if disruptive, will promote higher productivity in response: 'Now, think about what happens if we reduce our trade barriers on imports. We reduce the prices ofimports to consumers, and this creates both a gain to them and more competition with our homeproducers, forcing them to raise productivity.'

For logical completeness one should amend this to, '… forcing them to raise productivity or to accept permanent reductions in their incomes'. It is an additional irony that, had this vision of competition been valid, there would have been no vote for Brexit. In the 1980s a very high exchange rate for sterling exposed much of British manufacturing to severe competitive pressure in both home and foreign markets. The same view of the salutary nature of intense competition as is expressed today by Minford was then the prevailing view. In many regions, particularly in the industrial North of England, there was no Schumpeterian dynamic in response – hundreds of thousands of workers were thrown on the scrap-heap; unemployment remained high for decades, cutting into employment standards, undermining economic security, and promoting growing inequalities between those lucky enough to find a place in the economy after the Thatcher revolution and those marginalised by it. The deep and bitter resentment of communities treated as expendable instruments in the drive towards a neoliberal order is what produced the referendum result of 2016.

Minford's paper has however the great merit of making clear the kind of thinking that lies behind the rhetoric of the ultraliberal Brexiteers. As he writes, '… when we talk about global free trade we mean getting rid of our own trade barriers against all of the rest of the world'. Brexiteer optimism for Britain's new global trading role thus rests on a usually unstated conviction that intense market competition will eliminate the leaden weaknesses of the British economy and bring about a golden transformation in its performance.

… But if exports do matter

Without participating in 'project fear' one could seek a somewhat more balanced view of the withdrawal process from the *National Institute Economic Review*.[5] The studies published there are in accord with Patrick Minford's

main point. In their piece on trade negotiations, Holmes, Rollo, and Winters declare: 'The major economic benefits from trade come from opening up domestic markets to imports. Lower prices, higher quality, new products and technologies all benefit both consumers and producers, although opening markets also creates "losers" and thus generates political resistance at home.'[6] However, they do not think that the loss of exports to the EU is a trivial issue. The anticipated loss of Britain's market share in the rest of the EU would correspond to reduced demand for British output and thus for British labour. The large scale of UK-EU trade compared with UK trade with other partners, even with the largest of them, the US, means that it will be difficult to make good such losses.

> To compensate for a one per cent reduction in exports to the EU because of reduced market access, exports to the USA, for example, would have to increase by nearly four per cent. […] Services trade liberalisation is inherently more difficult than goods liberalisation, as it can entail conflict with domestic public policy objectives (especially in health and education). Yet services are the area in which the UK specialises.

Now a further *NIER* paper, by Monique Ebell, based on a statistical estimate of the impact of trade agreements on trade volumes, suggests in qualitative terms that the trade creation from 'deep' agreements such as the Single Market is very great so that the losses from leaving it might be severe, and in quantitative terms that the reduction in Britain's EU exports could be very large.[7] If Ebell is even approximately correct about orders of magnitude the UK is facing a substantial fall in export demand and thus in employment. One consequence might be a further depreciation of sterling, which could certainly help to stimulate exports but which would more than eliminate any increase in living standards from cheaper imports – they would be cheaper in international terms but not from the point of view of British consumers.

Investment losses might also be significant. The advantages of the Single Market to investors, and especially to the big corporations, are unique – the lack of any corresponding gains for the majority of the population is exactly why the EU is so open to criticism from a democratic point of view. The 'four freedoms' allow companies to move money, goods, services, and labour anywhere in the world's largest economic zone. If any political authority attempts to restrict these freedoms the companies affected have justiciable rights which will be upheld not only in the European Court of Justice but in the national juridical systems which are subordinated to it. The result is a high degree of certainty which it will be impossible for the UK to replicate

once it has moved outside EU jurisdiction. The uncertainty alone is likely to discourage both domestic investment and FDI in post-Brexit Britain. Shortly after the referendum, Nissan, which manufactures automobiles in the North-East of England, threatened to cut back its investments in Britain. It received assurances from the government which led it to withdraw the threat. The nature of the reassurances and whether they would be extended to other corporations in the automobile or other sectors are being kept secret.

Labour's Brexit dilemma

The reorientation of the British Labour Party since the unexpected election of Jeremy Corbyn to its leadership has inspired hope across Europe for a radical challenge to the neoliberal consensus which has seen mainstream social-democratic parties accepting ever-widening inequalities and undermining social provision in the interests of the big corporations whose investments, it was promised, would regenerate western economies and spread prosperity across them. The 'adjustments' required by the neoliberal agenda – in pressure on popular living standards, increasing insecurity and precarious employment, erosion of the welfare state, and reductions in benefits – proved never-ending. The failure to achieve the promised outcomes was only ever treated as evidence that even more 'flexibility' was needed. The logical outcome was a decline in electoral support for social democracy.

Promising a radical break with this pattern, Corbyn survived determined attempts to displace him by other Labour MPs and by the managers of the party, easily winning the endorsement of the membership in a second leadership election. This came in defiance of the most intense vilification in the press and his dismissal as an inevitable loser by virtually all political commentators.

In the referendum campaign, the labour movement as a whole supported the Remain position but did not play a major part in the debate which was dominated by opposing forces on the right. Corbyn was heavily criticised after the defeat of the Remain campaign for failing to endorse the EU more enthusiastically. It is however difficult to see how someone with a socialist position could enthuse about the actually existing EU which completely subordinates social objectives to its competition rules and restrictive macroeconomic stance. The Remain arguments of the left were necessarily based on the EU as the lesser evil – better to fight for deep changes in the European project than to abandon it for what would certainly be a very right-wing neoliberal and xenophobic – alternative. It may be that Corbyn was personally in favour of British withdrawal or that he regarded it as an

issue of little importance – if that were so there would be more difficulty because British withdrawal would be economically damaging and contrary to the interests of most British people.

In any event, Brexit is the main cloud darkening what are otherwise sunny prospects for Corbyn-led Labour. After the referendum, most politicians declared that Brexit must take place to respect the popular will. Theresa May, replacing the now discredited David Cameron as Prime Minister, made a determined and 'hard' Brexit her central policy. Convinced by the virtually unanimous view that Corbyn was an electoral liability, May called an opportunistic election, confident of a substantially increased majority.

The outcome of the election, however, which took nearly everyone by surprise, may come to be seen as a turning point in British and even European politics. Labour under the 'unelectable' Corbyn made the biggest advance of any British political party since the epochal triumph of Labour in 1945.[8] A central feature of the result was the strong support Labour won from young people and the enthusiasm of much of the younger generations for its promise of a radical change of direction. Although the Conservative Party emerged with the largest vote and the largest number of MPs it lost its overall parliamentary majority and suffered a perhaps fatal loss of prestige as the Conservative government made an agreement with Northern Ireland's Democratic Unionist Party to help push through its Brexit-dominated agenda.

Labour is pulled in opposite directions by the Brexit issue. Most of the constituencies which delivered big majorities for Leave, such as those in the industrial (or deindustrialised) North of England are traditional Labour seats. To block Brexit might be seen by their voters as a political betrayal as well as anti-democratic. On the other hand, the political dynamic of the June 2017 election tends to cast Labour in an anti-Brexit role: in constituencies which had voted Remain in the referendum there was on average a 4% swing to Labour; in those which had voted Leave there was no change in the relative strength of the two main parties.

A resolution of this problem, allowing Labour to draw on both oppositional forces – uniting the demands of the deindustrialised regions with those of the radical younger generations – would both virtually guarantee electoral victory and provide the basis for deep socio-economic reforms under the following government. Failure to do so, and the alienation of support which might follow, could either lead to defeat or encumber a Labour government with an acute post-Brexit crisis.

Conclusion

The Brexit negotiations with the EU are not going well for the May government. The cabinet is bitterly divided on the appropriate negotiating stance and indeed on whether the basic goal of the British negotiators should be to achieve maximum independence from the EU or to minimise the disruption to UK-EU economic relations. The new demand for an 'adjustment period' of two years or more, so far dismissed by the EU negotiators who are aware that they hold the whip hand, would postpone the evil day when the British economy is faced with the 'cliff-edge' of departure. At the same time the call for an adjustment period, endorsed by both arch-Brexiteer Liam Fox, occupying the new position of International Trade Secretary, and Chancellor Philip Hammond, identified as deeply sceptical about the Brexit agenda, permits a veneer of unity to be temporarily maintained. There are reports of intense dissatisfaction among the civil servants required to support and document the chaotic negotiating process.

The metaphor of a cliff-edge is rejected by the Brexiteers who insist that there need be no sudden disturbance to existing economic relations. But their position is hardly convincing. Former Chancellor George Osborn points out that, if Britain leaves the EU in March 2019, according to the schedule laid down in Article 50 of the EU Treaty, no customs regime will be operational and there will be no new agricultural regime ready to replace the Common Agricultural Policy (CAP).

The problem of replacing the CAP (British farmers have been promised complete compensation for any related losses) is linked to that of Northern Ireland. If, as British consumers have been promised, food prices are lower following Brexit, then the prices of beef, cereals, milk, and butter may well be lower in the six counties of Northern Ireland than in the rest of the island. What flows of agricultural produce will then take place across a border which all parties agree must be kept free from checks and controls?

The border between Ireland and the UK, the payment Britain must make into the EU budget, and the status of EU citizens in the UK after Brexit are the three first issues to be handled in the negotiations. None has yet been resolved, in spite of humiliating concessions by the British side of which the logic seems to be always to reduce the possibility of genuinely autonomous policies after Brexit.

Given the fragile majority of the May government and the fact that most MPs are hostile to Brexit there is a permanent possibility of a political accident whereby a vote in the House of Commons could undermine the entire negotiating process. However, most commentators remain persuaded that Brexit, in a relatively thoroughgoing, 'hard', form, will indeed take place.

The probable consequence would be serious economic damage to Britain not compensated by any substantial widening of the scope for independent economic policies.

NOTES

1 On the costs of leaving the Single Market see, Carl Emmerson, Paul Johnson, and Ian Mitchell, *The EU Single Market: the value of membership versus access to the UK*, Institute for Fiscal Studies, 2016, at <https://www.ifs.org.uk/uploads/publications/comms/R119%20-%20The%20EU%20Single%20market%20-%20Final.pdf>.

2 HM Government, *Future Customs Arrangements: a future partnership paper*, at <https://www.gov.uk/government/publications/future-customs-arrangements-a-future-partnership-paper>.

3 Tom Hazeldine, 'Revolt of the Rustbelt', *New Left Review* 105 (May/June 2017).

4 Patrick Minford, *From Project Fear to Project Prosperity: an Introduction*, at <http://www.economistsforfreetrade.com/>.

5 See the collection of articles on Brexit in *National Institute Economic Review* 238 (November 2016).

6 Peter Holmes, Jim Rollo, L. Alan Winters, 'Negotiating the UK's Post-Brexit Trade Arrangements', *National Institute Economic Review* 238(2016), pp. R22–R30.

7 Monique Ebell, ?Assessing the Impact of Trade Agreements on Trade?, *National Institute Economic Review* 238(2016), pp. R31–R42.

8 See, on the BBC website, the lecture by Vernon Bogdanor, 'Brexit: one year on', at <https://www.youtube.com/watch?v=L9edfG1utRg>.

The EU, NATO, and the OSCE

Erhard Crome

At a certain level of abstraction one might say that international relations in Europe after the Cold War are shaped by diverse, partly opposed, processes:

- The integration processes in the framework of the European Union (EU) have – until Brexit – deepened and been extended eastward.
- The disintegration processes in post-Soviet space have not yet run their course and have reached a new level that endangers peace with the 2014 coup in Kiev supported by the West, the war in Eastern Ukraine and the anti-Russian politics of tension carried out by Ukraine and the West.
- The eastward expansion of NATO is part of a reorganisation of the world driven by the USA after the end of the Soviet Union; it has encountered the different interests of the 'old' NATO members, on the one hand, and the 'new' NATO countries, on the other.
- The Organization for Security and Co-operation in Europe (OSCE), which emerged from the Conference on Security and Co-operation in Europe (CSCE), leads a rather marginal existence in the contemporary international landscape because the major forces in the NATO states have no interest in its playing a positive role in the maintenance of peace and security in Europe as a whole.

The eastward expansion of the EU and of NATO are not 'two sides of the same coin' but different developments that need to be distinguished from each other, which have their own logic of action and are linked to diverse interests and constellations of actors. The EU's eastward expansion has at the same time far-reaching consequences for the integration/disintegration processes in post-Soviet space. After the West unleashed the Ukraine crisis it was at first unclear whether Ukraine's move from Russia's sphere of influence to the orbit of the EU and NATO was US policy (of President

Barack Obama and his Secretary of State Hilary Clinton), which had to be paid for by the EU, or a German, or 'European', strategy for which the USA was providing the background of potential threat. The eastward expansion and the military activities of NATO in Eastern Europe are cementing the situation of a divided security in Europe. In this, however, NATO and the EU are not complementary constructs, as the political classes of EU-Europe and their media would have the populations believe. Rather, NATO is a power construct, whose line is established by the US, and the EU a power construct in which Germany is hegemonic. As such, both are in a relation of competition whose logic is bound to grow.

I

The European Union cannot be understood apart from its historical context. Already in the 1957 founding treaty of the European Economic Community (EEC), of the Europe of 'the Six', we read that all other peoples of Europe 'who share the same high goals' – what is meant are 'peace and liberty' in its Western understanding and in the context of the Cold War – are called upon to join the effort to unite Europe, and further: 'Every European State may apply to become a member of the Community' (Article 237).[1] This was simultaneously an invitation to the other states and a self-commitment. From the beginning, the European Union has been designed to include the greater part of Europe (west of Russia). This is true irrespective of the original reasons for its founding in the context of the East-West conflict.

After the end of the Cold War, the expansion of the Union towards the east naturally came onto the agenda. At the same time, the motto 'back to Europe'' was a factor in the upheaval in eastern central Europe. From the perspective of Warsaw, Budapest, and Prague the subordination to Moscow was in any case seen as historically wrong. Human rights, democracy, as well as market economy and prosperity were the goals of the domestic protagonists of the systemic upheaval of 1989. Early on, this was tied to the idea of connection to the West, especially the EU. To this extent, the eastward expansion of the EU is the consequence of the collapse of actually existing socialism and at the same time resulted from the attractiveness of what had already been achieved on the path to integration within the Union.

Already in the earlier expansions of the EEC/EC/EU the practice arose of having the particular entry candidate confront the integration structure as a whole. This imbalance becomes all the greater the more the EU is enlarged. At the same time we cannot lose track of the sociology of organisation as a factor: in every association the rules and conditions of entry are determined by those who are already members. This also applies here. In this respect,

if accession is at issue, the political will of the actors within the EU has to be consulted and, if possible, influenced. In addition, there is the question of the weight of human rights and the rights of liberty, social interests and conditions, on the one side, and, on the other side, power interests and the interests of capital valorisation. The European Union contains, just as modern society altogether, both interests. What is thus decisive is the point of view from which the accession process is considered and which actors can carry out which interests.

In 1993 in Copenhagen the European Council formulated four criteria for eastward expansion: one for the EU – even in the case of admission there is the need 'to maintain the impact of European integration' – and three for the acceding countries:

- a guarantee, ensured by the political institutions of the country, of a democratic and constitutional order, the observance of human rights as well as protection of minorities;
- a functioning market economy that is able to withstand the pressure of competition within the Union;
- the adoption of obligations that accompany membership, including of the economic and currency union and the political union.

The evaluation by the Union – here first of all the Commission – of the domestic situation of the countries could, on the one hand, be managed restrictively, to make accession difficult, to retard it, or even make it impossible. On the other hand, it could be done purely formally; this would lead, for example, to closing one's eyes to obvious human-rights violations (such as corruption in Romania), or to overestimating the capacity of the particular national economy to withstand the Union's economic pressure. The restrictive approach would contradict Germany's geopolitical interests and those of the ruling forces in the EU; the lax approach would necessarily have economically and socially catastrophic consequences for the acceding country and for the EU as a whole. In fact, with Romania, Bulgaria, and Croatia, countries were admitted to the EU which did not substantively meet the accession criteria. But they were to geopolitically round out the EU eastward as an imperial construct.

II

The genesis and development of the European Union does not only have connotations of the Cold War and a basis in world-market competition but was at first an institutionalised solution to the question of peace in an inner-

European context. In the first half of the twentieth century, the Germans tried twice to conquer the continent, or at least they wanted to dominate it. Under Hitler's criminal rule no misdeed was too great for this goal. His defeat required the efforts of nearly all other states and nations; in the end the scales were tipped by the 'peripheral powers': the Soviet Union and the USA. Thus from a European perspective two things became clear in the middle of the twentieth century: As a result of two world wars occidental Western and Central Europe had to cede their formerly dominant position in the world essentially to the USA and the Soviet Union, potentially also to China (e.g. its seat in the UN Security Council); the wars had led to devastating destruction but not to the predominance of one of the powers within Europe.

After the military defeat of Germany a long-term change in its internal relations and at the same time its insertion into a new European constellation of states were on the agenda, combined with the end of the age of armed conflicts. 'If this war' – wrote Léon Blum, the French Socialist and Prime Minister of the Popular Front government of 1936, jailed by the Vichy government in spring 1941— 'does not at last give rise to fundamentally stable international institutions, to a really effective international power, then it will not be the last war.'[2] With this he meant not only the geopolitical dimension, which was then incorporated in the UN, but principally the inner-European association, with a reduction of national sovereignty in favour of a supranational structure, which was to have its own institutions and leadership.

In this sense, the European Coal and Steel Community (ECSC), created in the early 1950s based on the Schuman Plan and the concepts of Jean Monnet, was at first understood as an institution for securing the peace. The interlocking of the whole of German and French coal and steel production was aimed at what were then the decisive economic sectors for the outcome of wars; it was to permanently bind Germany and France to each other and give this connection a material basis; its integration into a community to which Italy, Belgium, the Netherlands, and Luxembourg also belonged removed it from the bilateral German-French context (historical reconciliation was still only inchoate), in order thus to remove it from areas of everyday politics. In the wake of integration, conditions enabling a cooperative relationship were to be created, which – in modern terms – would make the costs of exit from the association, for whatever political or economic reasons, always higher than the costs the participating states pay for remaining in it. Brexit and the attendant problems show the efficacy of this construction.

At the same time, bringing Europe together on the political level was

to be promoted. Supranational institutionalisation in the form of a higher authority was to create its own support, a subject of the common interests, in order to remove the whole process from the foreign-policy-diplomatic level and raise it above traditional inter-state cooperation. For this, the erection of a supranational apparatus of officials was needed: no one once employed in it later needed to have a career in the diplomatic, or other, services of his/her home country; it was only in this way that he/she could also be the bearer of the Community interest rather than a representative of his/her own country.

The road paved by the Schuman Plan, the European Union, and the treaties of Maastricht and Amsterdam have confirmed those assumptions. The later institutionalisation followed the courses set in these earlier stages. The European Union has a peace-making function regarding the countries and peoples inside it, even if externally the EU is active not just on the trade and finance-policy level but also militarily as an intervening imperial power.

The European Union today is in a peculiar limbo, being 'more than a league of nations' and 'not yet a federal state'. It will stay this way for a long time to come since the nation as a communal form of co-habitation will not disappear in the foreseeable future. Nevertheless, the EU tends to implement a separation of power between its institutions. In the European Parliament's gradual expansion of its rights, from budgetary laws to its role in appointing the European Commission, it is re-enacting developments that had been played out in past centuries on the national level in the configuring of parliamentary democracy against the Divine Right of absolutist kings. In this the competences assigned to the Commission will be expanded to the point of becoming a quasi-government of Europe, while the European Council will become a kind of lower chamber (of states or nations), which despite its far-reaching rights of veto, will not have the crucial right to make decisions it previously had. On the way there are still many obstacles to overcome. The inner logic of the ongoing developmental processes tends in this direction. At the same time the subsidiarity principle – the clear demarcation of authority between the Union, nation-state, and regional levels – is acquiring more importance.

In the context of German unification in 1989-90 the question of how a reunited Germany would be positioned internationally came on the agenda. The answer was the new stage of European integration in the framework of the EU; the further intensification of cooperation was now also a logical consequence of German unification and the euro its final result. In view of the financial and euro crisis, however, 'European Germany' moved to the centre of a 'German Europe'.[3] The idea of the alternative between a 'German

Europe' and a 'European Germany' goes back to a talk given by Thomas Mann in 1953. In the post-Wende years (starting in 1990) the demand for a 'European Germany' instead of a 'German Europe' played a prominent role among left critics of German unification. In the current debate the British historian Timothy Garton Ash was the first to have pointed to this new quirk of history: 'But today we are seeing a variant that few have predicted: a European Germany in a German Europe'.[4] Germany became a 'geo-economic power', oriented to the world market, a power that is above all economically based. Its regional involvements in Europe, including those of the EU, as well as participation in NATO, or activity in the UN and other international organisations, that is, international politics in a political-diplomatic sense, are functions of these economic and power interests.

III

Perhaps the most consequential illusion at the end of the twentieth century was that the removal of the East-West conflict would usher in a long peaceful phase. The end of the Cold War seemed to make it possible to breathe freely – as has occurred after all big wars in European history – after the gigantic costs of this confrontation, which immediately followed the Second World War.

The end of the Warsaw Pact, however, was not followed by the dissolution of NATO, as even many peace researchers in the West had assumed (or hoped) in the early 1990s, but NATO was assigned different tasks and remodelled into a worldwide intervention machinery. The illusion at that time had a particular name: the 'peace dividend'. It meant that now all funds had been freed up to be used worldwide to solve social, ecological, and other pressing problems. These hopes were cruelly dashed. The end of the Cold War did not bring an era of peace, as many hoped in 1989-90 and the Charter of Paris proclaimed in 1990. According to data from the renowned Swedish Sipri Institute, worldwide arms expenditures in 2016 amounted to 1,686 trillion US dollars.[5] This was more than one-third higher than the level at the end of the period of power-bloc confrontation. Under President Barack Obama the US has modernised its arms programme and in 2016 spent 611 billion US dollars. This is still more than eight times Russia's expenditures (69.2 billion) and almost three times those of the People's Republic of China (215 billion).[6] Due to the US' and NATO's war and intervention policy China and Russia spend more year after year for military arms, although they both would prefer to avoid an arms race, which ruined the Soviet Union.

At the beginning of the 1990s, US President George Bush senior (1989-

1993) had announced a 'New World Order' packaged in rather attractive rhetoric, containing words that even sounded cooperative, but that was not what was meant. In the person of Secretary of State James Baker, the US government had promised the Soviet leadership on 9 February 1990 that it would also be good for the Soviet Union if a reunited Germany stood under the control of NATO (in other words, the USA), 'while at the same time there will be a guarantee that NATO will not extend its territory "one inch eastward"'.[7] Since then comprehensive NATO expansions into Eastern Central Europe and Southeast Europe have become a reality; and more expansion is being discussed.

In the eventful days of winter 1990, the USA made it clear that it insisted on NATO's continued existence, specifically in the three main functions that determined its strategy from the beginning: to keep the USA in (Western) Europe, to keep the Russians out, and to keep the Germans under control. The reasoning Baker conveyed to President Gorbachev and Foreign Minister Shevardnadze at the time was: 'Would you prefer to see a reunified Germany outside NATO and without US forces stationed there, but perhaps with its own nuclear weapons? Or would you prefer a reunified Germany that is […] bound to NATO decisions?'[8] In other words, if the Soviet Union is, in terms of power politics, no longer in a position to participate in a lasting and effective control of the Germans, the US wanted to do this via NATO – this has remained a factor of the US's European policy and the preference for NATO. The repeated avowal on the part of the then Chancellor that the US has 'permanent residency' in the 'House of Europe',[9] whatever that means, has probably to be regarded as a return favour to the US for its facilitating role in the process of German unification.

Even the construction of the 'Two Plus Four Agreement' on German unification was, from the US point of view, the US' own idea; negotiations regarding Germany involving only the four allies of the Second World War and without the Germans was out of the question, Baker also said in Moscow on 9 February 1990, and a CSCE would be too unwieldy.[10]

Article 2 of this treaty stipulated: 'The Governments of the Federal Republic of Germany and the German Democratic Republic reaffirm their declarations that only peace will emanate from German soil. According to the constitution of the united Germany, acts tending to and undertaken with the intent to disturb the peaceful relations between nations, especially to prepare for aggressive war, are unconstitutional and are punishable offences. The Governments of the Federal Republic of Germany and the German Democratic Republic declare that the united Germany will never employ

any of its weapons except in accordance with its constitution and the Charter of the United Nations.'[11]

In this sense, according to the Basic Law of the Federal Republic of Germany, the German people are 'animated by the will to serve, as an equal member in a united Europe, the cause of peace in the world' (Preamble).[12] This legal status, anchored in the 'Two Plus Four Treaty' and the Basic Law, has consequences not only for the government's activity and the foreign- and security-policy decision-making processes in Germany; it is at the same time associated with sharp political controversies in every tense international situation. The status of the second Gulf War of 1990-91 was clear in terms of international law: Iraq under Saddam Hussein had annexed Kuwait, after which the UN Security Council issued an ultimatum demanding immediate withdrawal of Iraqi troops and threatened the use of military force that was finally deployed by an international military coalition under US leadership. The federal government announced at that time that the international and constitutional legal situation of Germany prohibited direct participation in warfare. Instead, it made a direct and indirect contribution to the Gulf War in the amount of over 18 billion German marks. In the years to follow, the legal status, without anything having changed materially, was reinterpreted such that foreign interventions of the Bundeswehr could be possible even when not involving defence against an imminent threat to federal territory – indeed anywhere in the world. At the same time, military intervention was placed under strong parliamentary control; that is, ultimately it is the Bundestag that decides on the Bundeswehr's military deployments, not the executive. However, up to now military deployments have always simply been waved through.

When the, social democratic-led, federal government implemented Germany's participation in the War Against Yugoslavia in 1999, it was, in part, sharply attacked by the opposition with strong arguments (e.g. the violation of the Constitution by the federal government). The competent courts rejected this as did a majority of Germany's political class. Since then, Germany has participated, and still is participating, in various military interventions, from Afghanistan through the Horn of Africa, to Bosnia, Kosovo, and Macedonia.

IV

Up to the middle of the 1990s the strategic debate in UN bodies still seemed open; but at that point the US representatives abandoned dialogue on an apparently equal footing. In Washington, there had begun to be reconsideration of a new imperial policy that was not to be shared with the 'allies'. From this perspective, the Yugoslav War at the end of the 1990s

seemed cumbersome as the representatives of the other countries still had to be included in the war's decision-making processes. Singular imperial decisions appeared simpler. These debates already took place in the 1990s under Bill Clinton's presidency (1993-2001). With their wars against Iraq, Libya, and Syria, Presidents George W. Bush (2001-2009) and Barack Obama (2009-2017) were able seamlessly to continue this evolution. We are beginning to see what the evolution under Donald Trump will look like.

NATO's change in strategy and policy has played a significant role. The Charter of Paris for a New Europe – the 21 November 1990 declaration of the heads of state and government of the CSCE countries – was seen by contemporaries as the document ending the Cold War and the power-bloc confrontation. Peace, democracy based on human rights and basic freedoms, as well as market economy, were to be the common bases for Europe's subsequent development.[13] After the dissolution of the Warsaw Pact, NATO was not only maintained but it was no longer to be merely a military-political alliance for the defence of its members, against whomever; it was to perform world policing tasks. These were derived from a diffuse, not really specified threat analysis.

The course was set at the NATO Summit in Rome in November 1991, just months after the dissolution of the Warsaw Pact on 1 July 1991. Instead of major threats, the talk was now of 'instabilities' and'tensions' (Rome, §9), an environment of uncertainty and unforeseeable challenges. The core of the approach was the restructuring of the alliance.[14] There was never a mention of dissolution. This was further elaborated in the 1999 declaration of the NATO Summit on the occasion of NATO's fiftieth anniversary in Washington.[15] The western military pact redefined the security environment to derive its raison d'être from it. In place of the 'main threats in the past' the current risks were now 'multi-faceted in nature and multi-directional' (Rome § 8), 'which makes them hard to predict' (§ 8). These risks are 'less likely to result from calculated aggression against the territory of the Allies' (§9) but rather from the 'instabilities' (§9) arising from 'the proliferation of […] weapons of mass destruction and ballistic missiles', the presence of large nuclear arsenals that could be directed against NATO, or also the 'disruption of the flow of vital resources and actions of terrorism and sabotage' (Rome, § 10-13). Already in 1991 NATO had located the risks in Central and Eastern Europe, the GUS area – thus the 'Russian danger' – and in the southern Mediterranean and the Near East. The Rome document underlined: 'alliance security must also take account of the global context' (Rome, § 13 and identical in Washington, § 24). The out-of-area orientation of NATO and thus the re-orientation to offensive tasks was therefore already decided

in 1991. However, the list of security risks was extended: Alongside the risk of 'organized crime' the 'uncontrolled movement of a great number of people, particularly as a result of armed conflicts' was cited (Washington §24); accordingly NATO sees its security compromised by refugee flows. The first specific application was the Yugoslav War.[16]

NATO is not the solution to the problem of peace, security, and cooperation in Europe and the world. Where then could the solution lie? In the search for avenues and mechanisms of the durable preservation of peace in the 21st century, there is much that is helpful in what was thought, worked out, and implemented in terms of preventing war in the final phase of the East-West conflict. Chief among these is the guiding idea of common security – each side can only be secure if the actual, potential, or anticipated enemy is also secure – and the concept of creating a system of collective security in Europe, which took final shape in the Conference on Security and Co-operation in Europe (CSCE) and the OSCE. These are the specific approaches:

- new thinking;
- war and peace in the nuclear age;
- peaceful co-existence and positive peace;
- the non-winnability of war using nuclear weapons;
- the concept of security and threat analyses;
- arms limitation and disarmament;
- the creation of nuclear-weapons-free zones, zones free of weapons of mass destruction;
- de-militarised security and the concept of expanded security;
- structural incapacity to launch an attack;
- strategic sufficiency, reasonable adequacy of defence.

What is essential in developing foreign-policy alternatives is to connect the idea of common collective security to the creation of nuclear-weapons-free zones/zones free of weapons of mass destruction and the creation of structural incapacity to launch an attack. In the long term this includes the withdrawal of US troops at least from Germany, beginning with the removal of the US' nuclear stockpile in Germany. The OSCE has to be revived to the mutual advantage of all and expanded as the Europe-wide framework for peace, security, and cooperation. It is an open question whether the US, with Trump's 'America First' policy and aversion to multilateral treaties, could still be a part of this. But this should not prevent Europeans from accomplishing a continent-wide turn towards peace-making.

NOTES

1 At <https://www.cvce.eu/obj/treaty_establishing_the_european_economic_community_rome_25_march_1957-en-cca6ba28-0bf3-4ce6-8a76-6b0b3252696e.html>. See also Curt Gasteyger, *Europa zwischen Spaltung und Einigung 1945 bis 1993*, Bonn: Bundeszentrale für politische Bildung, 1994, pp.160 and 177.

2 Quoted from Wilfried Loth, *Building Europe: A History of European Unification*, Munich, Boston: De Gruyter, 2016, 1990, p. 2.

3 See Erhard Crome, 'Deutschland in Europa. Eine neue Hegemonie', in Erhard Crome and Raimund Krämer (eds), *Hegemonie und Multipolarität. Weltordnungen im 21. Jahrhundert*, Potsdamer Textbücher, Band 20, Potsdam: Verlag Welt Trends, 2013; Ulrich Beck, *Das deutsche Europa. Neue Machtlandschaften im Zeichen der Krise*, Berlin: Suhrkamp-Verlag, 2012.

4 *Der Spiegel* 7/2012, p. 24.

5 <https://www.sipri.org/media/press-release/2016/world-military-spending-resumes-upward-course-says-sipri>, <http://www.faz.net/aktuell/politik/ausland/ruestungsausgaben-2016-amerika-first-14985021.html>.

6 <https://de.statista.com/statistik/daten/studie/157935/umfrage/laender-mit-den-hoechsten-militaerausgaben/>.

7 Michael R. Beschloss and Strobe Talbott, *At the Highest Levels: The Inside Story of the End of the Cold War*, Boston: Little, Brown & Co. 1994; quoted from German edition: *Auf höchster Ebene. Das Ende des Kalten Krieges und die Geheimdiplomatie der Supermächte 1989-1991*, Düsseldorf: ECON Verlag, 1993, p. 245.

8 Beschloss and Talbot.

9 For example, Helmut Kohl's speech at the Hebrew University in Jerusalem on 8 June 1995, at <http://www.helmut-kohl.de/index.php?menu_sel=17&menu_sel2=&menu_sel3=&menu_sel4=&msg=1596>.

10 Beschloss and Talbott, *Auf höchster Ebene*, pp. 244 f.

11 <http://treaties.fco.gov.uk/docs/fullnames/pdf/1991/TS0088%20(1991)%20CM-1756%201990%201%20OCT,%20NEW%20YORK%3B%20TREATY%20ON%20GERMANY%20DECLARATION%20SUSPENDING%20OPERATION%20OF%20QUADRIPARTITE%20RIGHTS%20&%20RESPONSIBILITIES.pdf>; and 'Vertrag über die abschließende Regelung in bezug auf Deutschland', in: *Verträge zur deutschen Einheit*, Bonn: Bundeszentrale für politische Bildung 1991, pp. 83 ff., quotationfrom p. 86.

12 Quoted in Dieter Hesselberger, *Das Grundgesetz. Kommentar für die politische Bildung*, Bonn: Bundeszentrale für politische Bildung 1996, p. 55.

13 Charter of Paris in Curt Gasteyger, *Europa zwischen Spaltung und Einigung*, Schriftenreihe der Bundeszentrale für politische Bildung, vol. 321, Bonn 1994, pp. 538 ff.

14 Erklärung von Rom überFrieden und Zusammenarbeit, in Gasteyger, pp. 436 f. Das strategischeDokument: The Alliance's New Strategic Concept, agreed by the Heads of State and Government participating in the Meeting of the North Atlantic Council, at <http://www.nato.int/cps/en/SID-A4CCE1ED-8BF2B255/natolive/official_texts_23847.htm>.

15 <https://www.nato.int/cps/en/natolive/official_texts_27433.htm?selectedLocale=en>

16 See also *Friedensmemorandum des Bundesausschusses Friedensratschlag* 2000.

Right and Left Populism – Elections and Security Policy

Between Two Crises? – The 2017 Austrian Elections from a European Perspective

Walter Baier

A sigh of relief was breathed throughout Europe at Emmanuel Macron's victory over Marine Le Pen in France's presidential elections, although in the second round the Front National's candidate got twice the vote percentage her father Jean-Marie had gotten 15 years before. Liberal commentators felt vindicated since they had already concluded from the Austrian presidential elections of December 2016 – in which Alexander Van der Bellen prevailed over the radical right candidate Norbert Hofer – and the defeat of Geert Wilders's radical right PVV in the Dutch parliamentary elections of March 2017 that the radical right in Western Europe had already passed its peak. To a certain extent the 13% that Alternative für Deutschland received in September's Bundestag elections, which justifiably alarmed German public opinion, could even be seen as a catch-up phenomenon of a normal albeit troublesome European state of affairs.

The total picture that emerges is of radical right parties that, although they have acquired or consolidated an electoral potential that has reached into the centre of society, can be resisted by bourgeois liberal forces.

This was also reflected in the state-of-the-union address that European Commission President Jean-Claude Juncker delivered in September 2017 before the European Parliament. A year previously he had felt the need to appeal to the large European nations to resist the wind of populism,[1] but this worry seemed to have disappeared in September, all the more so as modest economic growth allowed him to announce that there was fresh wind in Europe's sails. We would not be wrong in interpreting his reform programme, the *White Paper* that the European Commission published in March 2017[2] along with the accompanying *Reflection Paper*, as a platform through which the leading ruling forces of the European Union are seeking

not only to deal with criticism from the left but also to defend themselves from the radical nationalist right-wing march towards power.

However, these economic growth rates ought not to obscure the reality of the EU's social condition characterised as it continues to be by high rates of unemployment, especially among youth, by growing poverty and exclusion, and by increasing inequality between states and regions. We can see that even in a period of economic growth in the EU more of the same neoliberalism will not lead out of the social crisis. Furthermore, the key elements of a strategy – consisting of a banking union and a European monetary fund – presented in the European Commission's *Reflection Paper on the Deepening of the Economic and Monetary Union* are aimed more at increasing the resilience of the Eurozone in the face of future crises that are apparently accepted as inevitable than at remedying the structural defects of the Economic and Currency Union itself.

Juncker thus follows his optimism with a clear warning: 'We now have a window of opportunity but it will not stay open forever. Let us make the most of the momentum, catch the wind in our sails.' [3]

In fact, the political auspices under which the debate over EU reform has begun are not particularly favourable. The defensive battle against the onslaught of the radical, nationalistic right claimed its victims. In the Netherlands, France, and Austria the social democratic parties suffered dramatic defeats. In the Netherlands the vote share of the social democratic PvdA sank from 24.8% to 5.7%; in the first round of the presidential election in Austria (April 2016) the candidates for the former parties of government, SPÖ and ÖVP, with 11.3% and 11.1% respectively, were far from making it to the second ballot; the candidate of France's PS, François Hamon, received 6.4% in the first round of the presidential election, and in the first round of the parliamentary elections the PS's vote share dropped from 19.3% to 7.4%. In the Netherlands, the governing conservative-liberal party, the VVD, was only able to save itself by adopting the xenophobic and anti-Muslim rhetoric defined by the radical right, a strategy that was imitated by Austria's conservatives in fall 2017.

It is not impossible that the new government constellations will for a while allow the old government policy to be continued though with a new rhetoric. Whether they are sustainable is another question, especially if the EU's economies go through another downturn. The hurdles alone, which appeared in autumn on the way to Brexit, along with the Spanish government system's morbidity, revealed by Catalonia's aspirations to independence, show that the EU has entered rough seas. Furthermore, the parliamentary elections held in Germany, Austria, and the Czech Republic this fall make it

clear that the rise of radical right parties, which have mobilised a number of votes unprecedented in Europe's post-war history, has at best been curbed but not ended.

In 2017, within Europe's radical right an important clarification process took place. Now that as a result of Brexit the two competing parliamentary groups essentially made up of British parties – European Conservatives and Reformists (ECR) and Europe of Freedom and Direct Democracy (EFDD) – in the European Parliament will no longer exist in this form when the next European Parliament elections are held in 2019 the political initiative will go to the Europe of Nations and Freedom (ENF) group, mainly consisting of the Front National, the FPÖ, the Lega Nord, Belgium's Vlaams Belang, and the Netherlands' PVV, and to its corresponding Europe-wide party, Movement for a Europe of Nations and Freedom (MENF). In identical documents they have succinctly set out their principles:

> The parties and the individual MEPs of the ENF Group base their political alliance on the sovereignty of states and their citizens, relying on the cooperation between nations, and therefore reject any policy designed to create a supra-state or supra-national model. The opposition to any transfer of national sovereignty to supranational bodies and/or European Institutions is one of the fundamental principle uniting Members of the ENF [...] [They] base their political alliance on the preservation of the identity of the citizens and nations of Europe, in accordance with the specific characteristics of each population. The right to control and regulate immigration is thus a fundamental principle shared by the Members of the ENF Group.[4]

In the next period of the European Parliament it is not impossible that a nationalist group will be constituted under its leadership that will approach the size of the two largest groups, the European People's Party (the conservative group) and the Progressive Alliance of Socialists and Democrats (the social democratic group).

Table 1: Radical right – 2017 parliamentary elections (previous election)

country (party)	vote share 2017 (previous election)	votes 2017 (previous election)
NL (Partij voor de Vrijheid - PVV)	13.6% (10.8%)	1,370,000 (950,000)
F (Front National - FN)	13.2% (13.6%)	2,991,000 (3,528,000)
D (Alternative für Deutschland - AfD)	12.6% (n/a)	5,878,000 (n/a)
Ö (Freiheitliche Partei Österreichs - FPÖ)	26% (20.4%)	1,316,000 (962,313)
CZ (Svoboda a přímá demokracie - SPD)	14.9% (n/a)	538,574 (n/a)
Total:		12,094,000 (5,440,000)

'In small Austria the great world holds its trial runs'[5]

The constitution of this common government of the ÖVP and FPÖ represents a watershed in Austria's post-war history. Nevertheless, we have to take into account that two-thirds of the ÖVP's and FPÖ's vote increase came from two right-wing populist parties that did not stand for election this time. The movement of votes between left and right therefore involves no more than 3.5%. The generally verified rightward shift consists less in a dramatic change of voter behaviour than in a change in the institutional relation of forces. The voters were put in the position of an audience gazing in amazement at a perfectly staged production.

That an influential group in the ÖVP had for years been seeking a new coalition with the FPÖ was well known. However, the requisite majority in the parliament, which had long existed except from 1970 to 1983 (Kreisky's long stretch in government without the need for coalition), was only used from 2000 to 2006. What enabled its supporters in the ÖVP to realise it this time was not a sudden dramatic shift in the population in favour of it but a political reorientation among the elites and their institutions; it is particularly ironic that it was the leadership of the SPÖ that broke the taboo by publicly weighing the possibility of forming a government coalition with the FPÖ themselves, thus freeing those in the ÖVP wanting a coalition with the FPÖ to advocate it openly.

Table 2: Final results 2017 (change from 2013)

Sozialdemokratische Partei Österreichs - SPÖ	26.9%	(+0.1)
Österreichische Volkspartei - ÖVP	31.5%	(+ 7.5)
Freiheitliche Partei Österreichs - FPÖ	26%	(+ 5.5)
Die Grünen – Die Grüne Alternative - Grüne	3.8%	(- 8.6)
NEOS – Das Neue Österreich und Liberales Forum - Neos	6.3%	(+0.3%)
Liste Peter Pilz - PILZ	4.4%	(first electoral participation)
Kommunistische Partei Österreichs - KPÖ Plus	0.8%	(-0.2)
Bündnis Zukunft Österreich - BZÖ	n/a	(3.5%)
Team Stronach - TS	n/a	(5.7%)

In 2017, however, there was a political hurdle for the right, since just recently 54% of voters had clearly rejected the combination of an ÖVP-FPÖ president (in this case more accurately FPÖ-ÖVP).

The impediment was removed through a putsch that catapulted to the leadership of the ÖVP Sebastian Kurz, the 'acceptable face of right populism',[6] a 31-year-old 'post-ideological', 'pragmatic' politician capable of garnering sectors of the electorate in a way that Macron, or a few years ago Renzi, was able to capture.

The dimensions of the rightward shift

The elections have had a sweeping effect on the institutional level. The SPÖ lost the office of head of government that it had held for 41 years in the 47 years since Bruno Kreisky's electoral victory; the Greens who were represented in Parliament for 31 years have lost their presence there, and the ÖVP and FPÖ with 53% of votes occupy 62% of parliamentary seats, which brings them almost to the two-thirds level needed to enact changes to the Constitution. This might be the prelude to a reconstruction of the political system of Austria's Second Republic, which historian Gerhard Botz plausibly calls an 'illiberal neoliberal turn'.[7]

Austria's democratic public is still struggling to come up with adequate concepts for this shock. Liberal and social democratic commentators, especially, tend towards oversimplification. However we have to be precise. The Kurz-Strache government is not a fascist regime but a government with a presence of neo-fascists, and the FPÖ is not a fascist party but a right populist one in which neo-fascists hold key positions and, as of now, occupy, among others, the leading posts of the ministries of the Interior

and Defence, to which the police, the army, and the secret services are answerable. A uniquely Austrian political-cultural phenomenon is that the FPÖ Minister of the Interior is being provided with an undersecretary nominated by the ÖVP who aside from the fight against corruption will deal with the administration of memorial sites, namely the former concentration camp of Mauthausen.

In political science, populism is called a 'thin-centered ideology'. However, the FPÖ is a highly ideologised party. What is populist is at best its political style. In contrast to the year 2000, when under Jörg Haider it entered government with the ÖVP for the first time, it has moved further to the right. According to research published by the Dokumentatationsarchiv des Österreichischen Widerstands (Archive of the Austrian Resistance), 20 of the FPÖ's 51 members of parliament belong to German-nationalist fraternities.[8] In evaluating the new government it is significant that at the time of the first Schüssel government only eight MPs identified themselves as German-national through fraternity membership.

Continuously through Nazism and de-Nazification, German nationalism today still represents a sector of Austria's elites and, moreover, today it is the reflection of a growing influence of German capital in the country's economy and culture. 'Internationalisation among university staff means "Germanisation" in very many cases', Universitätenkonferenz (Uniko) researchers recently noted. According to a current analysis of the Ministry of Science, 27.4% of university professors teaching in Austria come from Germany. At the University of Vienna they make up nearly 40%.[9]

The FPÖ is frequently identified with the *national camp* deriving from the inter-war years. The concept is paradoxical. The nation to which the 'national' camp in Austria feels committed is not its own but the German nation. In the party programme established in 2011 Austrians with German as their mother tongue are addressed as members of a 'German and cultural ethnic community'. Literally, in the FPÖ programme: 'The language, history, and culture of Austria are German. The overwhelming majority of Austrians are part of the German ethnic, linguistic, and cultural community.'[10] The German-national outlook links the FPÖ to the subculture of the German fraternities, traditional clubs, and new-right periodicals, which constitute the sounding board of extreme right and neo-Nazi agitation in the country and a recruiting ground for their intellectual élites.[11] Their racism and their more or less patent anti-Europeanism are the vehicle of an ethnic nationalism that negates Austria as an independent nation.

The commitment to European integration stated in the FPÖ's government programme remains abstract; moreover, it is tied to a declaration of intent to

correct 'undesirable developments', namely in the areas of immigration and over-regulation, which in the given circumstances can be read as a termination clause.[12] In terms of European policy the government's announcement that it would hold out the prospect of Austrian citizenship to the South Tyrol's German-speaking ethnic group is explosive material,[13] and it is fully in line with the German-national line of the FPÖ and the South-Tyrol right wing.

A precarious equilibrium

If the government's ideological programme is disproportionately determined by the FPÖ, then the neoliberal orthodoxy of the programme's chapter on economic and financial policy has the handwriting of the ÖVP on it, but it can without great difficulty be harmonised with the FPÖ, which has for years now been discretely supported by the country's upper 10,000. In May 2016 the usually well-informed *Die Presse* was able to report on a newly awakened interest and growing support for the FPÖ among members of the exclusive Association of Austrian Industrialists.[14]

Internet activists have documented that whole passages of the accord signed between the ÖVP and FPÖ are taken verbatim from the catalogue of demands for the next federal government published by the Association of Austrian Industrialists in June 2017,[15] among the most important of which are:

- cuts in corporate taxes;
- deregulation of working hours;
- relaxation of labour protections and protection from unjust firing;
- decreased tax and contribution rates;
- deregulation of the housing market.

The editorial writer of the pro-corporate, conservative daily *Die Presse* is thus correct when he writes that the government programme corresponds to 'what can be expected of a right-of-centre government: less state in entrepreneurial competition, more state in public security. The turquoise – blue government is not out of step here with the mainstream of Europe's conservatively led governments.'[16] This means a clear division of labour in the government: 'more state' is managed by the FPÖ, 'less state' by the ÖVP.

How long this division of labour reflecting the coalition partners' ideological tendencies can work will depend on the persistence of favourable economic circumstances. The FPÖ will remain in standby position in the law-and-order ministries it captured, convinced that its day will still come.

First, however, the FPÖ is facing bigger problems than its coalition partner is. In terms of social structure, its electorate is like that of other comparable right-wing parties in Europe: it wins majorities (according to employment status) among workers and lower-level employees, those with obligatory primary and vocational education, and people in former industrial regions outside urban agglomerations. This part of the population, which has experienced the developments of recent years as 'overwhelmingly negative' and conditions in the country as 'rather unjust',[17] can only look forward to a further worsening of their quality of life from the deregulation and cuts announced in the government programme.

The government is hoping that economic growth will allow it to administer its planned interventions into the social security systems in gradual doses so that its effects will not immediately be felt and will not simultaneously hit all those affected.

However, from an ideological point of view it can draw on changes in the fundamental attitudes of the population. 60% of FPÖ sympathisers felt that 'most of the unemployed are not really looking for a job', a view shared by 47% of people with primary-education degrees and apprenticeship certificates, although due to their risk of unemployment they ought to be more interested in social-state security than other parts of society.[18]

In terms of the right-wing parties, over the years a consistent ideological confrontation has been carried out in this regard. Only recently, at a press conference, the ÖVP mayor of Graz, Austria's second largest city, and his FPÖ vice-mayor have attacked the left opposition because it 'is exclusively concerned with minorities. The Greens, the SP, and KP will only speak of the socially weak and of refugees. None of these three parties speaks of the high performers!'[19] Up to know there have been no signs that the social democratic leadership will deal with the cultural and ideological dimension of the confrontation with the right or is even aware of it.

Where does the left stand?

Voter migration between the SPÖ and FPÖ occurred only in one direction, as voter transition analyses show. That the SPÖ could nevertheless retain its vote share is explained by the 12% increase (156,000) coming from Green voters compensating for the 11% loss (155,000) to the FPÖ.[20] To the extent that the SPÖ has shown little capacity to ward off the right, it has all the more effectively damaged the left.

The radical left, which in the elections was represented by an alliance consisting of the KPÖ (Austrian Communist Party) and the Young Greens, the Greens' former youth organisation, had no success in a climate that

among the left was mainly influenced by worry over the looming black-blue coalition. Still, the deficit in Austria's party system to which it spoke, specifically the lack of an alternative to the left of social democracy and the Greens, objectively exists.

Table 3: Radical left – 2017 parliamentary elections (previous election)

country (party)	electoral result 2017 (previous election)	votes 2017 (previous election)
NL (Socialistische Partij - SP)	9.09% (9.65%)	956,000 (910,000)
F (La France insoumise - FI)	11.24% (n/a)	2.455,000 (n/a)
F (Parti communiste français - PC)	2.81% (n/a)	613,000 (n/a)
F (Front de gauche - FG)	n/a (7.1%)	n/a (1,780,000)
F (Divers gauche - Div)	0.8% (1.0%)	171,000 (252,000)
D (Die LINKE)	9.24% (8.59%)	4,297,000 (3,755,000)
D (MLDP, DKP, etc.)	0.4% (0.07%)	201,087 (29,000)
Ö (Kommunistische Partei Österreichs und Bündnispartner – KPÖ Plus)	0.8% (1%)	39,700 (48,175)
CZ (Komunistická strana Čech a Moravy - KSČM)	7.76% (14.91%)	393,100 (741,044)
Total		9,126,000 (7,515,000)

It seems that in the European context this question needs to be framed differently. And then again not. The 'radical left', that is, the parties to the left of the social democrats and Greens, represent a sizable electoral factor whose numbers even grew in 2017 (+1.5 million or +20%).

But they are far from creating a political alternative, not only because socialists and social democrats still reject cooperation with the radical left (except in the special case of Portugal) but also because the heavy losses social democratic parties have suffered make left-oriented majorities impossible in any case.

It is tragic that at the same time radical right groups have doubled their

voter share from 5,446,000 to 12,094,000. Are we therefore seeing a repeat of the inter-war scenario of an asymmetric polarisation clearly tilted towards the right?

If this is true, and in the event of a new drastic economic downturn in Europe, it does not bode well.

NOTES

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France Insoumise versus the Front National – The Differences Between Far-Right and Left-wing Populism

Yann Le Lann and Antoine de Cabanes

The electoral cycle of 2017 is a turning point in France's political landscape; the presidential and legislative elections were a major rupture which upset the political field. Historically, French politics were structured by a dividing line opposing two poles along the left/right cleavage, even though the composition of the two poles evolved over time, thus reflecting the socio-economic transformations of French society and the changes in the balance of political forces. Since the 1980s, despite some ups and downs, the social democrats were the leading force in the left camp, while the liberal-conservatives dominated the right-wing pole. The first round of the 2017 presidential election ended this structure of the political arena once and for all: the social democrats arrived in fifth position while the conservatives were, for the first time since the establishment of the Fifth Republic, eliminated in the first round. A centrist neoliberal candidate, supported by a party created a year before the election, arrived in first position while, among the left and the right, the two main parties were outpaced by their historical challengers. Indeed, for the first time since the 1970s, the radical left, incarnated by Mélenchon, surpassed the Parti Socialiste (PS) while the far right's candidate, Marine Le Pen, defeated François Fillon and made it to the second round.

The second round of the election and the legislative elections sanctioned Macron's victory through a triumphal result in the second round (Macron garnered more than 66% of the votes, a score unequalled since Chirac's 2002 victory – 82% – over Jean-Marie Le Pen) and the election of an absolute majority in the Assemblée Nationale. 350 candidates supporting Macron's policy were elected as members of Parliament, among which 313 are members of Macron's La République En Marche party, the rest belonging to allied groups which are part of the governing coalition. The legislative

election also confirmed the end of the bipolarisation and fragmentation of the political field as the PS received less votes than Mélenchon's movement, France Insoumise.

In what follows we will use a rigorous and thorough analysis of Mélenchon's and Le Pen's electorates to test the hypothesis of an electoral and ideological porosity between right-wing and left-wing populism. With a comparative perspective, in light of the empirical material provided by the polls and surveys, we will discuss the existence or otherwise of an ideological and social border distinguishing right and left wing populism.

Polarisation of the working classes: a division between the radical left and the far right

A central aspect of the amalgam between right-wing and left-wing populism is the similarity of their social and electoral strategy: the antagonistic interpretation of society and the anti-system discourse are aimed at bringing together the 'real' people against the elites, depicted as the ruling classes (or the 1%) by left-wing populism, and as the cosmopolitan establishment by right-wing populism. The people, as a political subject, is seen as composed of the social groups that have been victimised by the policies implemented by the elites and more generally the social rejects of the existing socio-economic and political order. Traditionally, these social groups are the lower social classes (employees, workers), the youth, those outside the labour market, and the losers of globalisation in all its dimensions.

The distribution of the votes of those social groups making up the working class unquestionably tilted in favour of the two populist candidates. According to the survey conducted by Ifop,[1] 54% of the employees who voted in the first round voted for one of these two candidates (24% voted for Mélenchon and 30% for Le Pen), while 64% of workers who voted chose either the Mélenchon or the Le Pen ticket (25% voted for Mélenchon and 39% for Le Pen). Among all votes cast, the sum of Le Pen's and Mélenchon's results only reaches 40.88%. Le Pen scored first among workers' and employees' and Mélenchon second while in the overall election Le Pen arrived second and Mélenchon fourth. The distribution of the votes of the intermediate professions (lower middle class) shows an underrepresentation of Le Pen who got only 17% while Mélenchon reached 26% and had first place in this category (see Graph 1).

The vote distribution according to voters' income levels confirms the behaviour of the socio-professional categories: the lower the incomes, the higher the vote for Le Pen or Mélenchon. This trend is the opposite of Fillon's and Macron's, as their vote percentage rises as income rises.

According to the IPSOS survey,[2] the sum of the votes for Mélenchon and Le Pen represents more than 50% of people earning less than €2000 a month. Among voters earning less than €1250, Mélenchon got 25% and Le Pen 32%, while among the voters earning from €1250 to €2000 Mélenchon and Le Pen reached respectively 23% and 29%. In these two categories Le Pen was first and Mélenchon second, sharply outdistancing Macron and Fillon. Among voters earning more than €2000, both Mélenchon and Le Pen are underrepresented in relation to their results among the whole voting population. In the lower social categories making up the working class, the observations confirm a strong polarisation of the electorate between right-wing and left-wing populism, especially among workers and employees.

The relation to globalisation is a key element in the identification of anti-system tendencies, and this variable also confirms the similarity between Mélenchon's and Le Pen's votes. 56%[3] of Mélenchon's voters define themselves as losers and victims of globalisation, and 68% of Le Pen's voters use the same self-definition; only 42% of the whole voting population defines itself this way, showing clear overrepresentation in the case of Mélenchon and Le Pen. The distribution of the voters self-definition as losers and victims of globalisation goes in the same direction, as 25% of them voted for Mélenchon and 34% voted for Le Pen. More than half of the people who subjectively define themselves as losers and victims of globalisation voted for a populist candidate, while among those who consider themselves winners, the sum of the populist candidates' scores reached only 24%. In addition, according to Viavoice,[4] the combined result for Le Pen and Mélenchon among people who see globalisation as a threat is 54% (23% for Mélenchon, 31% for Le Pen)

The distribution of votes according to educational level also validates the idea of an overrepresentation of Mélenchon and Le Pen among those with a very low level of qualification. 20% of voters with an education below A level voted for Mélenchon and 31% of them voted for Le Pen; when it comes to those with only an A level 22% voted for Mélenchon and 25% for Le Pen. Among the voters with higher-education degrees, the votes for Mélenchon and Le Pen are underrepresented in relation to the whole voting population that cast a ballot. Finally, the anti-system vote is often considered more important among the youth and as particularly low among senior citizens, since young people would be more inclined to contest the socio-economic order while older persons prefer stability and therefore vote to conserve the existing order. Mélenchon and Le Pen are slightly overrepresented among voters under 35 (26% for Mélenchon, 23% for Le Pen[5]) but distinctly underrepresented among the over-65 voters (12%

for Mélenchon and 14% for Le Pen). Both candidates attract young people more than Macron does and most importantly more than Fillon who reaches 39% of the over-65 voters. The crossing of the gender and age variables also brings out similarities between Le Pen's and Mélenchon's constituencies: among those under 35, the scores are higher for women than men whereas it is the opposite for people from 35 to 64 (beyond 65 there is no significant change).[6]

The high scores of Mélenchon and Le Pen among the lower social classes, among people with low incomes and low educational levels, seem to validate the mainstream analysis of populism. The indicators commonly used to identify the social groups tempted by populist and anti-system thinking show an overrepresentation of the votes for Mélenchon and Le Pen.

Two populisms, two different social bases

However, these indicators mask the heterogeneity of fragmented social groups, and the partial conclusion built upon them tends to reify the working classes by not considering the complexity of the social structure. In a rigorous analysis,[7] the political scientist Luc Rouban crossed the diploma and wealth variables in order to gain an in-depth view of the composition of the lower social classes who voted for Mélenchon and Le Pen. Mélenchon's and Le Pen's electorates share the same level of wealth (measured as the addition of property and assets), and this level is much lower than that of Fillon's and Macron's voters and still lower than Hamon's. Nevertheless, with a similar level of wealth, Mélenchon's voters are much more qualified (almost as qualified as Fillon's electorate) while Hamon's and Macron's electorates are the most qualified. Voters with a level of qualification below A level represent 45.5% of Le Pen's electorate and only 30.7% of Mélenchon's, while voters with a higher-education degree represent 39% of Mélenchon's electorate and 24.9% of Le Pen's.[8] Rouban also crossed the income variable with the diploma variable and revealed that, at a similar level of education, it is Mélenchon's constituency that has the lowest income. His hypothesis is a social downgrading of Mélenchon's electorate relative to its diplomas and qualifications, thus explaining the vote for Mélenchon as a mobilisation against this relative frustration.[9] The vote for Le Pen would then be the consequence of an absolute frustration generated by the combination of low income and the absence of any qualification.

If this hypothesis seems relevant, it needs to be combined with the analysis of the impact of higher levels of education on political preferences in order to explain the different electoral options of the two kinds of frustration. In other words, academic formation results in an increase in political and

cultural capitals and generally favours a more left-oriented vote and an overrepresentation of the radical left, thus explaining the difference in value systems and the vote for one or the other populism.[10]

In addition, we can observe significant differences between Le Pen's and Mélenchon's electorate in terms of geographical location, which is not a neutral parameter in a country structured by socio-economic spatial organisation. The territorial divide of France's electoral map indeed indicates a series of inequalities, and the lower social classes mainly live in the suburbs of big conurbations, in the suburban areas, or in rural areas. The more densely populated the place of residence, the lower Le Pen's score: she received 23% in rural areas, 25% in cities below 20,000 inhabitants, 24% in cities from 20,000 to 100,000, 21% in cities over 100,000 inhabitants, and only 14% in the urban area of Paris.[11] Significantly, a large part of the working classes lives in the suburbs of Paris in culturally mixed neighbourhoods with a high proportion of immigrants or descendants of immigrants, and Le Pen underperformed in these areas and therefore in these segments of the working classes.[12] The FN's working-class electorate is composed of workers and employees living mostly in suburban areas or small regional cities and in rural areas. On the other hand, Mélenchon's vote is much more equally distributed according to the voter's place of residence (18% in rural areas, 19% in the Parisian urban area, and 21% in the other cities). Lastly, the FN's vote is slightly underrepresented among the unemployed (20%[13]), while Mélenchon's is clearly overrepresented with 32%. (The same can be said of Hamon who got 9% among the unemployed – as against his 6% total vote percentage – while Fillon is strongly underrepresented with 10% – as against his 19% total). These figures invalidate the presumed link between unemployment and the rise of the FN[14] and suggest a politicisation of the unemployed in line with the left-right cleavage mainly benefitting the radical left.

While the overrepresentation of Le Pen and Mélenchon among the lower social classes is masking differences among the working-class constituencies, the overall composition of the two electorates shows strong divergences between right-wing and left-wing populism. First of all, the lower social classes do not have the same weight in the two constituencies: workers and employees represent 33.1% of Mélenchon's voters (50% of working-age voters) while they make up 42.5% of Le Pen's (67.2%).[15] Among Mélenchon's working-age voters, 21.6% are workers and 28.4% are employees but 13.9% are in executive positions and in intellectual professions and 29.8% belong to the intermediate professions. Among Le Pen's only 8.1% are in executive positions and in intellectual professions and 18.4% are from intermediate

professions, but 35% are employees and 32.3% are workers (see Graph 2).

Mélenchon's electorate is much more equally distributed than Le Pen's, and this equal distribution constitutes a major difference between the two. Le Pen's electorate distribution is the inverse of Macron's in terms of almost every indicator: Macron's results increase according to the size of the cities whereas Le Pen's decline; the higher the incomes are the higher Macron's results are and the lower Le Pen's are. In terms of socio-professional categories, Macron is overrepresented in the upper classes and also among people with a high level of education. This inverse trend between Macron and Le Pen is also valid for Fillon whose trends are identical to Macron's in these respects. On the other hand, when compared to the whole electorate, Mélenchon's results appear very evenly distributed among these indicators. This implies a major difference between the two populisms, which is the weight of the lower social classes in their result: for Mélenchon they represent an important share of his votes whereas the lower social classes are the vital and indispensable component of Le Pen's vote, the segment allowing her to make it to the second round.

The weight of the working classes in the total amount of votes garnered by Marine Le Pen (more than 40%) also explains the importance, for academics (sociologists, political scientists) but also for left and radical left activists, of identifying and analysing the reasons and motives behind the vote of these segments of the lower social classes for the FN.[16] This difference of structure in the electorates of the two populisms clearly indicates a difference between right-wing and left-wing populism: they do not attract the same segments of the anti-system and populist-friendly voters, and, moreover, their social base is different in terms of equilibrium among social groups in addition to divergent geographical location.

Strong divergences in politicisation and political identity

The past electoral behaviour of Le Pen's and Mélenchon's voters indicate the strong loyalty of their electorates. 85% of people who voted for Le Pen in 2012 voted for her again in 2017, which is the highest rate for all the candidates of the 2017 presidential election. 81% of Mélenchon's 2012 voters voted for him again in 2017.[17] However, along with this similarity, the two electorates are radically different, and the boundary separating them is watertight. The transfer of voters between Le Pen and Mélenchon from the 2012 election to the 2017 election is very low: only 2% of Mélenchon's 2017 voters had voted Le Pen in 2012, and conversely only 2% of Le Pen's 2017 voters had cast a ballot for Mélenchon in 2012 (see Graph 3).[18] Le Pen expanded her electorate with former right-wing voters (15% of her 2017

voters voted Sarkozy in 2012) and with people who had abstained or voted for a small candidate in 2012 or had since acquired the right to vote (13% of her 2017 voters). On the other hand, among 100 people who voted for Mélenchon in 2017, 34% had voted for him in 2012, 32% for Hollande, and 25% had either abstained or voted for a small candidate or had not been old enough to vote. The share of voters coming from the opposite camp is very small for both candidates, indicating the inexistence of electoral porosity between them.

The political self-positioning of the voters confirms this trend. According to Viavoice, 70% of Mélenchon's voters position themselves as left-wing, 19% as neither left nor right, and only 3% as right-wing, while 63% of Le Pen's voters claim to be right-wing, 24% neither left nor right and only 2% position themselves as left-wing. The political-party sympathies expressed by the voters also confirm the lack of porosity: 68.4%[19] of Le Pen voters consider themselves close to the FN, 11.2% close to the right and only 5.2% as close to the left (14.1% of voters declaring no political party sympathy). On the other hand, 76.7% of Mélenchon's voters claim to be sympathetic to the left, 3.5% close to the right and only 1.3% as being close to the FN (16.4% of voters declaring no political-party sympathy). 84%[20] of voters considering themselves close to the Front de Gauche voted Mélenchon while 0% voted for Le Pen; 62% of sympathisers of the far left voted Mélenchon along with 38% of sympathisers of the Greens. Among the voters declaring sympathy for the FN, 87% voted Le Pen and only 2% voted Mélenchon.

These statistics refute the thesis that the Front National expanded by attracting voters from the left who were disappointed by the left's abandonment of traditional principles and its inability to concretely improve living standards. The existence of a *gaucho-lepénisme*,[21] the idea that left-wing voters moved electorally and ideologically to the far right,[22] has no empirical basis seeing as the surveys agree in confirming the idea of an electoral realignment of the right-wing electorate among the working classes, which explains the rise of the Front National. [23] Indeed, the decrease of the classical right's vote share among workers and employees coincided with the expansion of the FN in the lower social categories.[24] Le Pen expanded her electorate by attracting right-wing or non-politicised, not left or radical left, voters.[25] On the other hand, Mélenchon benefitted from the support of former PS voters and the rallying of voters from various leftist tendencies (social democrats, greens, and far left) and succeeded in attracting new voters or former abstainers.

The nonexistence of ideological porosity

The issues and proposals seen by voters as more or less important in determining their vote point to very divergent concerns between the two constituencies. The three most determining elements for Mélenchon's electorate are an improvement in wages and purchasing power, the struggle against unemployment, and the struggle against precariousness (healthcare comes fourth and the defence of public services fifth[26]). Environmental protection and education are also central issues for Mélenchon's voters (both considered crucial by 63%). For Le Pen's voters, the three main determinants are by far the struggle against terrorism (93% see it as decisive), the struggle against illegal immigration (92%), and the struggle against delinquency and insecurity (85%) (see Graph 4). For both candidates there are unifying determinants for their electorates in each case which are the expression of very ideologised principles: xenophobia and Islamophobia for the FN (which come from the classic, traditional far-right background), and social justice and redistribution for Mélenchon.

Although a few political commentators and scholars may argue that left-wing and right-wing populisms share similar approaches to politics because some of their strategic and discursive tools are similar, the substance of their political approaches is nevertheless radically different. An in-depth political survey on the first-round electorates, undertaken by IPSOS Sopra-Steria for the Fondation Jean Jaurès,[27] reveals the extent of the ideological cleavage that separates Mélenchon's and Le Pen's electorate, identifying four main elements.

The first is the perception of the past and the future: most of Le Pen's voters are convinced that France is in decline while Mélenchon's voters strongly disapprove such a statement; Le Pen's voters are very attached to traditions and past values, unlike radical voters.

Second, they are distinguished by their relationship to the 'other' and more specifically to immigration and Islam. 95% of Le Pen's electors think that 'there are too many foreigners in France' to only 30% of France Insoumise sympathisers; 58% of France Insoumise sympathisers feel that 'Islam is compatible with the values of French society' while only 9% of the FN sympathisers agree. This Islamophobia of the FN, and the contrast with the religious tolerance of radical left voters, explains the distribution of votes along lines of religious beliefs. 37%[28] of voters declaring themselves to be Muslims voted for Mélenchon who scored first among Muslim voters (only 5% of them voted for Le Pen). The overrepresentation of Mélenchon and the underrepresentation of Le Pen in this category illustrate the strong differences between both electorates in term of values (tolerance and community life).

Third, in terms of socio-economic issues, Mélenchon's voters strongly disagree with the idea that 'unemployed people could easily find a job if they wanted to' and with the characterisation of dependent people aiming to live on welfare at the expense of working people. In addition, the two electorates are also distinguished in their perception of political and social principles of societal organisation. 98% of FN voters think that 'a true leader is needed in order to restore order'; Mélenchon's constituency does not agree with this perception that authoritarian rule is necessary to govern society. Similarly, Mélenchon's voters do not accept the possibility of a political regime other than democracy, while 55% of FN voters think that a system different from democracy could function just as well.

Last but not least, the two electorates are sharply differentiated by their perception of the relationship between regional and global issues; 88% of Mélenchon's voters defend the idea of France remaining within the Eurozone (to 44% of Le Pen's voters), 59% see the European Union as a 'positive thing' (to only 17% of Le Pen's voters), and 59% are in favour of France increasing its opening to the world. These results confirm the radical and substantial divergence of the values, opinions, and convictions of the electorates of right-wing and left-wing populism and the persistence of strong ideological and cultural boundaries between the radical left and the far right, despite the abandonment by both Le Pen and Mélenchon of the right-left cleavage as a relevant analytical grid.

Conclusion

The in-depth analysis of the composition of Mélenchon's and Le Pen's electorates based on empirical data absolutely refutes the hypothesis of an electoral or ideological porosity between France's right-wing and left-wing populisms. Despite some similarities (high results among the working classes and low-income and less educated voters), the two candidates attracted different segments of the anti-systemic voters in terms of values, electoral background, and socio-economic living conditions. The overrepresentation of the lower social categories, of youth, of globalisation's losers in both right-wing and left-wing populism is a sign that these social groups are moving away from the traditional ruling parties and opting for more radical platforms and candidates. However, this polarisation is occurring within a political field divided by cultural and ideological cleavages, and therefore political and electoral mobility is shaped by these structural socio-political determinants. A focus on the first round of the presidential election is very decisive for this conclusion as the first round is characterised by the lowest levels of abstention and the longest lasting and best followed political campaigns,

in addition to the representation of every major political tendency by the various candidates. However, the results of the second round also confirm some aspects of our analysis: the electoral transfers in the second round show the inaccuracy of the idea of an electoral porosity between right-wing and left-wing populism: only 7% of Mélenchon's voters voted Le Pen in the second round while 52% voted for Macron (the remainder abstained). By comparison, 20% of Fillon's voters chose Le Pen in the second round; the electoral transfer (in terms of share of the first-round voters) from Mélenchon to Le Pen is among the smallest.

The progress of both Le Pen and Mélenchon from 2012 to 2017 is the result of a political strategy that can be defined as populist in Laclau's sense. The narratives used by the two candidates to create a chain of equivalences and combine divergent social demands were successful, and the composition of their electorates is surprisingly different, disconcerting the traditional political commentators or editorial writers who mobilised the simplistic explanation of two converging populisms.

The values, electoral behaviour, opinions, and socio-economic status of the two electorates diverge, even though they share similar superficial anti-system characteristics. Both sides expanded their electorate through the attraction of former voters and non-voters but also through the attraction of disillusioned voters from the right and the left: Mélenchon succeeded in gathering large segments of the PS and Green electorate (and in capturing the far-left vote) while Le Pen attracted former Sarkozy voters. The absence of ideological convergences and the non-existence (at least in the 2017 electoral cycle) of electoral transfers from left-wing populism to right-wing populism should lead the radical left as a whole to reconsider its attempts to attract the core of the Front National's electorate. The watertightness of the ideological and electoral frontier between the two blocs makes electoral transfers very hypothetical and uncertain, whereas their political cost will certainly be very great. With regard to the strong anchoring of Mélenchon's electorate in left and even radical left values, beliefs, and identities, it seems obvious that such a constituency will not tolerate any downward sliding or ambiguities that try to attract FN voters by making concessions to their rhetoric. In the confrontation with the far right, what is really at stake is the ability of left-wing populism to mobilise and organise the electoral deployment of its own social and electoral base on a larger scale than that of the FN or Macron.

NOTES

1 Ifop and Fiducial, 'Le profil des électeurs et les clefs du premier tour de l'élection présidentielle', 23 April 2017.
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4 Viavoice, 'Après le premier tour', 26 April 2017.
5 Ifop, 'Le profil'.
6 Ifop, 'Le profil'.
7 Luc Rouban, 'Le peuple qui vote Mélenchon est-il le peuple?', *The Conversation*, October 2017, <https://theconversation.com/le-peuple-qui-vote-melenchon-est-il-le-peuple-84724>.
8 Ifop, 'Le profil'.
9 See also Ted Gurr, *Why Men Rebel*, Princeton: University Press, 1970.
10 Luis Ramiro, 'Support for Radical Left Parties in Western Europe: Social Background, Ideology and Political Orientation', *European Political Science Review*, 8:1 (2016).
11 IPSOS and Sopria.
12 Jérôme Fourquet, *Karim vote à gauche et son voisin vote FN. Sociologie électorale de l'« immigra*tion, éditions de l'Aube/Fondation Jean-Jaurès, January 2016.
13 Ifop, 'Le profil'.
14 Jean-François Léger, 'Le chômage, terreau du vote Front national?', *Population&Avenir*, no. 723 (May-June 2015).
15 Ifop, 'Le profil'.
16 Gérard Mauger, Willy Pelletier, *Les classes populaires et le FN*, Vulaines sur Seine: Editions du Croquant, 2017; Nonna Mayer, *Ces français qui votent Le Pen*, Paris: Flammarion, 2002.
17 Viavoice, 'Après le premier tour'.
18 Harris Interactive, 'Le 1er tour de l'élection présidentielle 2017. Composition des différents électorats, motivations et éléments de structuration du vote', 23 April 2017.
19 Ifop, 'Le profil'.
20 IPSOS and Sopria.
21 This concept was developed by the political scientist Pascal Perrineau in order to describe the attraction, by the FN since the 1980s, of the votes of workers who previously voted for the left. The shift is said to be the consequence of the economic crisis and the neoliberal turn of the policies implemented by the PS.
22 Pascal Perrineau, *La France au Front: essai sur l'avenir du Front National*, Paris: Fayard, 2014; Pascal Perrineau, 'La dynamique du vote Le Pen: le poids du "gaucholepénisme"', in Pascal Perrineau and Colette Ysmal Colette (eds), *Le Vote de crise: l'élection présidentielle de 1995*, Paris, Presses de Sciences Po, 1995.
23 Florent Gougou, 'Les ouvriers et le vote Front National. Les logiques d'un réalignement électoral', in Sylvain Crépon, Alexandre Dézé, and Nonna Mayer (eds), *Les Faux-Semblants du Front National. Sociologie d'un parti politique*, Paris: Presses de Sciences Po, 2015.
24 Florent Gougou and Nonna Mayer, 'The class basis of extreme right voting in France: generational replacement and the rise of new cultural issues', in Jens Rydgren (ed.), *Class Politics and the Radical Right*, London & New York: Routledge, 2012.

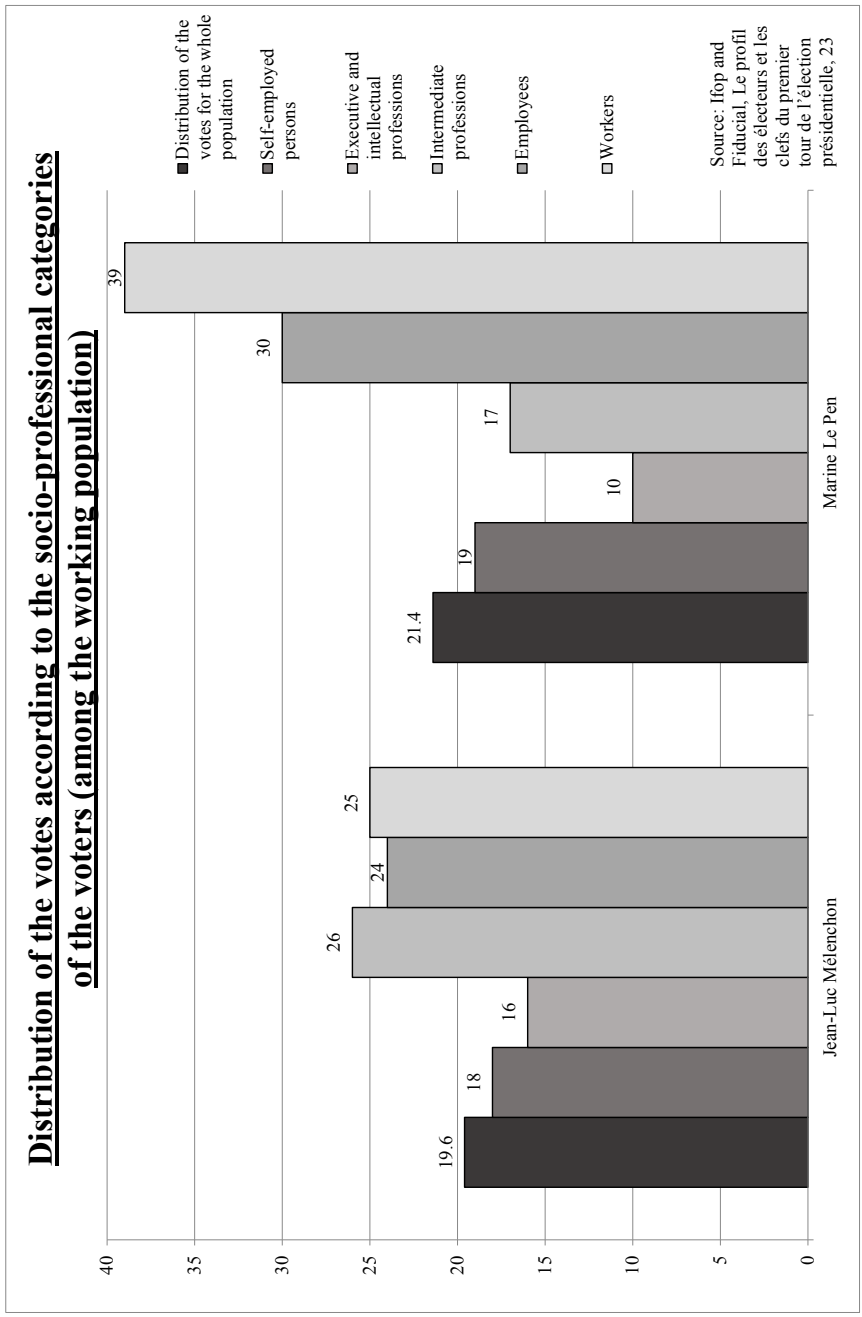
25 Joachim Bischoff, Elisabeth Gauthier, Bernhard Müller, and Louis Weber, *Droites Populistes en Europe: les raisons d'un succès*, Vulaines-sur-Seine: Editions du Croquant, 2015

26 Ifop, 'Le profil'.

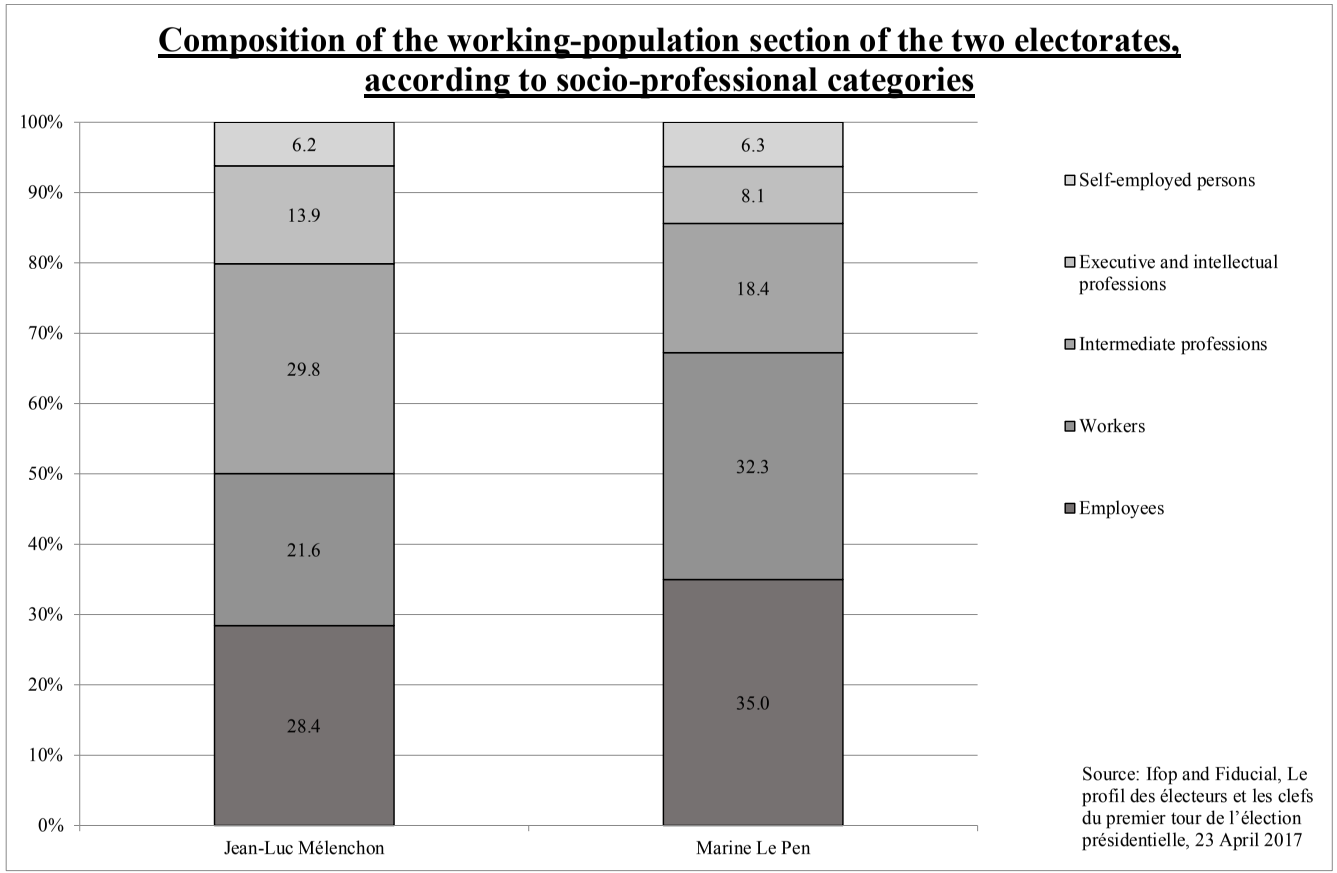
27 Gilles Finchelstein, *Teinturier Brice, Entre France Insoumise et Front National, de solides divergences*, Fondation Jean-Jaurès, July 2017.

28 Ifop, 'Le vote des électorats confessionnels au 1er tour de l'élection présidentielle', 23 April 2017.

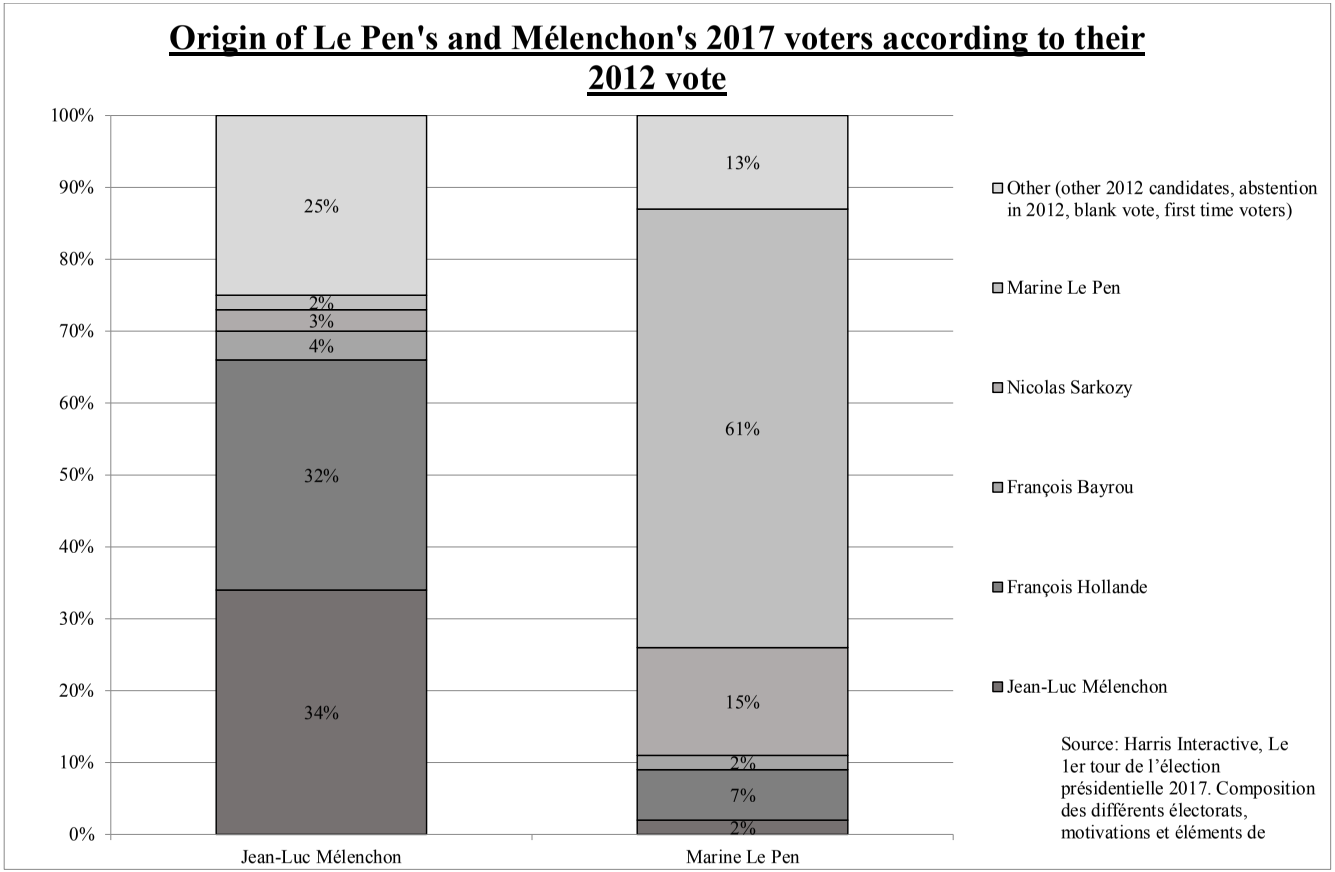
Graph 1


Distribution of the votes according to the socio-professional categories of the voters (among the working population)
Distribution of the votes for the whole population
Self-employed persons
Executive and intellectual professions
Intermediate professions
Employees
Workers
Source: Ifop and Fiducial, Le profil des électeurs et les clefs du premier tour de l'élection présidentielle, 23
40
35
30
25
20
15
10
5
0
19.6
18
16
26
24
25
21.4
19
10
17
30
39
Jean-Luc Mélenchon
Marine Le Pen

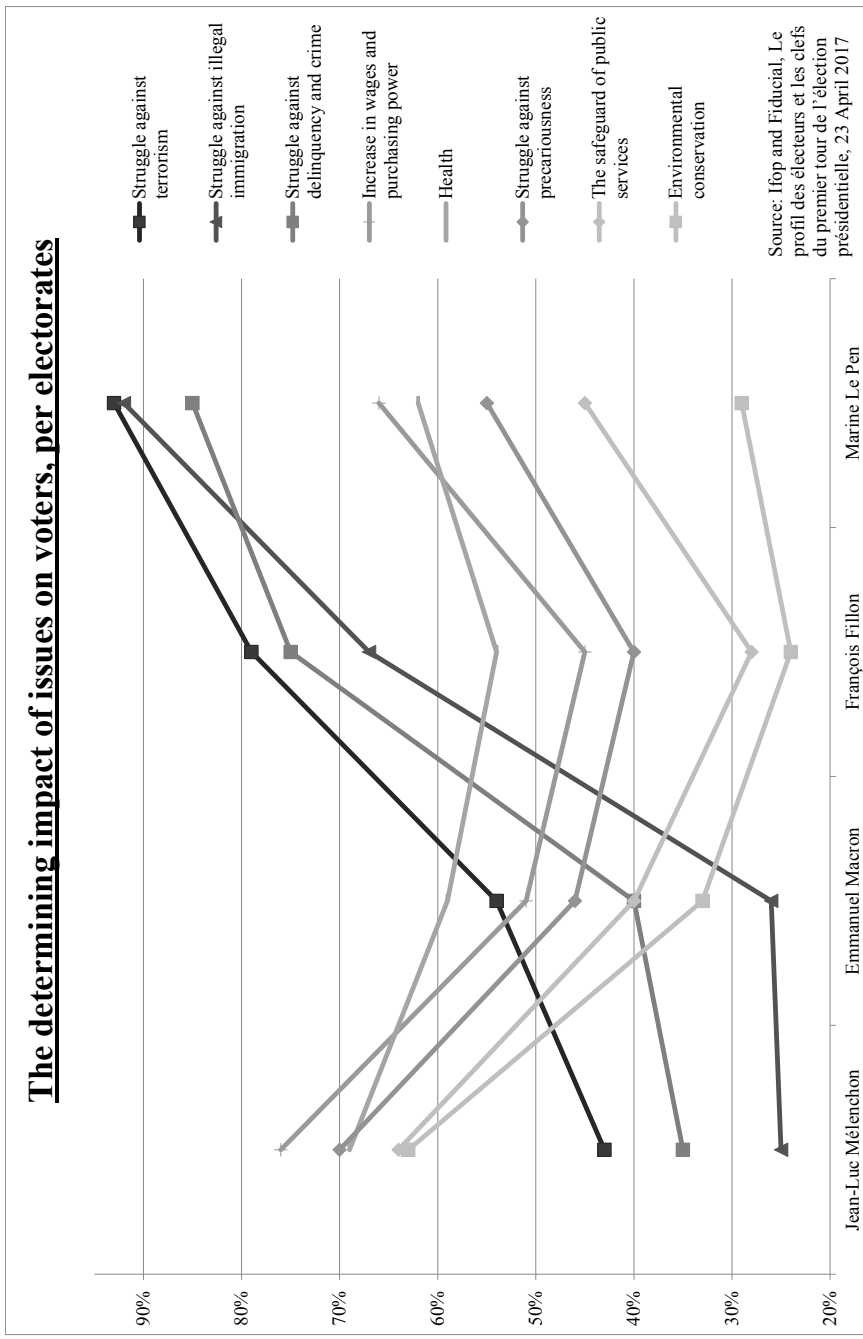
Graph 2


Composition of the working-population section of the two electorates, according to socio-professional categories
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
6.2
13.9
29.8
21.6
28.4
6.3
8.1
18.4
32.3
35.0
Jean-Luc Mélenchon
Marine Le Pen
Self-employed persons
Executive and intellectual professions
Intermediate professions
Workers
Employees
Source: Ifop and Fiducial, Le profil des électeurs et les clefs du premier tour de l'élection présidentielle, 23 April 2017

Graph 3


Origin of Le Pen's and Mélenchon's 2017 voters according to their 2012 vote
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
25%
2%
3%
4%
32%
34%
13%
61%
15%
2%
7%
2%
Jean-Luc Mélenchon
Marine Le Pen
Other (other 2012 candidates, abstention in 2012, blank vote, first time voters)
Marine Le Pen
Nicolas Sarkozy
François Bayrou
François Hollande
Jean-Luc Mélenchon
Source: Harris Interactive, Le 1er tour de l'élection présidentielle 2017. Composition des différents électorats, motivations et éléments de

Graph 4


The determining impact of issues on voters, per electorates
Struggle against terrorism
Struggle against illegal immigration
Struggle against delinquency and crime
Increase in wages and purchasing power
Health
Struggle against precariousness
The safeguard of public services
Environmental conservation
90%
80%
70%
60%
50%
40%
30%
20%
Jean-Luc Mélenchon
Emmanuel Macron
François Fillon
Marine Le Pen
Source: Ifop and Fiducial, Le profil des électeurs et les clefs du premier tour de l'élection présidentielle, 23 April 2017

Right-wing Shift – Fast Forward

Friedrich Burschel

An ethnic-nationalist citizens' movement has finally emerged in Germany too, and in record time; and with the entrance into the Bundestag of the Alternative für Deutschland it is becoming normalised.

The only really new feature is the speed at which this has occurred. The political situation and atmosphere in Germany has fundamentally changed and, from a left perspective, dramatically worsened. However, it is the dynamic of the phenomenon, the force of the rollback, and the way in which it has trapped left actors, that is surprising. After a long phase of shock and analysis, and only gradually, has there been some movement – within a phase in which normalisation has already begun to set in.

But let us start at the beginning: If in 2007 the talk show host Eva Herman got into trouble for her outrageous utterances about family policy, the role of the mother, and the 'Third Reich', and was fired by the public radio station on which she was a well-known personality, her attitudes are by now the no longer tabooed core repertory of a mass of 'concerned' 'angry citizens' strongly influenced by the new right and which make up a new and, naturally, ethnic-nationalist citizens' movement. In her anti-feminist book *Das Eva-Prinzip: Für eine neue Weiblichkeit* (The Eve Principle: For a New Womanhood), which already appeared in 2006, she anticipated the '68 bashing from the point of view of the role of women and mothers – which is just now rearing its ugly head again. She got into less trouble for this than for her downplaying of National Socialist family policy, which for contemporary taste was somewhat too simple. At the presentation of her new book, *Das Prinzip Arche Noah* (The Principle of Noah's Arc) she had said: 'And we need to learn to value again especially the image of the mother in Germany, which was unfortunately suppressed with National Socialism and the subsequent '68 movement. With the '68ers at that time practically everything – everything that was our values – …; it was a brutal time, that was a completely freaked out, highly dangerous politician who led the German people to ruin, we all know that. But then there also were things

that were good, the values, that is, children, mothers, families, cohesion – that was abolished. Nothing was supposed to remain of that …'

One of many provocateurs from the 2000s decade, one might say. However, the Herman story can be seen as a sort of initial spark of a potential for indignation that ignited the Sarrazin debate in 2009 with the cry 'We ought to be allowed to say this!' The indignant and defiant phrase was directed against the 'political correctness' allegedly established by 'the '68ers' as a tool of repression, the media-hyped 'PC terror'-based prohibition to speak 'the truth' that supposedly lay in 'healthy common sense' or in the 'vernacular', on 'tongues thirsting for freedom'. (Andreas Waibel has already demonstrated that the battle cry of 'PC' was an invention of US right-wing conservatives.)

With Thilo Sarrazin, in any case, a reactionary took the floor who in no way fit the picture of a 'right-winger', let alone 'right-wing extremist' and who set the tone for subsequent debates. Before his famous 2009 interview with *Lettre International*, Sarrazin had been Berlin's Finance Senator and then in 2009 risen to become a member of the executive of the Bundesbank. And Sarrazin is a died-in-the-wool Social Democrat.

With his racist theses Sarrazin took up old, deplorable, completely social democratic traditions of 'social hygiene' and 'eugenics' that go back to the beginning of the twentieth century and even further. And now 'Islam' also began to appear as a trigger issue. The Turkish and Arab population of the Berlin district of Neukölln for example was 'producing only girls with headscarves' and only contributed to the economy as 'green grocers', Sarrazin blustered in the ongoing 'integration debate'; the district mayor of Neukölln, Heinz Buschkowsky, also a Social Democrat, seconded him in 2012 with his racist balance sheet 'Neukölln is everywhere'. In making his case biologistically, Sarrazin showcased genetic reasons for the claimed deficits of the immigrants by ascribing a 'fertility of the stupid' to them and instead wished for Jewish immigration from Eastern Europe, since the IQ of Jews there was about '15 per cent higher'. But that which at this point *Die Zeit*, the flagship of bourgeois 'quality journalism', gave him a pass on as 'flirtatious borderline racism' was actually breaking all taboos as crude racism and anti-Semitism and opening the floodgates to unbridled ethnic rabble-rousing, which in subsequent years, intensified by the new emerging social media, broke new ground and is continuing to do so. The bursting of the dam was also documented in the more than 1.5 million copies sold of Sarrazin's pamphlet *Germany is Abolishing Itself: How We Are Jeopardising Our Country*. It repeated his racist theories in dressed-up, pseudo-scientific terms and sparked heated debates. Characteristic of the debate was the image of 'prohibitions on speaking up' and 'muzzles'; the supposedly

'gagged' and 'ostracised' Sarrazin appeared on practically every TV talk show and spoke in innumerable municipal halls and state ceremonial rooms filled with thousands of listeners on the top issue of the year 2010 – a curious way of being 'muzzled'

However, a very important aspect of right-wing ideologies lies precisely in this victim myth, which was at the bottom of the social 'breakthrough' of the 'concerned citizen'. Self-victimisation is one of the power cells of ethnic agitation in the new nationalist discourse that is by no means limited to Germany. Viktor Orbán's irredentist victim discourse comes to mind: a Greater Hungary punished by the world with massive territorial losses, which is suffering from the phantom pains of the 1920 Treaty of Trianon and which must now move itself to new heights. Or Trump's 'America First' rhetoric of a nation used by the whole world, which must now take care of its own interests. Or of the grotesque self-pity of Turkey's head of state Erdoğan. It is thus not only in Germany that victim myths play a significant role in the formation of national 'counterforces' to the 'ruling bloc', with their hysterical formulas of 'population exchange' and the 'demise of a people' that now characterise the ongoing reactionary discourse. The main bogeyman is Federal Chancellor Merkel, the 'betrayer of her country', who with her 'refugee policy' has opened the door to the extermination of the ancestral 'German people'. She is in league with 'the people up there', those suspect elites from the world of finance, who in the last analysis determine how the world runs, whether they are the 'Fed' (Federal Reserve Bank), the 'East coast', or also the Bilderberg Group. The anti-Semitism conveyed in these images is readily manifested in the ubiquitous mention of billionaire George Soros, the Rothschild banking family, or the finance company Goldman Sachs. In the outlook of these conspiracy theories it is always one's own 'people' who are the victim of these sinister and untouchable powerful people who rule the world and to whom one's own elites are subservient, if not co-conspirators. No idea is too crazy to attract followers in assemblies or on the internet: Even completely loopy theories – for instance, of 'chemtrails' from the skies in which Jewish instigators have toxic substances sprayed from airplanes to anaesthetise or sterilise the population – find their believers. The viral effect of these horror stories launched on social media must not be underestimated; their effect has spread to the everyday lives of people.

And it is this victim posture in the face of invisible powerful figures determining one's destiny at whose mercy we are which finds left and right adherents in equal measure; at peace demonstrations and Monday demonstrations people are invited to join in a transversal front against these 'dark powers'. It is no longer a matter of right or left, we are told; it is about

power elites and the people behind them who are out of touch with the 'people'. As long as this is directed against 'oppressors', 'warmongers', or 'the Zionists', there are many famous left protagonists ready to rub shoulders in demonstrations and protests with ethnic-nationalist trolls.

But back to the beginning of the 2010s. At first, the Sarazzin debate did not lead to a new party, as many ethnic-conservatively oriented people hoped for, for example with Sarazzin as front man. The 'wise' protagonist, whose lack of charisma and unconcealed arrogance hardly made him attractive to the leader-hungry masses, declined. Then other prominent people came into the public spotlight who could take up the incited populist furore and use it for a new conservative offensive. One of these was the former IBM manager and head of the Federation of German Industries (BDI), Hans-Olaf Henkel. It was from the euro-critical Wahlalternative 2013 he co-founded that the new party Alternative für Deutschland (AfD) later arose; at first it was a party of market-radical, neoliberal notables and academics with the perspective of Germany being a victim of the EU and the euro. The evolution of the AfD, abandoning figures such as Henkel and the economics professor and first party head Bernd Lucke to become an ethnic-populist party, occurred at breathtaking speed: Henkel is said to have left the party due to the rise of the later party head Frauke Petry because she was too right-wing for him. In the meanwhile, the rightward drift has also left Petry and her newly founded Die Blaue Partei behind as not right-wing enough.

How could it happen, and what factors favoured this meteoric rise of a party that at least up to 2017 has steadily and no less rapidly drifted rightward? Many of the issues already staked out by Herman and Sarazzin, which continued to evolve in various lines of discourse, suddenly, in 2014, came together through the enormous response and far-reaching disinhibition unleashed in the diverse echo chambers of the internet – or they were actively strung together by particular players.

Essentially, the big moment had come for the New Right, which is in no way new and has been called new for some decades now. The Hamburg historian Volker Weiss sums up this 'magic moment' for the new right intellectuals in his brilliant book *Die autoritäre Revolte*: 'Within a short time a milieu that for years had been self-sufficient found its way into everyday political confrontation. After long years as officers without soldiers, the New Right appeared to have found its army in the "concerned citizens".' While in Dresden and many other places in Germany demonstrations began to be held every Monday by PEGIDA (Patriotic Europeans Against the Islamicisation of the West) and regularly brought many thousands – at the beginning of 2015 even 25,000 – participants into the streets, mass protests surged against

'gender terror' and 'early sexualisation' of children in schools especially in southwest Germany, so-called hooligans marauded through Cologne and Hannover against Salafis, and the intellectual spearheads of ethnic-nationalist thinking moved from their studies to the streets and since then have supplied a good part of the speakers at these large events that are widespread not only in Saxony.

Alongside the head of the new-right think tank Institut für Staatspolitik (IfS) and head of its publishing house Antaios, Götz Kubischek, and his companions, there have subsequently been significant figures taking up the microphone such as the fascist troll and former leftist, and editor of the expanding rabble-rousing magazine *Compact*, Jürgen Elsässer; the crudely racist German-Turkish author of cat detective stories Akif Pirinçci; and the ethnic-right-winger and Thuringian parliamentary group leader of the AfD Björn 'Bernd' Höcke. Even in a small hamlet like Altenburg in Thuringia, Elsässer, for example, was able to attract more than 500 listeners twice within a few months between 2015 and 2016 and stir them up with his ethnic rhetoric. The 'old warhorses' of the new-right and reactionary guild have been joined by younger figures such as Philipp Stein of the 'resistance movement One Percent' and Martin Sellner of the 'Identitarian Movement' (IB), who have organised photogenic ethnic-identitarian disruptive actions with media impact, with forms of activism borrowed from the radical left's toolkit, such as the occupation of the Brandenburg Gate in Berlin. With this presence in public space as debaters, and with 'their influence on the AfD they [the New Right] have an instrument to carry their political ideas into the parliaments. Sections of society moved towards their ideas, a process of normalisation had begun', Weiss wrote.

What were these 'sections of society'? This question has occupied observers ever since, for few of the current notions are adequate to describe the masses who have assembled in the country's streets and squares on these occasions in a dangerously escalated mood since the arrival of tens of thousands of refugees from the crisis- and poverty-ridden regions of the world in mid-2015. Relatively early poll surveys of these protesting citizens quickly made clear that it was not at all the socially disadvantaged, or not only they, who had been set in motion. This was a right-wing 'citizens' movement' of a new kind which alongside its fundamental opposition to 'those up there', the 'politics of the establishment', had inscribed on their German banner enmity towards the established media, the 'lying press'.

A media machine that felt it had been caught, combined with vexed representatives of all bourgeois parties, and a hectic civil-society discussion, got cracking to shed light on the phenomenon and to ponder where it

came from, and where this overwhelmingly silent movement, which called its demonstrations 'going for walks', was heading – this movement that had begun with lightning speed to plant offshoots in some eastern and western German cities. There was a more or less thorough investigation of who was in the streets and what moved the 'indignant'. It quickly became clear that the overwhelmingly male (almost 80%) and middle-aged (35% aged 25-35 and 42% aged 40-64) milieu was far from consisting of drop-outs and the socially weak (these made up a mere 5%) but that about 56% of them were workers, employees, and officials who were part of the petty bourgeoisie; they were thus well-qualified people with middle incomes. A glance at the movement's protagonists showed that about 15% were self-employed and often precarious freelancers. But in addition, from the beginning, among the growing number of protesters there always were some faces connected to the neo-Nazi and right-wing hooligan scene and from the neo-Nazi party landscape (NPD, 'The Third Way', 'the Right'). And from the AfD, in whose ranks many regarded PEGIDA as 'natural allies'.

Perhaps it was the departure of the well-off professors from the AfD and the increased presence in the AfD of the equally well-qualified middle class that made it possible for the New Right to build a bridge here from the parties solidly present in the state parliaments to the extra-parliamentary protests in the streets and monopolise the latter up to now. In this way a broad spectrum of the 'politically homeless', ranging from professorial know-it-alls to fascist intellectuals, from incensed normal citizens to some organised neo-Nazis, could find a connection to something that can be regarded as a political and social movement.

What is important here, as Volker Weiss notes, is that the 'New Right already [had] a well-developed world view long ago and only had to pass this on to the aroused masses'. Suddenly, once lonely right-wingers crying in the ethnic wilderness had gigantic masses listening to them in agreement when they enunciated – with audience appeal (populistically) – the teachings of their intellectual fathers, the Oswald Spenglers, Carl Schmitts, Arthur Moeller van den Brucks, and the Ernst Jüngers. These figures' traditions, via mediators like Armin Mohler and the recently deceased Henning Eichberg (who in later life went over to the left) lead conceptually to the contemporary protagonists. The rhetoric of 'the West' or the 'space' strategies of important European pioneer thinkers of a new-right tendency, such as the Frenchmen Alain de Benoist and Guillaume Faye, of the Russian 'Eurasia' propagandist Alexander Dugin, and of Italy's Casa Pound movement, mark the contours of a potent network of reactionary ideas, simultaneously ethnic-nationalist and European (or 'Eurasian') , whose Europe-wide rise appears unstoppable.

A characteristic of this new movement is the cult of masculinity, which has re-emerged from deep within the twentieth century. To be a man and soldier, battle and death, heroism and the evocation of the ruthless, 'naturally' brutal, combative, and iron-clad man's body – already described by Klaus Theweleit in the 1970s – is put forward as an ideal and constitutes an immanent hatred of women, of everything 'feminine', and ambiguous: 'These cults of masculinity clearly apply to all authoritarian tendencies,' Weiss notes. This raging antifeminism, determined by self-victimisation, finds its effective public expression in, for example, the speeches of the Thuringian AfD head Höcke, when he called out in November 2015 in Erfurt, to the jubilation of the audience: 'I say we have to rediscover our masculinity, and only then when we rediscover our masculinity will we become manly, and only when we become manly will we become able to defend ourselves, and we must be able to defend ourselves, dear friends.' Höcke, who sees his mission as historic, likes to deploy a bombastic national awakening rhetoric – as in his notorious Dresden speech of 17 January 2017 – and repeatedly indicates to his followers 'a long path full of privation', calling on them to 'pine for service [to the fatherland]'.

In his gripping essay 'Militant Racism' Felix Korsch describes the armoury of the ethnic-national revolt, in which the present situation is already described as a 'pre-civil war" and 'state of emergency', and the case is made – on the basis of the so-called 'resistance article' 20/4 of the Basic Law – for the right to arm oneself now and rise up against a government acting illegally and against the (national) interests of the people, a corrupt, or alternatively also decadent, 'ruling bloc'.

The hate figures of the citizens who have flocked together are naturally the Chancellor herself who is asking 'her people', with her dictum 'we can handle this!', to accept the mass influx of refugees, from 'foreign cultural environments' to boot, down to the state parliamentarians and mayors, who had to take care of lodgings and provisions for the arriving refugees on the municipal level. The mayor of the Anhalt-Saxon city of Tröglitz, Markus Nierth, for example, resigned from office under massive personal threats, after an apartment block there was designated as the future collective housing for the asylum seekers. Shortly afterwards, the building went up in flames and the state parliament also received death threats. Similar things happened to many municipal politicians who were crushed between the requirement to accommodate the refugees and the raging racist protests.

In this sense, a state of emergency really did appear for a few months in many parts of the country, 'in which partially brutalised […] respectable citizens' (Federal Minister of the Interior Thomas de Maizière), but also organised

neo-Nazis felt themselves again – after the pogroms of the early 1990s – empowered to 'enforce the popular will'. The federal government's answer to a small inquiry of Die LINKE's Bundestag delegation regarding racist attacks and criminal offences as well as assaults on asylum accommodations for the year 2016 alone contains a list of over 2,500 such acts and 217 further attacks against people helping the refugees. In many municipalities so-called 'Nein zum Heim' (no to homes) initiatives and militias appeared (in this connection Korsch speaks of neo-vigilantism); in part heavily armed self-styled 'Reich citizens' crept out of their holes, considering their 'fatherland' an occupied country and insisting on not recognising the authorities of the federal republic and on the right to defend themselves against their 'attacks': A policeman paid with his life for his attempt to arrest a 'Reich citizen' in October 2016.

At the end of 2017 the forward march of the new-right citizens' movement and its 'parliamentary arm' the AfD appears – despite its entrance into the German Bundestag with a staggering 12.6% of votes – somewhat attenuated; the extra-parliamentary protests have waned, especially as the much-maligned federal government has successfully entrenched itself behind the border fence – universally condemned as 'brutal' – of the authoritarian Hungarian head of state Viktor Orbán and a scandalous 'refugee pact' with the Turkish potentate Recep Tayyip Erdoğan. Altogether, the government, for its part, is using the so-called refugee crisis to cash in on its hard-won minimum standard for dealing with refugees and immigrants and – in the above-described 'state of emergency' since the middle of 2015 – to enact stricter new regulations than even the AfD is demanding. In *konkret* 6/2016 Peer Heinelt has trenchantly described this overbidding politics and the cruelties of the new rigid, and in parts completely arbitrary, deportation regime to which the rejected asylum seeker is subjected and which even designates the completely shattered Afghanistan as a country to which people can be 'repatriated'. The attempts by the federal government precisely in the 'failed state' of Libya to win over the brutal militia to cutting off the path of the refugees and detaining them in infernal camps or – as the TV magazine *monitor* reported on 24 August 2017 – blocking the way north through the desert to the Mediterranean with a monstrous border wall, illustrates the barbaric 'anything goes' in the wake of what is called the refugee crisis. While the whole world is rebuking Donald Trump for his plan to build a wall at the Mexican border, in Europe completely similar activities against the neighbouring continent are unfolding in total disregard of the most basic human rights.

The ambivalence of Merkel's government policy – which so willingly enabled 'marriage for all' and entry for tens of thousands of overwhelmingly

Syrian refugees, but on the other hand tells the 'people' what they want to hear in the case of deportations or for example in the hysterical measures against so-called left extremists in the wake of the G20 Summit in Hamburg – earned the Chancellor a comfortable but now precarious majority that has forced the CDU and CSU into difficult negotiations for a 'Jamaica' coalition (CDU/CSU, FDP, Greens), a continuation of the grand coalition with the SPD, or even a minority government for another term. In any case, the sister party CSU in the Free State of Bavaria has meanwhile been making gestures to suggest it is a cousin of the AfD; the racist and rabble-rousing statements of some of the party's grandees, the completely insane 'upper-limits' ravings of its chair Horst Seehofer, but also racist attacks and incidents in the immediate milieu of the CSU, can be read as part of an attempt to put into practice the dictum of the 'great Prime Minister' Franz Josef Strauß that there can be 'nothing to the right of the CSU but a wall'.

And now? If we start from the editor of *konkret*, Hermann Gremliza's assertion that 'populism is always right-wing' we have to reject the postulate of a 'left populism' as an antidote to ethnic-nationalist populism. The notion put forward by Thomas Goes and Violetta Bock in their book *Ein unanständiges Angebot? Mit linkem Populismus gegen Eliten und Rechte* (An Unrespectable Populism? With Left Populism Against Elites and the Right) that a 'progressive' left populism could encourage the breakthrough of what they call a popular socialism would seem rather simpatico. But even if this populism speaks somewhat diffusely of the 'working class' and 'popular classes' for which it wants to fight, and thus at first sounds cool and promising, still even a left populism carries within it the germ of reaction and of cowardly compromise because it is prey to the temptation to simplistically sharpen reality; and, as heated rhetoric, it speaks to always easily excitable base instincts within these amorphous masses.

In October 2016, the Israeli historian Zeev Sternhell was at the Berlin theatre Hebbel am Ufer speaking about the 'Return of European Fascism'. To the question, posed by some discontented, impatient listeners, of what can actually be done against this right-wing bursting of the floodgates he answered that we have to 'stand on the truth and on universalist values'. An answer whose simplicity provoked considerable irritation for some present. However, the great importance of coming back to the values and achievements of the (critically understood) Enlightenment and universalism, strengthening them and protecting them from populist attack, is shown by the disastrous examples of left politicians who believed that, because they were left, they could draw on a 'pure' populism. But there is no pure populism. The crisis of the left is so all-encompassing and global that the

red line of an ineluctable humanism, radical democracy, and anti-capitalist and anti-masculinist consensus cannot be lightly abandoned for the sake of dubious electoral success or other short-term advantages.

The Internationalisation of Nationalism and the Mainstreaming of Hate – The Rise of the Far Right in Poland

Rafał Pankowski

Once Europe's most multi-cultural country, Poland is nowadays the most homogenous nation-state on the continent. Ethnic minorities amount to less than 2 per cent of the population, yet the ethno-nationalist populist radical right has been gaining strength.

The annual march on the occasion of Polish National Independence Day (11 November) provides a spectacular illustration of the rapid rise of the far right's social base as well as its extremist ideological background rooted in the radical nationalist traditions of the 1930s. The march is co-organised by two extreme-right youth groups, the National-Radical Camp (Obóz Narodowo-Radykalny, ONR) and the All-Polish Youth (Młodzież Wszechpolska, MW), both of which take their names and ideological inspirations from radical nationalist organisations active before World War II. The pre-war versions of the ONR and MW were known for their violent anti-Semitism and attacks on leftist opponents. They were clearly inspired by key features of the then fascist movements active in other European countries and – although they never seized power in Poland on the state level – they gained some significant support among the young generation, especially in the wake of the economic crisis of the early and mid-1930s. It is not accidental that contemporary organisations, active in the 21st century, have adopted the pre-war ideologies and symbols.

The first of the series of marches took place in 2009 when a group of several hundred young nationalists demonstrated in the centre of Warsaw. In 2010, the march was already considerably larger, having attracted support from some well-known right-wing figures such as the columnist Rafał Ziemkiewicz. The author of this article conducted participant observation of the march and the anti-fascist counter-protest: the far-right demonstration

brought together around 3,000 participants, which seemed a relatively large number. That, however, was just the beginning of the event's growth, as it grew every year: in the last years the number of participants has been estimated at around 50,000 to100,000, making it by far the biggest annual far-right gathering in Europe and, in fact, in the world.

The march continued to attract growing numbers of participants over the years, despite the violence to which it routinely led: physical attacks against policemen, journalists, political opponents, and members of various minorities accompanied the demonstrations' radical nationalist messages, directed against minorities, foreigners, and political opponents. According to records of the 'NEVER AGAIN' Association, in 2010 demonstrators chanted: 'Roman Dmowski – Poland's saviour!' (Dmowski is the founding father of Polish ethno-nationalism), 'Great Catholic Poland', 'Instead of leaves, Communists will hang on trees', 'Treat the red rabble with a sickle and a hammer'. Members of the Polish Nation's Sovereignty (SNP) movement carried a banner: 'You sold Poland in the Lesbon Treaty' (a misspelling of 'Lisbon' as the authors of the banner probably intended a reference to 'Lesbians' to demonstrate their homophobia) while Sławomir Zakrzewski, their leader, shouted to anti-nationalist counter-demonstrators: 'You must have come from Tel Aviv' and 'Shalom Aleichem'. Flags carried by far-right participants depicted King Chrobry's sword (a symbol of Poland's far right movement) and a Celtic cross (a racist symbol of White Power). Anti-fascist demonstrators tried to block the march using tactics borrowed from the annual anti-Nazi mobilisations in Dresden. The counter-demonstration was organised by a coalition of over 40 progressive organisations. There were violent clashes between the police and both groups of demonstrators. Piotr Ikonowicz (a former leader of the Polish Socialist Party) received a head injury. The nationalists were forced to change the route but the march went ahead. The Independence March ended near the Dmoski monument. Participants shouted at counter-demonstrators: 'Faggots, faggots!'

Since then, homophobic discourse has been a permanent feature of the march, culminating in the infamous burning of the rainbow arch in Warsaw's central Saviour Square on 11 November 2013. Demonstrators had set fire to the artistic installation, viewing it as a symbol of the emancipation of sexual minorities. The participants disrupted the work of firefighters, throwing stones and flares at them.

The spectacular burning of the rainbow was met with approval from right-wing media and politicians. In September 2014, the National Radio and TV Council issued a 50,000 zloty fine to the Lux Veritatis Foundation, the owner of the Catholic-nationalist television channel TV Trwam, for

'propagating the unlawful actions' of Father Piotr Dettlaff and Dr. Krzysztof Kawęcki, who in a live show reported the events from Zbawiciela Square as the rainbow was burning. The Council justified their decision by saying: 'The material along with the comments could have given the impression that the host and his guest approved such actions.' About the men who had set the arch on fire, Dettlaff had said: 'those people are not accepting attacks on the foundations of the Polish family; they want a healthy Polish family, normal relations between a man and a woman', while Kawęcki added: 'Yes, they oppose the deviations imposed on us. That rainbow cannot be a symbol of Warsaw [...]. This is horrifying – the rainbow right in front of the Saviour's Church.' Also on 11 November 2013, Bartosz Kownacki, a Law and Justice (Prawo i Sprawiedliwość (PiS)) MP, commented via Facebook following the arson incident: 'The faggots' rainbow on Zbawiciela Square is burning.' He added: '[The mayor of Warsaw] has spent a hundred thousand to renovate it! How many hungry children could be fed with that money? But she would rather promote faggotry.' Following complaints from Facebook users, the company removed the posts as content 'inciting hatred'.

The burning of the rainbow in 2013 became a source of pride for the march leaders who referred to it in the next years. On 11 November 2014, a visiting French extreme-right leader referred to the incident in his speech to the march participants: 'Burning rainbows are a sign of hope for Poland and for Europe.' Another speaker, Robert Winnicki, the leader of the Nationalist Movement (Ruch Narodowy, RN), said: 'The more rainbows burn in Europe, the better.'

A glance at the annual march shows that the bulk of its participants are young males, often recruited through the networks of football fans. Announcements of the march are frequently displayed in Polish stadiums in the weeks before the event, and members of organised football fan groups are bussed from across the country, seemingly without opposition or condemnation by institutions such as the Polish Football Association whose chairman, the ex-football star Zbigniew Boniek, is popular among many right-wing fans. Clearly, Polish football culture has been permeated by the ideology of nationalism and xenophobia, as illustrated by frequent anti-refugee and anti-Muslim chants and banners in league stadiums. The football fan groups have brought with them certain rituals – their social movement's performative repertoire – such as the spectacular usage of flares (fireworks) against the dark sky. The march is held in the afternoon and in recent years it has ended in a rally next to the National Stadium.

Due to its size and its images distributed globally through social media and, especially, YouTube the event has also become a magnet for right-wing

extremists and neo-fascist groups from other countries, thus contributing to a paradoxical 'internationalisation of nationalism'. Flags of other nations can be seen alongside hundreds of Polish national flags at the march. Already in 2011, the 'NEVER AGAIN' Association registered the presence of nationalists from Italy (Forza Nuova), Spain (Democracia Nacional), Sweden (Nordisk Ungdom), Hungary (Jobbik and Hatvannégy Vármegye Ifjúsági Mozgalom), Serbia (Srpski Narodni Pokret 1389), Slovakia (Slovenské Hnutie Obrody), the Czech Republic (Autonomní nacionalisté), Ukraine (UNA-UNSO), Belarus (Swoboda), and Lithuania (Autonomous Nationalists). In 2014, the participants included delegations from Spain (Democracia Nacional) and France (Renouveau Français). More foreign groups have joined the march in subsequent years, making it a truly international gathering.

Roberto Fiore, for example, was a keynote speaker during the Polish Independence Day march in 2016. As a European political leader, Fiore is unique: he was convicted of involvement in terrorist activities in the wake of the Bologna railway station bombing in 1980, when the neo-fascist Nuclei Armati Rivoluzionari murdered 85 innocent people. He managed to escape to Lebanon and, later, to Great Britain where curiously he was able to establish himself as a businessman and leader of another neo-fascist group, the International Third Position. When his sentence expired, he returned to Italy and founded yet another extreme-right formation, Forza Nuova (FN). In 2008-2009, Fiore briefly became a Member of the European Parliament, replacing Alessandra Mussolini, the granddaughter of the founder of Italian fascism.

The choice of Fiore, a convicted fascist terrorist, as a special guest during Poland's Independence Day celebration is of course rather extraordinary, but there are numerous other far-right activists who descend on Warsaw each November. The biggest foreign group is routinely composed of the members of Hungary's extreme right party, Jobbik, which has served as the main source of inspiration for RN, the political party created by members of the MW and ONR in 2014. Gábor Vona, Jobbik's leader, was a star speaker at the Warsaw march in 2013. Members of both parties frequently meet at trainings and festivals throughout the year, and the Hungarian influence was clearly felt in RN's tactics, for example its local anti-Roma campaigns and attempts to join anti-government riots linked to revelations of secret recordings of liberal ministers in 2014, reminiscent of the Budapest riots in 2006.

A smaller, but also visible group present at the recent Independence Day marches is composed of activists of the Ľudová strana Naše Slovensko (People's Party Our Slovakia). One of its leaders, Milan Mazurek, delivered

a speech at the 2016 march. The cooperation between Polish and Slovak fascist groups goes beyond the Warsaw marches; for example, in October 2017 the Polish newspaper Gazeta Wyborcza reported joint paramilitary activities (including shooting practice) held by the ONR and its Slovak counterparts on the Slovak side of the border. While the Slovak and the Hungarian nationalists have a traditionally antagonistic relationship, they seem content to participate in the annual event organised by their mutual allies in Poland. However, rival allegiances and international connections have also led to friction, most notably around the conflict in Eastern Ukraine. During the 2016 march, a Ukrainian flag was burned and a physical confrontation between pro-Ukrainian and pro-Russian factions of Polish nationalists was reported.

In the run-up to the 2017 march, Polish media reported two significant figures on the international far-right spectrum were preparing to travel to Warsaw for the event: Richard Spencer is the founder of the US-based National Policy Institute who reportedly coined the label 'alt-right', a newly fashionable self-description of extreme-right elements and internet trolls. Spencer became notorious after the 2016 US presidential election when filmed exclaiming 'Hail Trump!' and, additionally, after the 'Unite the Right' rally in Charlottesville in August 2017, which resulted in clashes and the killing of a female anti-racist protester by a far-right activist. The Charlottesville rally itself resembled the model of the Polish Independence Day marches. Interestingly, in 2014 Spencer had been deported from Hungary and condemned personally by the country's Prime Minister Viktor Orbán. Protests against Spencer's Polish visit were voiced in the media by the 'NEVER AGAIN' Association and the American Jewish Committee, which led to the Polish Foreign Ministry officially criticising the planned visit.

The second foreign leader reportedly planning to join the Independence Day march in 2017 was Stephen Lennon a.k.a. Tommy Robinson, the notorious founder of the anti-Muslim street movement English Defence League. The fact of Spencer's and Lennon's interest in participating in the Warsaw event testifies to the globalised nature of contemporary extreme-right networks, which – though preaching nationalist ideas – subscribe to a shared imagery. Islamophobic slogans occupy an increasingly central role in the transnational discourse of the global far right. Through the 11 November marches, Warsaw has become one of the capitals of the international anti-Muslim movement. The 11 November 2015 march in particular emphasised its anti-Muslim character. The slogans on banners included 'Stop the Islamisation of Poland', crossed-through symbols of mosques and crescents,

along with racist symbols of the Celtic Cross. At the end of the march, at the stage in front of the National Stadium, Father Jacek Międlar spoke to the crowds: 'We don't want Allah in Poland, we don't want rapes, lynches, or terror. We don't want the hate which is contained in Koran but the love and truth of the Gospel!'

Importantly, the far-right marches in Warsaw have enjoyed an increased legitimacy since 2015 when the newly elected President of Poland, Andrzej Duda, addressed a letter to the march participants praising the event and its participants. The letter stopped short of any criticism of the event and eulogised 'the young passionate Polish hearts' of the marchers. It was read at the beginning of the march (and repeated in 2016) as an important illustration of the increasing mainstreaming of radical nationalism in Polish politics and society.

Far from being condemned or marginalised, the far right march has been praised and legitimised by the right-wing political elite. The leader of the ruling PiS, Jarosław Kaczyński, has never physically participated in the marches, but many other lawmakers have taken part in the march over the years, including Professor Jan Żaryn, currently a member of the Senate and PiS's main authority on issues of so-called 'historical policy'. History as a tool of politics has become a common theme on the Polish right, and – characteristically – numerous reconstructionist groups, dressed in historical uniforms, take part in the annual march. The president's letter as well as the participation of members of the ruling party and the favourable coverage of the march by the main right-wing media illustrate the blurring of ideological distinction between the 'mainstream' and the 'radical' populist right in Poland, especially in the post-2015 social and political landscape.

The year 2015 brought about a radical restructuring of Polish politics both in the institutional sense of presidential and parliamentary elections and on the level of political discourse; ideas and sentiments previously considered 'radical' or 'extreme' entered the mainstream. The government-controlled state media (radio and television) have been particularly eager to air nationalist views demonising refugees, Muslims, human-rights NGOs, and other groups.

The refugee crisis in the Mediterranean in the summer of 2015 did not directly affect Poland. Nevertheless, it was omnipresent in the media and, importantly, coincided with the parliamentary electoral campaign during which several right-wing and far-right parties competed with each other in using xenophobic rhetoric and exploiting the refugee issue, alleging a threat to Polish national identity. The imagined threat became a key topic in the campaign, and it has remained on the political agenda ever since. In

the wake of Islamist terrorist attacks in Western European countries, the opposition to accepting refugees in Poland has been firmly linked in the public debate to the question of 'security'.

Public opinion proved susceptible to manipulation by the political class, and public attitudes on the refugee issue changed dramatically. Previously, Poles had been generally sympathetic to refugees (xenophobic attacks against tens of thousands of Chechen refugees who came to Poland in the late 1990s and early 2000s were relatively rare, and the PiS at the time was the most pro-refugee political party in the parliament), but since 2015 opinion polls have shown a majority against admitting refugees on Polish territory. In a July 2017 poll conducted by *Polityka* weekly and the IBRIS Institute, a surprising 51-per cent majority even agreed that Poland should leave the EU if it insists on relocating refugees to Poland.

Clearly, the nationalist-populist messages found a fertile soil in widespread prejudice and stereotypes. Anti-Islamic attitudes have long been present in Polish media and society, especially since the 11 September attacks in the USA and the Polish involvement in the invasion of Iraq. Still, until 2015 Islamophobia was not dominant in mainstream political discourse as a tool in domestic campaigns.

Alarmingly, xenophobic attitudes have become especially predominant among the younger generation. Ethno-nationalism has appeared in numerous forms of youth culture, for example in Polish hip-hop.

Overall, younger voters have been displaying right-wing preferences more than their parents. Clearly, socio-economic issues play an important role in the current rise of nationalism among Polish youth, but purely economic problems seem insufficient as an explanation. Neoliberalism has contributed to the rise of the far right in a variety of ways, including the imposition of a Social Darwinist mindset. While the material hardship suffered by many young people is real, the global economic crisis did not affect the Polish economy on the same scale as many other countries in Europe. Therefore, the accompanying issues of identity, ideology, and values – the cultural resources – play an especially important role.

The case of rock star Paweł Kukiz shows how cultural influence can be translated into political capital. The author of important songs against intolerance in the 1980s and 1990s, he became a politician in 2015 and built a populist movement named after himself: Kukiz'15, which won almost 10 per cent of the parliamentary seats. It allied itself with RN, which enabled hard-line nationalists to enter parliament. Today RN's leader, 32-year-old Robert Winnicki (who has split from Kukiz's faction), is a vocal representative of the extreme right in the parliamentary chamber, while

Kukiz'15 is campaigning for a Hungarian-style referendum on the refugee question. Kukiz'15 positions itself as a more radically nationalist alternative to the PiS, but it has voted with the ruling party in several important votes dismantling the liberal democratic constitutional order. According to opinion polls, Kukiz'15 has been consistently named as the most popular electoral option among the youngest voters.

The current situation has some obvious parallels to the years 2005-2007 when the previous PiS-led government, supported by two smaller populist-nationalist groups, provoked a wave of protests by civil society and was eventually ousted in an early election. The current crisis of democracy in Poland is arguably more serious, not least due to the genuine popularity of xenophobic nationalism among the young, which confronts anti-fascist and progressive groups in Polish society with a difficult challenge.

Left Security Policy – Navigating Between the Pathos of Civil Rights and the Lived Realities of Voters

Dirk Burczyk

In what follows I would like to explore possible answers to the question of public security from a radical-democratic, basic-rights-oriented perspective. This requires first staking out the political framework in which a left politics of public security would move. Then I will outline what left answers to the dominant discourse of 'domestic security' might look like.

Freedom and security in neoliberal times

From the 1940s, welfare-state reform processes have – in different ways and at different times – gone hand in hand with social liberalisation and a reinforcement of the liberal constitutional state. Put simplistically, the subaltern classes gain power, 'their' party forms the government. In economic terms, however, a welfare state means that the state is responsible for the welfare of the citizens and in turn gains legitimation from this – and this involves interventions not only in the distribution of wealth but generally the regulation of essential economic factors, which are no longer left to the 'free play of the market'.

This connection between welfare state and democracy precipitously ceased at the beginning of the economic recession of the 1980s. Herbert Schui has explained that this was already preceded by a break with the central premises of Keynesian policy, specifically the abandonment of state regulation and expansive redistribution, and instead of this the welfare state was put on a credit basis.[1] This was followed, again not everywhere with the same intensity and speed, by a social- and economic-policy rollback. This rollback, accompanied ideologically and culturally by the excessive emphasis on individual self-realisation, occurred simultaneously with a restitution of the old concept of the night-watchman, or minimal, state. Of all parties, Germany's FDP was the purest advocate of this political construct. Its

electoral programme for the 2017 Bundestag elections leaves no doubt as to what the only functions are it thinks the state should have: The state is to look after security from criminality and terrorism, satisfy capital's needs through sufficient resources for education and research, and, for the rest, refrain from any form of regulation.

From the beginning, the topic of 'domestic security' within the neoliberal bloc has been what I think of as a 'complement' to the neoliberal promise of freedom. It attracts conservative forces that feel repelled by the blurring of class boundaries in education and culture, from the results of the emancipatory strivings of women, homosexuals, 'foreigners', etc. – and at the same time have always had a grudge against supposed dirigiste interventions into 'the economy'. The withdrawal of the state from regulating society's economic sphere – as expressed in privatisation, liberalisation and deregulation of all areas of public services, in the abandonment of redistributive taxation, and the discontinuation of welfare-state protection from poverty and impoverishment – is creating a massive sense of insecurity among citizens. The state, which has declared itself to be incapable of acting in certain major spheres and has left these to 'self-regulating market forces', is at least to provide protection of life, limb, and property. The rebellion of the petty bourgeoisie – which has long ago accepted the guiding principle 'let everyone look out for themselves' as the everyday translation of neoliberal paradigms and finds its civil-society and political-party expression in PEGIDA and AfD – is not directed against the unreasonable sacrifices demanded by an unleashed market (its criticism of 'paternalism' and 'bureaucracy' actually affirms these sacrifices) but against the real and imagined threats in everyday life.

Promising security at the cost of sometimes massive encroachments on fundamental rights, this hegemonic bloc is finding acceptance for its political programmes of toughening criminal law, mass storage of telecommunication and flight data, preventive and police powers of intervention including unlimited orders of 'preventive custody', video surveillance, and the transfer of certain security competences from the federal states – where democratic control is more likely – to the federal government.

The traps of a defensive and socially uncontextualised conception of fundamental rights

The 'preventive security state' as a complement to the neoliberal unleashing of the market has been little analysed and criticised in this context, and this is now a significant weakness of the social and political left. The left's criticism is directed against individual measures and in this it – completely justifiably – invokes individual basic rights anchored in the Basic Law of the Federal

Republic. The critique, as Wolf-Dieter Narr and others have laid out in an impressive publication on the sixtieth anniversary of the Basic Law, consists of the case practice of the Federal Constitutional Court.[2] It enquires into the formally correctly passed Law and subjects the commensurability of the stipulated restrictions of fundamental rights to a doctrinal examination. It thus limits itself to looking at basic rights primarily (or even exclusively) as individual defensive (or negative) rights against excessive state intervention into the personhood and freedom of the individual. The character of basic rights as a complement of democracy, which would mean not only freedom from restrictions but also the freedom for self-determined participation in the self-regulation of society, drops out of sight. Reduction to individual defensive rights make the very critique of the preventive security state compatible with neoliberal discourses of 'self-realisation'. In terms of the above-mentioned historical connection between the welfare state and democracy, what needs to be done is to connect the struggle for basic rights, on the one hand, with the struggle for social participation and security that puts people in a position to actually use their rights, and, on the other hand, with a struggle for the (re)conquest of the economic sphere by politics.

There is a further trap of isolated understandings of basic rights, which can only be indicated here: In 2013 the Federal Minister of the Interior Hans-Peter Friedrich, not exactly an intellectual beacon, raised security to the status of a 'super basic right'. This was enshrined by the Federal Constitutional Court in its judgement on the Federal Criminal Police Office legislation, which stressed 'that the security of the state […] and the security of the population are constitutional values of the same rank as other highly valued constitutional rights' (1 BvR 966/09, Rn. 100). A putative right to security, derived in a doctrinal legal manner from the governmental responsibility to protect the life and limb of people in Art. 1 GG, is not only to more strongly enshrine the legislative provisions for security and defence from threats; in fact, the security state is being accorded a greater theoretical weight in relation to other fundamental rights.

The supremacy of security discourse

We must be clear that the expansion of the preventive security state is not at all a matter of a plan – carried out through boring propaganda and parliamentary majorities – to arm the state against future uprisings of the subaltern classes. The overwhelming majority of the population wants this expansion, just as the subversion of the welfare state could rely on broad popular consent. In both cases the societal discourse was directed against the subaltern classes and the marginalised – the lazy unemployed, the foreigners

resisting integration, delinquent youth, drug addicts, the uneducated, and whoever else could be used as a projection surface for the threat to prosperity and security. Thus, the concept of 'security society' has also been proposed to capture current developments beyond a fixation on the state and law.[3] High approval ratings of ca. 80% for measures like the extension of video surveillance in public areas show how deeply rooted the wish is in the population to use such controls to deal with threats of any sort.

The *Bild* tabloid published an opinion poll, regarding the percentage of people afraid of various threats who believed that the police could not help them. (That Die LINKE's voters in some instances accounted for the highest percentages alongside AfD voters points to a specific difficulty for progressive politics as a whole.)

'Security' here is like an unreachable carrot held in front of the donkey, for the threat is ubiquitous and hard to get hold of. Nowhere is this so clear as when security authorities and ministers of the interior talk about the 'abstract danger of attacks', with the constantly repeated phrase 'Germany' is 'in the crosshairs of international terrorism'. The bromide that 'absolute security cannot exist' is presented as wisdom, as the intellectual capacity for differentiation. And the annual publication of the police criminal statistics offers the opportunity to inject still other threats into the discourse: At the end of the 2000s it was youth criminality that suddenly increased and then disappeared; in 2015 it was burglaries that were to give citizens gooseflesh (although the numbers were far below the highpoint in the 1990s); in 2016 the refugees were to provide a statistically actually negligible rise in criminality.

What is mainly needed here is a rationalisation of the debate. The constant talk of all kinds of threats makes for insecurity, which serves to legitimate and lend support for measures to expand the preventive security state; the diffuse idea that even with this the world cannot be rid of dangers ensures that this clockwork, driven by security politicians, government representatives, professional associations ('police unions'), private security firms, and the media ('crime sells!'), keeps working.

'Don't panic!'

In all of this there are still plenty of opportunities to give the debate over public and private security a more objective basis. As an example we can cite the Bochum study on 'Criminal Phenomena in Long-term Comparison Using as an Example a Large German City', which has been running for a few decades now. With the example of Bochum it shows the paradox of the fear of criminality: in cases of unchanged or even sinking levels of criminality

more citizens are afraid of being victims of a crime in the near future. Prof. Thomas Feltes, the Study's director, places this increasing fear of criminality in the context of increasing material insecurity, fear of EU disintegration, and the consequences of globalisation. These things, however, are not tangible, and therefore this 'insecurity is projected onto the area of criminality'.[4]

But the difficulties of injecting reality into the debate can be seen in the conflict over increased penalties for attacks on police officers. Since 30 May 2017 such attacks (even a jostle qualifies as an attack) have been punishable by a minimum penalty of a half year, mitigating circumstances no longer being recognised. Representatives of the opposition in the Bundestag, liberal journalists, and civil-rights groups have in the broadest sense pointed out what should be pointed out – that the new sentences are disproportionate, the increased penalties have no preventive effect, that there is a danger of an indirect restriction of the right to demonstrate by frightening people that they can be prosecuted even without instigating a clash with police. All completely right and well argued. But no one had the confidence to point to the Emperor's new clothes, that is, that the increased acts of violence against police officers, generally asserted by trade unions, politicians, and the media, plainly and simply are not verifiable (if anything, it is the opposite that is true), and that a new registration method now used in police criminal statistics has led to a completely unusable exaggeration of the real situation. The Police Criminal Statistics, PKS, are pure raw statistics for the police's processing of criminality, that is, up to the point that it is given to public prosecutor's office. It says nothing about the actual number of preliminary investigations nor about the number of sentences, etc. As such, it counts the complaints made to the police (listed as acts) and the suspects. A few years ago a 'victim statistic' was introduced into the PKS for selected groups, among them police officers. Since several police officers at a time often become 'victims' of one reported offence this figure is much higher than the reported acts and accused/suspected perpetrators – and it was precisely with this victim count that the federal government's draft law operated.

Problems even on home ground

It has become evident that the political-party left can only answer the question of more security from crime and violence in the context of its social-policy programme. But it is not so that the wheel has to be reinvented here. 'The best crime prevention is a good social policy', is a programmatic principle all comrades engaged in domestic policy can recite in their sleep. Indeed Die LINKE sees itself – as a party that stands in elections in which it seriously, and in part successfully, strives for government participation –

confronted with the challenge of naming concrete steps, especially on this issue. It must also recognise that the shifts in the population have not left its own electorate untouched. Among them too the need for solid ground has shifted away from social questions and towards questions of security and order in everyday life.

This should in no way lead to raising security and order to the status of a third pillar of left policy alongside social security and the expansion of basic rights and democracy. 'Law and order is a Labour issue' was the background chorus to 'old Labour's' swansong in Great Britain.[5] The consequences are well known. In speaking purely about criminality it is hard not to be drawn into the slang of the institutional authorities and conservative domestic politicians (whatever party they belong to). There is nothing the left can gain from this unless it ties the concept of security to that of social security. That is the first point.

Second, the rationalisation of the debate has to be an elementary component of a left policy of public security. This means a realistic look at the actual criminal activities. And it also takes in the question of the causes of specific manifestations of criminality.

Third, the expansion of the competencies and powers of the state's security authorities deep into the preliminary phases of concrete dangers has to be countered with a return of criminal law to the protection of individual objects of protection – life, limb, freedom of the individual. Instead of deploying ill-defined expanded resources against so-called 'suspected terrorists', the gains from which are only conjectural (whether someone might have perpetrated an attack if he was not shackled, was not in custody, had not been deported, etc.), the focus of criminal law as well as the police's right to protect against threats should be on dealing with concrete or concretely imminent dangers. In the police laws of countries there can be no unlimited authority to order custody, dragnet controls, to institute special powers in the case of 'places at risk', or the like; groundless mass data storage must be prohibited. Petty offences, such as 'fare dodging', petty theft of low-value items, the possession of small quantities of narcotics, 'victimless' criminal offences such as unauthorised entry into a country or unauthorised stay, must be decriminalised.

Fourth, this constitutional safeguard must be upheld by parliamentary and civil-society oversight. This includes a requirement that law enforcement officials wear badges or show other identification, the establishment of independent police commissaries with extensive rights of control, appropriately equipped data protection authorities, parliamentary control committees for the deployment of covert powers of intervention

(telecommunications surveillance, undercover agents, etc.) as far as these are necessary.

Fifth, this return of police activity to the core areas of averting danger and of law enforcement needs to be accompanied by a structural reform that enables the police to work in the local area, close to the citizens, and be approachable and reachable. Only in this context and with a cleansed criminal law is it possible to determine how adequate the personnel resources of the police are.

Sixth, Die LINKE of course also wants to protect fundamental rights and democracy against those who want to suppress them on behalf of whatever inhumanely motivated order. The motto here is: It is we ourselves who have to look after ourselves! The best protection for the Constitution are self-conscious citizens who defy racism, anti-Semitism, homophobia, and other forms of group-focused enmity. They cannot be helped by any authorities for the protection of the Constitution if these systematically escape democratic control, but only by publicly supported institutions of civil society that clearly make such incursions into fundamental rights and democracy known, name their vehicles and together with educational institutions impart knowledge and capacities for a democratic commonwealth.

Seventh, the threat to security and freedom from the dangers of information technology is becoming increasingly tangible for many people. Here too we need to press for a realistic assessment of the dangers. Instead of wasting resources on government 'hack-back' and an attendant militarisation of 'cyber space', IT infrastructures have to be bolstered and capacities for their secure use sensitive to data protection comprehensively communicated.

Eighth, it remains true that the best way to prevent criminality and the fear of criminality is a good social and economic policy that offers a minimum of social security, curbs free market forces, guarantees the community's capacity to act in the securing of public services, and offers help and support to those who have become victims of violence.

NOTES

1 Herbert Schui et al., *Wollt ihr den totalen Markt? Der Neoliberalismus und die extreme Rechte*, Munich: Droemer Knaur, 1997, pp. 45ff.

2 Wolf-Dieter Narr, Heiner Busch, and Dirk Vogelskamp (eds), *Das würdige Grundgesetz und seine Fäulnis: 60 Jahre Grundgesetz, 60 Jahre Bundesrepublik Deutschland*, <www.grundrechtekomitee.de>, 6 November 2009.

3 Tobias Singelnstein and Peer Stolle, *Die Sicherheitsgesellschaft. Soziale Kontrolle im 21. Jahrhundert*, Wiesbaden: Verlag für Sozialwissenschaften, 2008.

4 <http://news.rub.de/wissenschaft/2016-08-23-kriminologie-so-sicher-fuehlen-sich-die-buerger-einer-grossstadt>.

5 On the widespread criticism of this see, for example, Robert Reiner, 'The Law and Order Trap: Contemporary Popular Discourses on Crime Continuously Feed an Authoritarian Law and Order Agenda', *Soundings* 40 (2008).

The Battle Over Public History – Anti-fascism and the New Totalitarianism Discourse

Rejecting Historical Revisionism in Practice – Greece's Minister of Justice Boycotts the Tallinn Conference on the Victims of Communism

Haris Golemis

The revision of the history – European and worldwide – of what Hobsbawm called 'The Short Twentieth Century' (1914-1991) by means of equating Communism to Nazism has an impact on European integration in terms of fuelling nationalisms and the geostrategic conflict between the West – mainly the US – and Russia. At the same time, this re-reading of history is a conservative mainstay in the ongoing war between those who view capitalism, after the collapse of the Soviet-type regimes in 1989, as the 'end of history' and those who think it is worth searching for new paths to a post-capitalist world.

Historical revisionism, promoted in the past by well-known historians such as Ernst Nolte, François Furet, and Stephan Courtois, aims to represent Communism as inherently totalitarian and barbaric and as closely resembling, or even identical to, Nazism. The new narrative, which has been reproached by other, not necessarily left, historians for trying to relativise and lighten the stigma attached to the 'ultimate evil' of Nazism, takes as its founding myth the signing of the Ribbentropp-Molotov Non-aggression Pact between Nazi Germany and the Soviet Union on 23 August 1939.

Greece disrupts the routine of the European Days of Remembrance for Victims of Totalitarian Regimes

The first European efforts to establish 23 August as a day for the commemoration of the victims of Stalinism and Nazism – 'Communism' and 'Stalinism' being used interchangeably in various texts – came from the Baltic countries: Estonia, Latvia, and Lithuania. At that time, on 23 August 1989, almost two million citizens of these states joined hands to form a

human chain crossing these former Soviet republics. This 'Baltic Chain', or 'Chain of Freedom' spanned more than 600 kilometres.

In the EU, the principal official protagonist of this effort to revise European and world history has been the European Parliament, first with its 23 August 2008 declaration proclaiming 23 August as the 'European Day of Remembrance for Victims of Stalinism and Nazism', and then in 2009, with its resolution on 'European conscience and totalitarianism', in which it called 'for the proclamation of 23 August as a Europe-wide Day of Remembrance for the victims of all totalitarian and authoritarian regimes, to be commemorated with dignity and impartiality'.[1]

Since 2009, the Day of Remembrance has been observed by the European Commission and the European Council and was adopted by law in nine European countries, eight of them ex-communist (Estonia, Latvia, Lithuania, Croatia, Slovenia, Poland, Hungary, and Bulgaria), the other being Sweden. Two years later the ball was in the court of the EU's Justice and Home Affairs Council, which includes the ministers of justice of all EU countries who, at the conclusion of their meeting in June 2011 in Prague, invited all Member States to find appropriate ways to annually commemorate the 23 August Day of Remembrance. From that year on, ministers of justice of ex-communist states have hosted various events on that date in the following cities: Warsaw (2011), Budapest (2012), Vilnius (2013), Riga (2014), Tallinn (2015), Bratislava (2016), and, again, Tallinn (2017). These Days of Remembrance were normally attended by medium-rank officials of all EU Member States, as well as by a small number of ministers of justice of, almost exclusively, CEE countries.

These events were regarded rather indifferently by citizens in most parts of Europe and the world, with the exception of those of the CEE countries hosting the annual events. This uneventful routine was disrupted in August 2017, when Stavros Kontonis, Greece's Minister of Justice, turned down the invitation of his Estonian counterpart, Urmas Reinsalu, to participate at a 23 August conference in Tallinn with the title 'The Heritage in 21st-century Europe of the Crimes Committed by Communist Regimes'.[2] He expressed this in a letter to Reinsalu on 18 August, in which he informed him that the Secretariat for Transparency and Human Rights of Greece's Ministry of Justice would not participate in the event. Kontonis's own presence in Tallinn was implicitly excluded without being mentioned in the letter.

The Greek minister's letter, which received wide publicity in the Greek and Estonian press, and in other countries, did not go unanswered by Reinsalu who sent his response on 30 August in a letter much praised by conservative media, parties, and politicians in several countries, including Greece.[3] This

led to a second round of letters between the two ministers, with Kontonis's sent on 5 September and Reinsalu's response on 20 September. The editors of transform!'s 2018 yearbook have decided to publish the exchange as important historical documents of a clash in the interpretation of European history between two EU ministers**,** a right-wing conservative from Eastern Europe and a radical leftist from Southern Europe, who were also expressing the official positions of their countries on the Nazism-Communism equation. The editors have decided to publish an additional letter from Estonian MP Oudekki Loone, of the Centre Party whose leader, Juri Ratas, is the Prime Minister of the current Estonian coalition government. In her letter to Kontonis, Loone expresses her gratitude and respect for his decision to not participate; she regards the conference as a 'shame' and looks forward to a future in which 'events like this are not organised anymore'.

Two different worlds

The letters speak for themselves, and readers can draw their own conclusions about the issue in question. I would like, however, to make some personal remarks and comments on some points which I think reveal the huge and probably unbridgeable gap between the two contrasting views of the past, the present, and the future of Europe and the world.

Although Reinsalu announces that we should not deal with European history since this is the task of historians, his letters contradict this, as he does employ arguments typical of mainstream European historical revisionism, reinforced by the strong Baltic anti-communism which in part derives from his country's and the region's historical experience. It has been proven, he says, that not only Stalinism, but 'communist *ideology*' (my italics) as such is incompatible with the basic European values and virtues of human rights, 'freedom, democracy, and the rule of law'. 'In this regard there is no difference between Nazism, Fascism, or Communism', being also a totalitarian regime responsible for 'crimes against humanity, as has been recognised by the European Court of Human Rights'. Confident of the ignorance of his counterpart in terms of the ex-USSR, the Estonian minister informs him that: 'It may come as a surprise to you that at that time, private property – one of the self-evident foundations of the European economy – was forbidden in the Soviet Union. And free enterprise was a crime.'

Kontonis, for his part, explains that the reason for non-participation in the conference is that its title and content send a wrong and dangerous message to the peoples of Europe in reviving the disastrous Cold War climate, in a period in which the power of the extreme right is growing in many countries of our continent. He strongly rejects the Communism-Nazism

equation on the grounds that history cannot be falsified and that the record shows that the Red Army, the army of USSR, was 'the liberator of Europe and the Nazi concentration camps and the decisive force that put an end to the horror of the Holocaust'. While Nazism has only one horrible face, historical Communism gave birth to many ideological and political currents contrasting with Stalinism, a regime whose abhorrent crimes and repressive practices constitute a grotesque deformation of communism. The vision of one of these currents, Eurocommunism, is that of 'a socialist social system based on multi-party democracy, political freedom, and self-management'.

The personal factor

Although, in their letters, the two ministers expressed the official position of their governments, the style and arguments used are related to their personality, culture, and ideology, in turn related to the history of their respective countries. Judging from their past and present activities, it is clear that we are looking at two types of politicians, with different personalities and different life stories.

Stavros Kontonis (single, born 1963 on the Greek island of Zakynthos) is a lawyer who has been involved in politics since his early youth. He was a member of the Greek Communist Youth 'Rigas Fereos', the Youth of the Communist Party of Greece-Interior (KKE Esoterikou), a small Eurocommunist party which arose in 1968 when the historic Communist Party of Greece (KKE) split into two organisations. In 1986, KKE Esoterikou itself split over the issue of whether or not to retain its communist identity and name, with the majority deciding to change the party's name to Greek Left (EAR). The minority left the party and in 1987 founded the Communist Party of Greece Interior-Renewing Left (KKE Esoterikou-Ananeotiki Aristera), which in 1991 also changed its name to Renewing Communist Ecological Left (AKOA). Kontonis was active in these two parties, until AKOA decided in 2013 to dissolve itself and integrate into Syriza, of which Kontonis became and still is a member. His letters, not in very good English,[4] are characterised by the Eurocommunist language of the 1970s and 80s, an innocent spontaneity and rather anarchic style while based on strong ideological arguments.

Urmas Reinsalu, according to data given in a Wikipedia article on him, which we are unable to corroborate, is twelve years younger than Kontonis (born in Tallinn, the capital of the former Soviet Republic of Estonia, in 1975), is married and has two children; he is a lawyer and speaks English, Russian, German, and Finnish fluently. Since the age of 33 he has had a brilliant career as a specialist in public law in the Ministry of Justice, as

advisor and then Director of the Office of the President of the Republic, Lennart Meri, and lecturer at the Estonian Academy of Security Sciences. (Kontonis was of the same age when he started as a lawyer on the island of Zakynthos and he became a minister when he was 53).

In contrast to his Greek counterpart, who throughout almost all his life was an activist in generally small radical left political groups, Reinsalu was always connected to mainstream right-wing parties and for three years (2012-2015) was Chairman of the conservative Pro Patria and Res Publica Union. In a 2015 interview given to an Estonian newspaper,[5] he stated his intention to avoid implementation of a same-sex law. This contrasts with Kontonis's support, along with all of Syriza's MPs, of Greece's similar law on same-sex civil partnership[6] and his audacity, as a Minister of Justice, in introducing the law on the Legal Recognition of Gender Identity in parliament, which stoked the ire of the Orthodox Church and Golden Dawn, Greece's Nazi party.

It is easy to see how charged the Estonian initiative is for Kontonis, considering that the antipathy between him and the Nazi Golden Dawn amounts to a genuine vendetta. Added to this is the fact that Reinsalu, in 2013 when he was Minister of Defence, had addressed the annual meeting in the city of Sinimäe of veterans of the Estonian Freedom Fighters Union, praising their sacrifice in defending the fatherland. The Freedom Fighters Union, although not coterminous with the Estonian Waffen-SS, and although the Waffen-SS had in part involved obligatory conscription, is understandably associated in the minds of progressives with the latter.

Reinsalu's style is disciplined, internally logical, ostentatiously polite, and deftly patronising, diplomatic but essentially dismissive of his Greek counterpart. With his first letter he encloses a copy of the 2009 European Parliament resolution 'for your reference', as if Kontonis were ignorant of the resolution or unable to locate it, while he attaches to his second letter the Reports of the Estonian International Commission for Investigation of Crimes Against Humanity, adding that 'these books on your bookshelf will mark one or more of many steps on a friendly road to mutual understanding between our states and peoples'.

Acts, not intentions, make the difference

Alongside praise from their supporters, the ministers' letters were also met with fierce criticism from political parties, politicians, and the media in their own countries. In addition to Loone's letter to Kontonis supporting his decision to boycott the Tallinn conference, I have come across several articles in English published by Estonian websites and blogs sharing her

view. In Greece, the right and centre-left parties, as well as much of the anti-Syriza media, strongly opposed non-participation in the event, accusing the government of a populist act that would isolate the country in Europe.[7] Criticism of the government and Syriza also came from the Communist Party of Greece and other left parties, alliances, and political groups of the non-parliamentary left which, although they agreed with Greece's non-participation, believed that the Ministry's decision was intended to bolster the government's fading left profile and to boost the morale of disappointed activists and Syriza supporters. Another criticism alleged the boycott was prompted by the government's wish not to alienate Russia.[8]

I do not want to engage in what the French call a 'procès d'intention', that is, to judge the intentions of Kontonis and the Tsipras government in deciding not to participate in the event. However, judging from the Minister of Justice's history, and the spontaneity and stubbornness that I personally know characterise him, I would not be surprised if the decision to boycott the conference was exclusively his own and that its adoption by the government came only after his first communication with Reinsalu.

Be that as it may, and aside from the question of intentions, boycotting the Tallinn event has erected a temporary obstacle to efforts at stigmatising the 'communist desire' of left activists and intimidating them from expressing it lest they be identified with the collapsed, undemocratic Soviet-type regimes. At the same time, it created a valuable official precedent in combating historical revisionism, which is gaining ground in Europe and tends to relativise and downplay the Nazi nightmare of the twentieth century. What is needed now is a counterattack to regain ideological hegemony.

NOTES

1 <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2009-0213+0+DOC+XML+V0//EN>. The Resolution passed by an overwhelming majority (533 for, 44 against, 33 abstentions). No Greek MP supported the resolution, with those of PASOK, KKE, and Synaspismos either voting against it or not participating in the whole procedure in order not to legitimise it, while those of the conservative New Democracy abstained.

2 Estonia had the Presidency of the European Council from July to December 2017.

3 Particularly warm appreciation was expressed to Reinsalu by Daniel Mitchell, a well-known US neoliberal economist whose articles frequently appear in the mainstream US press and who is a regular guest on major TV channels. In his article 'Greek Government's Moral Bankruptcy on Soviet Terror Generates Strong Response from Estonia', published in the web pages of two ultra-conservative US organisations, International Liberty and Center for Freedom and Prosperity, on 31 August and 1 September 2017 respectively, he declares Reinslau's first letter to be 'a masterpiece of moral clarity'.

4 Although the original letters are historical documents, the editors of the Yearbook have, in some cases corrected their language to make them more intelligible to readers. Transform can make the unedited originals available on request.

5 <https://news.postimees.ee/3165759/reinsalu-resolved-to-ignore-same-sex-law>.

6 It was introduced by Kontonis's predecessor, Nicos Paraskevopoulos, and passed in 2016.

7 In actuality, there would seem to be little danger of isolation in view of the conference's scant success. In the Greek government's view, it was a substantial failure with only a few participants; the Estonian government makes the opposite claim. Readers can judge from the facts. The official statement of the Estonian Ministry of Justice reports that 19 countries participated in the Conference. Five of them (Germany, France, the UK, Italy, and the Netherlands) were not represented by their Ministers of Justice but by their Ambassadors. Only eight countries (Estonia, Latvia, Lithuania, Croatia, Poland, Hungary, the Czech Republic, and Slovakia) were represented by their Ministers of Justice, who were the only ones to have signed the final declaration. Apart from Greece, five other countries (Cyprus, Belgium, Luxembourg, Portugal, and Romania) did not participate in the event.

8 G. Papadopoulos-Tetradis, a well-known Greek journalist, began his 28 August article in the mainstream daily *Kathimerini* 'It's Russia, stupid' as follows: 'The much discussed conference for the "victims of totalitarian regimes" in Estonia revealed that in Greece there are thousands of people supporting totalitarian solutions, a non-serious opposition, and thousands of people who are victims of political hypocrites like the government and the Minister of Justice, who praised communism even more than the Greek Communist Party does, on the occasion of a conference that takes place every year [!] and in which Greece properly participates. Until last year, when Russia protested the event.'

Mr. Urmas Reinsalu
Minister of Justice
Republic of Estonia

Athens, 18 August 2017

Dear Urmas,

Your initiative to organize, under Estonia's Presidency of the Council of Ministers of the European Union, a conference titled 'The Heritage in the 21st Century of the Crimes Committed by Communist Regimes' quite reasonably raised questions for us.

Especially at a time when the founding values of the European Union are being openly challenged by the extreme right-wing movements and neo-Nazi parties spreading throughout Europe, the aforementioned initiative is a very unfortunate one.

In the end, history cannot be falsified, even if it may be written mainly by its victors or variously evaluated from different national viewpoints. Whatever these viewpoints may be, the historical record shows the USSR's army as the liberator of Europe and the Nazi concentration camps and as the decisive force that put an end to the horror of the Holocaust.

In our consciousness, the National Socialist regime, the specific political system that had racism, hatred, intolerance, and mass murder at the core of its ideology, could never be equated with communism and the political ideology it represents, nor be equated with anything else, simply because humanity has not confronted anything else like Nazism – and we hope it will not have to do so in the future.

The horror we faced in Nazism had only one aspect, the abhorrent one we described above. Communism, on the contrary, gave birth to dozens of ideological currents, one of which was Eurocommunism, which emerged within a communist regime during the Prague Spring, with the goal of combining socialism with democracy and freedom. That current left its mark on the political thinking of all of Western Europe, providing a laboratory of theoretical work and promoting a culture of political dialogue.

We believe that the initiative to organise a conference with the proposed content and title sends a wrong and dangerous political signal, similar to those of the treaties following World War II, and

revives the Cold War atmosphere that brought so much suffering to Europe. We believe that it is contrary to the EU's values, and it certainly does not reflect the Greek Government's and people's view that Nazism and communism could ever be the two sides of an equation.

It is clear that the General Secretariat for Transparency and Human Rights of the Hellenic Ministry of Justice, Transparency and Human Rights will not attend the proposed conference.

Stavros N. Kontonis,
Minister of Justice, Transparency and Human Rights

Stavros N. Kontonis
Minister's Office
Ministry of Justice, Transparency and Human Rights
Leof. Mesogeion 96
Athina 115 27, Greece

30 August 2017

Dear Stavros,

I thank you for your letter in which you advised that you would not be attending the conference "The Heritage in 21st Century Europe of the Crimes Committed by Communist Regimes" on 23 August of this year. I regret that you made this decision but appreciate your taking the time to provide a thorough explanation for your choice. Allow me, however, not to agree with the arguments that you presented as reasons for declining this invitation.

I do not wish to descend into a debate on 20th century European history. This has been done and will continue to be done by historians, lawyers, social and political scientists and philosophers from many different countries. We are politicians, and our job is to protect values and virtues. Our values are human rights, democracy and the rule of law, to which I see no alternative. This is why I am opposed to any ideology or any political movement that negates these values or which treads upon them once it has assumed power. In this regard there is no difference between Nazism, Fascism or Communism. All of these ideologies claimed the right, in the name of their distorted visions for the future, to destroy entire nations and societal groups,

and to declare others to be unworthy and unsuitable for a Utopian future, due to which such peoples and groups had to either be re-educated, forced to suffer in misery without hope for a better future, or banished to uninhabitable wastelands.

Condemnation of crimes against humanity must be particularly important for us as ministers of justice whose task it is to uphold law and justice. This is our duty, irrespective of the reasons these crimes were committed and regardless of who the victims of these crimes were. Every person, irrespective of his or her skin colour, national or ethnic origin, occupation or socio-economic status, has the right to live in dignity within the framework of a democratic state based on the rule of law. All dictatorships – be they Nazi, Fascist or Communist – have robbed millions of their own citizens but also citizens of conquered states and subjugated peoples of this right.

The fate of our two states in the 20th century has been different. In Estonia, you do not need to be a historian to know what happened in Greece during the Nazi occupation. To bring but one example: Louis de Bernieres' novel Captain Corelli's Mandolin has been translated into Estonian, and the film based on this book has been seen by thousands of my compatriots. Similarly, The Gulag Archipelago by Aleksandr Solzhenitsyn was translated into Greek shortly after its publication in 1974. It may interest you to know that Solzhenitsyn completed this book in Estonia during a summer he spent as a guest on the farm of Arnold Susi, an Estonian whom he had met on that very archipelago of which he wrote. There, Solzhenitsyn was less visible to the eyes of the KGB than he would have been in Russia where he was well known. Arnold Susi had been sent to the Gulag simply because he had been a minister in the Government of the Republic of Estonia. The Communist Soviet Union had occupied Estonia, and being a government minister in the Republic of Estonia was a crime in the eyes of the Communist Secret Police. Minister Susi was condemned to the Gulag two months after the Soviet Union together with the Western allies had defeated Nazi Germany, and he would return home only 15 years later. He was one of the lucky ones. Dozens of his colleagues from all of the governments that held office in the Republic of Estonia were murdered in the Gulag or perished there due to famine, disease or inhuman living conditions.

It goes without saying that Solzhenitsyn's book was banned in Estonia throughout the Soviet occupation.

Unlike Greece, Estonia has the experience of living under two occupations, under two totalitarian dictatorships. Estonia was occupied by the Soviet Union in 1940, then by Nazi Germany in 1941, and again when the Soviet occupation continued in 1944 through to August 1991. In light of the experience of my country and people, I strongly dispute your claim that Communism also had positive aspects. While it is true that the Soviet Union played an important role in defeating Nazi Germany, the Red Army did not liberate Eastern Europe so that the states and peoples that had been occupied by the Nazis could determine their own destinies. This did not happen in East Berlin, and this did not happen in Tallinn. The Greek Civil War ended in 1949. In that same year, the Communist regime deported nearly 2 percent of the population of Estonia only because they as individual farmers refused to go along with the Communist agricultural experiment and join a collective farm. This was in addition to the tens of thousands who had already been imprisoned in the Gulag prison camps or deported and exiled earlier. Thousands more would follow, taken into prison up to mid-1950.

While Stalin's death allowed most of the survivors to return to their homeland, this did not mean that Communism had become humane. I am forty years old, and thus I completed basic education under the Soviet occupation. I know what I am talking about. It may come as a surprise to you that at that time, private property – one of the self-evident foundations of the European economy – was forbidden in the Soviet Union. And free enterprise was a crime.

I know what I am talking about when I say that it is not possible to build freedom, democracy and the rule of law on the foundation of Communist ideology. We all know that this has been attempted on all continents, with the exception of Australia. It has been attempted in various shades of red and under all kinds of nationalist slogans. This has always culminated in economic disaster and the gradual destruction of the rule of law. But there are also countries and peoples for whom the price of a lesson in Communism has been millions of human lives. This cannot be allowed to happen again.

In freedom and democracy, everyone has the right to their religious and ideological beliefs, but we must condemn all attempts or actions that incite others to destroy peoples or societal groups or to overthrow a legitimate regime by force. With regard to innocent victims, however, there is no need to differentiate. It makes no

difference to a victim if he is murdered in the name of a better future for the Aryan race or because he belongs to a social class that has no place in a Communist society. We must remember all of the victims of all totalitarian and authoritarian dictatorships, as the European Parliament calls for in its resolution of 2 April 2009 on European conscience and totalitarianism. It was this resolution that served as the basis for the commemoration of the victims of totalitarian and authoritarian regimes last week in Tallinn.

I herewith enclose a copy of the resolution of the European Parliament of 2 April 2009 on European conscience and totalitarianism for your reference.

Respectfully yours,

Urmas Reinsalu

[Minister of Justice]

P6 TA(2009)0213
European conscience and totalitarianism
European Parliament resolution of 2 April 2009 on European conscience and totalitarianism

The European Parliament,

- having regard to the United Nations Universal Declaration of Human Rights,
- having regard to United Nations General Assembly Resolution 260(III)A of 9 December 1948 on genocide,
- having regard to Articles 6 and 7 of the Treaty on European Union,
- having regard to the Charter of Fundamental Rights of the European Union,
- having regard to Council Framework Decision 2008/913/JHA of 28 November 2008 on combating certain forms and expressions of racism and xenophobia by means of criminal law[1],
- having regard to Resolution 1481 of the Parliamentary Assembly of the Council of Europe of 25 January 2006 on the need for international condemnation of the crimes of totalitarian Communist regimes,
- having regard to its declaration of 23 September 2008 on the

1 OJ L 328, 6.12.2008, p. 55.

proclamation of 23 August as European Day of Remembrance for Victims of Stalinism and Nazism[2],

- having regard to its many previous resolutions on democracy and respect for fundamental rights and freedoms, including that of 12 May 2005 on the 60th anniversary of the end of the Second World War in Europe on 8 May 1945[3], that of 23 October 2008 on the commemoration of the Holodomor[4], and that of 15 January 2009 on Srebrenica[5],

- having regard to the Truth and Justice Commissions established in various parts of the world, which have helped those who have lived under numerous former authoritarian and totalitarian regimes to overcome their differences and achieve reconciliation,

- having regard to the statements made by its President and the political groups on 4 July 2006, 70 years after General Franco's coup d'état in Spain,

- having regard to Rule 103(4) of its Rules of Procedure,

A. whereas historians agree that fully objective interpretations of historical facts are not possible and objective historical narratives do not exist; whereas, nevertheless, professional historians use scientific tools to study the past, and try to be as impartial as possible,

B. whereas no political body or political party has a monopoly on interpreting history, and such bodies and parties cannot claim to be objective,

C. whereas official political interpretations of historical facts should not be imposed by means of majority decisions of parliaments; whereas a parliament cannot legislate on the past,

D. whereas a core objective of the European integration process is to ensure respect for fundamental rights and the rule of law in the future, and whereas appropriate mechanisms for achieving this goal have been provided for in Articles 6 and 7 of the Treaty on European Union,

E. whereas misinterpretations of history can fuel exclusivist policies and thereby incite hatred and racism,

F. whereas the memories of Europe's tragic past must be kept alive in order to honour the victims, condemn the perpetrators and lay

2 Texts adopted, P6_TA(2008)0439.
3 OJ C 92 E, 20.4.2006, p. 392.
4 Texts adopted, P6_TA(2008)0523.
5 Texts adopted, P6_TA(2009)0028.

the foundations for reconciliation based on truth and remembrance,

G. whereas millions of victims were deported, imprisoned, tortured and murdered by totalitarian and authoritarian regimes during the 20th century in Europe; whereas the uniqueness of the Holocaust must nevertheless be acknowledged,

H. whereas the dominant historical experience of Western Europe was Nazism, and whereas Central and Eastern European countries have experienced both Communism and Nazism; whereas understanding has to be promoted in relation to the double legacy of dictatorship borne by these countries,

I. whereas from the outset European integration has been a response to the suffering inflicted by two world wars and the Nazi tyranny that led to the Holocaust and to the expansion of totalitarian and undemocratic Communist regimes in Central and Eastern Europe, as well as a way of overcoming deep divisions and hostility in Europe through cooperation and integration and of ending war and securing democracy in Europe,

J. whereas the process of European integration has been successful and has now led to a European Union that encompasses the countries of Central and Eastern Europe which lived under Communist regimes from the end of World War II until the early 1990s, and whereas the earlier accessions of Greece, Spain and Portugal, which suffered under long-lasting fascist regimes, helped secure democracy in the south of Europe,

K. whereas Europe will not be united unless it is able to form a common view of its history, recognises Nazism, Stalinism and fascist and Communist regimes as a common legacy and brings about an honest and thorough debate on their crimes in the past century,

L. whereas in 2009 a reunited Europe will celebrate the 20th anniversary of the collapse of the Communist dictatorships in Central and Eastern Europe and the fall of the Berlin Wall, which should provide both an opportunity to enhance awareness of the past and recognise the role of democratic citizens' initiatives, and an incentive to strengthen feelings of togetherness and cohesion,

M. whereas it is also important to remember those who actively opposed totalitarian rule and who should take their place in the consciousness of Europeans as the heroes of the totalitarian age because of their dedication, faithfulness to ideals, honour and courage,

N. whereas from the perspective of the victims it is immaterial

which regime deprived them of their liberty or tortured or murdered them for whatever reason,

1. Expresses respect for all victims of totalitarian and undemocratic regimes in Europe and pays tribute to those who fought against tyranny and oppression;

2. Renews its commitment to a peaceful and prosperous Europe founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights;

3. Underlines the importance of keeping the memories of the past alive, because there can be no reconciliation without truth and remembrance; reconfirms its united stand against all totalitarian rule from whatever ideological background;

4. Recalls that the most recent crimes against humanity and acts of genocide in Europe were still taking place in July 1995 and that constant vigilance is needed to fight undemocratic, xenophobic, authoritarian and totalitarian ideas and tendencies;

5. Underlines that, in order to strengthen European awareness of crimes committed by totalitarian and undemocratic regimes, documentation of, and accounts testifying to, Europe's troubled past must be supported, as there can be no reconciliation without remembrance;

6. Regrets that, 20 years after the collapse of the Communist dictatorships in Central and Eastern Europe, access to documents that are of personal relevance or needed for scientific research is still unduly restricted in some Member States; calls for a genuine effort in all Member States towards opening up archives, including those of the former internal security services, secret police and intelligence agencies, although steps must be taken to ensure that this process is not abused for political purposes;

7. Condemns strongly and unequivocally all crimes against humanity and the massive human rights violations committed by all totalitarian and authoritarian regimes; extends to the victims of these crimes and their family members its sympathy, understanding and recognition of their suffering;

8. Declares that European integration as a model of peace and reconciliation represents a free choice by the peoples of Europe to commit to a shared future, and that the European Union has a particular responsibility to promote and safeguard democracy, respect for human rights and the rule of law, both inside and outside the

European Union;

9. Calls on the Commission and the Member States to make further efforts to strengthen the teaching of European history and to underline the historic achievement of European integration and the stark contrast between the tragic past and the peaceful and democratic social order in today's European Union;

10. Believes that appropriate preservation of historical memory, a comprehensive reassessment of European history and Europe-wide recognition of all historical aspects of modern Europe will strengthen European integration;

11. Calls in this connection on the Council and the Commission to support and defend the activities of non-governmental organisations, such as Memorial in the Russian Federation, that are actively engaged in researching and collecting documents related to the crimes committed during the Stalinist period;

12. Reiterates its consistent support for strengthened international justice;

13. Calls for the establishment of a Platform of European Memory and Conscience to provide support for networking and cooperation among national research institutes specialising in the subject of totalitarian history, and for the creation of a pan-European documentation centre/memorial for the victims of all totalitarian regimes;

14. Calls for a strengthening of the existing relevant financial instruments with a view to providing support for professional historical research on the issues outlined above;

15. Calls for the proclamation of 23 August as a Europe-wide Day of Remembrance for the victims of all totalitarian and authoritarian regimes, to be commemorated with dignity and impartiality;

16. Is convinced that the ultimate goal of disclosure and assessment of the crimes committed by the Communist totalitarian regimes is reconciliation, which can be achieved by admitting responsibility, asking for forgiveness and fostering moral renewal;

17. Instructs its President to forward this resolution to the Council, the Commission, the parliaments of the Member States, the governments and parliaments of the candidate countries, the governments and parliaments of the countries associated with the European Union, and the governments and parliaments of the Members of the Council of Europe.

From: Oudekki Loone [mailto:oudekki.loone@riigikoqu.ee]
Sent: Wednesday, August 23, 2017 10:33 AM
To: grammateia@justice.gov.gr
Subject: from Estonia: thank you!
Dear minister Stavros Kontonis,

I wish to express my true gratitude and respect for your and Greece government's decision not to participate in the repugnant conference titled "The Heritage in 21st Century Europe of the Crimes Committed by Communist Regimes" in Estonia. Your explanation was just perfect!

Unfortunately, these attempts to silently justify nazi regime and ideology are very much present in today's Estonian politics. My own decision to celebrate 9th of May as a victory day for allied forces in WWII created an outrage amongst many journalists and politicians. But also it created a wave of support. Therefore, let me assure you, that Estonia is not of nazis, that here like anywhere else, nazis and their sympathisers are a minority. Your decision reminded true European values, and gave strength to everyone who is worried of rising cold war climate, to everyone who does not forget history and who know that socialism and freedom not only can be combined, but that socialism is essential to freedom.

This conference is a shame, but I am sure that there will be a future when events like this are not organised any more. You have just helped this future to arrive a little earlier.

Best regards,

Oudekki Loone

Member of Estonian Parliament Riigikogu
Member of Defence Committee
Member of European Affairs Committee

Mr. Urmas Reinsalu
Minister of Justice
Republic of Estonia

Athens, 5 September 2017

Dear Urmas,

Thank you for your letter of 30 August 2017, which I read with great interest. It concerns the conference that took place in your country on 23 August 2017 entitled 'The Heritage in the 21st Century of the Crimes Committed by Communist Regimes', in which the Greek Government, like many other European governments, decided not to participate. Despite your pertinent remark that it is not politicians who write history but scholars, such as historians, philosophers, sociologists, political scientists, and others, your letter specifically refers to issues of 20th-century European history, quite correctly not claiming historical and political impartiality in political and ideological issues, and it is pervaded by a concrete perception of the past that is relevant to the experience of your country.

Furthermore, it is certainly true, as you say, that ministers of justice of countries governed by parliamentary democracies cannot express indifference towards the non-protection of human rights. Certainly they must not. When I recall, with real yet controlled passion, the history of the twentieth century, I can easily identify the overwhelmingly greatest danger to human liberty – fascism and Nazism, the historic dimension of a genocide and human calamity unmatched in its quality and extent, a unique human experience. If the entire democratic front had not won this battle during the Second World War we Europeans would be living today in complete terror under continuous Nazi occupation. We cannot deny that the decisive role in this fight for freedom was played by the army of the Soviet Union, a part of the allied antifascist forces. How then could we equate Nazism with the army and country that defeated Nazism? Would this not lead us to the conclusion that the result of the Second World War was meaningless, since it was merely a fight between two similar or identical totalitarianisms?

My view that Nazism and communism cannot be equated is shaped by historical readings, my political experience in the context of the Greek left, and the overall experience of my own country that never

knew a Communist regime – authoritarian or otherwise – but only a devastating German Nazi occupation from 1941 to 1944, three anti-communist dictatorships (in 1926, 1936-40, and 1967-74) as well as a tacitly anti-communist parliamentarianism after the Civil War when, in the name of persecuting communists, not only communists but also generally left-wing and politically centrist citizens were persecuted through imprisonment and exile, even torture, and were barred from jobs, at least in the public sector. As you will understand, the Greeks have also had their own experience in the twentieth century, which relates exclusively to extreme and thoroughly right-wing political power.

However, this does not mean that we approve of the occupation of the Baltic states by the Soviet army and what followed until 1990 or the persecution and violations of human rights that have occurred in your country or elsewhere in the name of the Stalinist version of communism. Nor do we approve of the unjustified prosecution, flouting orderly political processes, of ordinary people who were not true Nazi associates or ministers of occupation governments. Nor, of course, do we approve of the division of the world in 1945, as established at the Yalta Conference whose document was signed not only by Stalin but also by Churchill and Roosevelt. As I am sure you know, the left in Europe, and in particular the left of communist and Marxist origins, has never been monolithic or simply pro-Stalinist. On the contrary, I would point out, the revivalist Marxist and communist current and Eurocommunist currents – in Greece after 1968 in the form of the Communist Party of Greece-Interior and in Western Europe more generally – have always drawn careful distinctions and condemned the persecution, the liquidations, and the operation of prison camps and other violations of human rights perpetrated by the Stalinist regimes of so-called 'real socialism'. These currents condemned the Soviet interventions in Hungary in 1956, Czechoslovakia in August 1968, the Jaruzelski dictatorship in Poland in 1981, the Katyn massacre, and more. This ideological wing has always condemned one-party states and supported a socialist social system based on multi-party democracy, political freedom, and self-management, which is radically different from Stalinist 'communism'. Moreover, the left in which I have served and still serve regarded Stalinism as the greatest defamation of communism and thus the best recruiter for neoliberalism. Our left has long sustained that

socialism needs to be built collectively by the workers, not by tanks. I understand that you do not agree structurally with this view, which corresponds to the ideological tendency to which I belong, but that, in my view, cannot legitimize the unfounded equation of Nazism and communism, an equation which, unfortunately, is also featured in the European Parliament Resolution of 2 April 2009 and the 2006-2007 Memorandum Against Communism.

This historical equation aims not only at blanketly denying the communist and socialist experience of the twentieth century but also the experience of the French Revolution itself, the historical matrix of the European Enlightenment. Should we also issue a condemnation of the 'crimes of the French Revolution' because it was associated with a Terror? Should Russia have remained a feudal, backward country, an easy trophy for the military ambitions of Germany's Nazi state, in order to avoid what Hobsbawm called the 'Age of Extremes'? Would it be better if there had not been a Civil War in the US, which did in fact involve serious property and other violations against white citizens in the southern United States, and to thus have not abolished the slavery of black Americans? Must we denounce Christianity because of the dark past of the Inquisition? I imagine that you would agree in answering no. Since our government could only answer all these questions in the negative we have decided simply not to participate in the conference you recently organized. I am sure you understand my reasoning.

In any case, the communist and Marxian socialist movement involved, organized, and mobilized workers, ordinary poor people, and the radical intelligentsia throughout the capitalist world on behalf of the ideals of egalitarian political democracy – with mass electoral support in the nineteenth century –, on behalf of the abolition of oppression and exploitation, the promotion of social justice, and the combining of freedom with social equality. All of this, despite its failures, its oppressive and bureaucratic distortions and degeneration in some countries that attempted to implement these ideals, can never be equated with a movement and a political power that from its beginnings professed the inequality of tribes and nations, extreme militarism and nationalism, extreme exploitation at the expense of other peoples, support for the occupying classes and groups, patriarchy and absolute racism, and the crushing of the workers' movements in Europe. The imprisonment, displacement, and massacre

of Jews, communists and socialists, democrats, people of different sexual orientation, as well as the transformation of Eastern Europe, including the Soviet republics, Poland, and the Baltic states themselves, into a system of slave regimes serving a German racial aristocracy – all this has been fully described by historians for decades now. Just as it is true that the purges and other acts of persecution perpetrated by the Stalinist states are abhorrent, this takes nothing away from the fact that the movement that had originally given birth to these states improved the lives of Western workers for decades, and so the movement itself can never be equated historically with the macabre orgy of Nazism, either politically, philosophically, or historically.

Returning now to the initial parameters of our debate, I sincerely and cordially hope that as democratic polities we agree on assigning the work of studying European history – with the exception of the unambiguous issue of Nazi-fascism – to historians who can facilitate political parties and social organizations to stimulate debate among an informed and active citizenry. The other path leads to scenarios not only of potential criminalization of political action, especially of the left but even more of the potential to distort history. Since you come from a country that experienced an authoritarian version of 'socialism' you can easily remember how photographs and portraits were changed or altered after every change of party leadership. Let us not attempt to replicate this in the year 2017. It is clear that we disagree over your equation of ideologies and policies, but I hope we will continue a constructive dialogue – which is what our common European culture demands – without demonization.

Stavros N. Kontonis

Minister's Office
Ministry of Justice, Transparency and Human Rights
Leof. Mesogeion 96
Athina 115 27, Greece

20.09.2017

Dear Colleague,

Thank you for your long letter in which you provide an extensive

explanation of the intellectual and ideological bases of Greek and European left-wing political parties, as well as the reasons why you have respect for the Soviet Union despite the crimes committed during Stalin's rule. I will nevertheless stress that on August 23, throughout Europe, we commemorate the victims of all totalitarian and authoritarian regimes. Above all, we commemorate the victims of genocide, crimes against humanity and war crimes. For an innocent victim, it makes no difference whether he was murdered by a Nazi, Fascist or Communist regime. Communist regimes were equally guilty of committing crimes against humanity, as has been recognised by the European Court of Human Rights in reference to a number of judgments made by the domestic courts of Council of Europe member states. I also dare say that establishing democracy and the rule of law in the countries that fell under the influence of the Soviet Union in 1945 and remained within its sphere of influence until the collapse of the Soviet Union, was not one of the objectives of the Soviet Union when it destroyed Nazi Germany. History has demonstrated this to us, and the Soviet Union itself also never became a democracy or a state based on the rule of law.

Thus – the fact that the Soviet Union was an ally to the democratic Western states in defeating Nazi Germany does not justify the crimes against humanity committed by the Soviet Union on the territories that it occupied. This in no way renders these crimes against humanity any different or more pardonable than the crimes against humanity committed by Nazi Germany, Fascist Italy and their allies. The agreements reached in 1945 between the President of the United States, the British Prime Minister and the leader of the Soviet Union were a compromise to allow for the defeat of their common enemies. The right of small states to independence, freedom and democracy was but one of many arguments made upon achieving this compromise, and most certainly not the weightiest. Yet the importance of this compromise in world history cannot compel these small states to simply accept the loss of freedom, human rights and the rule of law that lasted for several generations at the hands of the totalitarian Soviet Union -created and lead by the Communist Party.

When we remember the victims of totalitarian and authoritarian regimes on August 23 we are not equating these regimes, as they were all quite different and had rather different objectives. Yet we must nevertheless admit that the results of the Nazi and Communist

totalitarian dictatorships were largely one and the same: the mass murder of innocent civilians based on their ethnic identity or social class, the deportation of entire nations and social groups, and the destruction of entire states. By remembering the victims, we honour their human dignity, and give a clear message about our values and of our readiness to stand up and defend them.

In 1998, Lennart Meri, President of the Republic of Estonia from 1992-2001, established the Estonian International Commission for Investigation of Crimes Against Humanity, composed of distinguished academics and former politicians. None of the members were Estonian citizens. The Commission was active for ten years and published three reports on crimes against humanity committed against Estonian citizens or on the territory of the Republic of Estonia during and after the Second World War. I am herewith sending you these reports together with the research on which they are based, as a gift. President Meri and the members of the Commission were adamant that the reports had to be compiled and published in English, so that people who are not fluent in our small and rather complicated language could also discuss and debate Estonia's past. As you can see, Estonia has made great efforts to come to terms with the legacy of its recent history, but has done so without reference to any national memory politics, which often are no more than an official version of history established under the supervision of some governmental authority. We became all too familiar with such official versions under the Soviet occupation, and learned to fear them. Which is why we asked for the opinion of esteemed foreign experts, who took the time to become well versed in Estonian history.

It is my sincere hope that these books on your bookshelf will mark one or more of many steps on a friendly road to mutual understanding between our states and peoples.

Respectfully yours,
Urmas Reinsalu
[Minister of Justice]

Memory as an Apparatus

Leonardo Paggi

The challenge facing European political democracy is reflected in the fragmentation of its historical consciousness. With a new monetary system (1944), the Marshall Plan (1947), and NATO (1950) a solid supranational network was erected under US leadership that coexisted peacefully with the re-establishment of the national sovereignty of the European states. The Bretton Woods System allowed Keynesian social state policies that gave new legitimacy to European states that had emerged broken from the second world conflict. This path of reconstruction is essential for understanding how we arrived at a sum of national memories that ignore the geopolitical cataclysm that the world arrived at by 1945. These are divided and often even counterposed memories, but all equally anti-German. Still more, they are memories marked by phenomena of omission and self-exaltation. British memory celebrates the heavy defeat inflicted on Germany but forgets the twilight of the British Empire. French memory puts Vichy in parentheses so as to exalt the uninterrupted continuity of the Republic. Italian memory excessively broadens the consensus acquired by the Resistenza to support a programme of national renewal that clashed with stubborn feudal residues. One cannot delude oneself that precisely because of their partiality these memories were characterised by an unequivocal anti-fascist will that was written into the post-war constitutions.

The German case diverges sharply from this European framework. In his lecture at the Collège de France on 31 January 1979 Foucault accords a veritable constituent value to the speech given by Ludwig Erhard on monetary reform on 21 April 1948.[1] What was at stake was delineating the features of a new German state the day after the Nuremberg Trial, which had put the horrors of Nazism before world public opinion. Putting 'the economic game of freedom' at the centre of discussion, emphasising the two programmatic goals of competition and price stability, meant, for Foucault, shifting the problem of legitimation onto economic terrain. It was the task

of this liberalist economic model to 'produce a consensus that is a political consensus'.[2]

Only with the new self-confidence resulting from German re-unification was the overcoming of the past achieved, with the assumption on one side of the absolute centrality of the Holocaust, and promoting, on the other side, a policy of monumentalisation of the memory of Nazism's victims. If it has at first been the intellectuals within civil society who debated and reflected on the country's history, now it is the public authorities which are deciding on the politics of memory.

The new German paradigm directly influences EU policies, which have chosen the Holocaust as the appropriate supranational memory with which to accomplish the unification of European memories that had not previously existed. It is a bureaucratic operation and has the same abstract and binding character as all European *governance* legislation. This is seen in the proliferation of new laws aimed at institutionalising the memory of continually new events (in 2009 it was the Molotov-Ribbentrop Pact condemning two totalitarianisms) with corresponding sanctions for offenders.

The memory of the Holocaust, negating in fact the multiplicity of European memories is substituted for that of the Second World War. There is a radical decontextualisation of the event that is seen as a symbol of absolute evil. The analyses of the best international historiography that has wanted to programmatically locate the Holocaust 'within history' (Arno Mayer, Philippe Burrin, Goetz Aly) have been followed by a de-historicised narrative that reflects the juridical definition of crime and establishes the compensation of the victim. It is a language of human rights, that which dominated Nuremberg, typical of the way in which US politics has always measured itself against the problem of the 'nomos' of the earth, which strongly re-emerged starting in the 1990s in the spasmodic succession (1998, 2001, 2003) of various projects to 'export democracy'.

To isolate the Shoah from its context also means to expunge the Soviet Union from historical memory, putting 'Stalingrad' in parentheses. It is becoming increasingly hard for new generations to know that the decisive contribution – however complex and contradictory it was – to Nazism's defeat was made by Stalin's Soviet Union.

The theory of the two totalitarianisms is the other pillar of the EU's politics of memory. In this case, it also involves a borrowing from the liberal culture of Germany (ordoliberalism) and Austria (Hayek and Mises) of the early 1940s, which has unexpectedly returned on the scene. This direction of thought interpreted the collapse of democratic systems in Europe between the two wars as the result of a culture that had violated market

freedom through planning policies for economic development. The Nazi war economy, the Soviet plans, Keynesianism itself, are various forms of the same *road to serfdom*, to use the words of Hayek's famous 1945 pamphlet.

This is a dangerous theory, in its abstract logical coherence, because it is hermetically closed to any consideration of history whose only role is ideological motivation in the establishment and continuation of Cold War policy. It is in the shadow of this theory that a full re-evaluation of fascist memories is underway in the ex-Soviet countries of Eastern Europe: in Croatia Pavelić is being reassessed and in Hungary Horthy. The abandonment of the Second World War as an object of reflexion for all EU countries has thus led to the proliferation of memory 'apparatuses'[3] that are manipulatable because they are disconnected from real experiences – in contrast to anti-fascist memories arising after 1945 – and incapable, paradoxically, of counteracting the resurgence of anti-Semitism that is occurring – and this I think is essential – within the increasingly general recourse to the instrument of war. We cannot do true justice to that large population of the dead that never ceases to press against and crowd the borders of our minds and memory if we do not struggle always and everywhere for a world made up of mutual recognition, co-existence, and peace. The sole result of the political manipulation of memory and historical consciousness, also demounced by the great French-Jewish historian Pierre Nora,[4] is the intensification of the clash between the major collective identities now present in the world.

NOTES

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The Dangerous Conservative Totalitarianism Discourse in the EU

Thilo Janssen

For the centenary of the 1917 Russian Revolution conservative parties of the EU organised a whole series of events dealing with the heritage of communist regimes. The Estonian Presidency of the EU issued invitations to an August 2017 conference titled 'The Legacy of the Crimes of Communist Regimes in 21st-Century Europe'. It was organised by the conservative Estonian Minister of Justice Urmas Reinsalu of the party Pro-Patria- and Res-Publica Union, which is a member of the European Popular Party (EPP), the conservative grouping in the European Parliament. The conference was embedded in the European Day of Remembrance for Victims of Communist and Nazi Regimes,[1] the anniversary of the Hitler-Stalin Pact of 23 August 1939, which is celebrated almost exclusively in Eastern European countries. In the November session of the European Parliament, the EPP placed a parliamentary debate on 'The Legacy of the Totalitarian Bolshevik Revolution of 1917' on the agenda.

That the concept 'totalitarianism' has been applied to the 1917 Revolution and a conference organised on the centenary in the context of the 1939 Hitler-Stalin Pact is part of a right-wing conservative history policy. The Hitler-Stalin Pact is the key event for this totalitarianism discourse of the conservative and extreme right: it is presented as the natural alliance of two totalitarian twin regimes, which is supposed to explain the dislocations of twentieth-century Europe. The totalitarianism concept used by the right and the conservatives is essentially aimed at representing Hitler's National Socialism and communism as two sides of the same coin and historically 'equal'. To understand this programme, the dynamics of the underlying discourse, and the democratic challenges it involves we need first to look at the historical background and the most important political developments and protagonists at the EU level.

Historical background – Europe after the Hitler-Stalin Pact

On 23 August 1939 the Foreign Ministers of Germany and the Soviet Union signed a non-aggression pact with a secret additional protocol that assigned spheres of interest to both states. After the German attack on Poland on 1 September 1939 the Soviet Union occupied eastern Poland, Finland, parts of Romania, Lithuania, Latvia, and Estonia. From September 1939 to June 1941 the People's Commissariat for Internal Affairs (NKVD) deported tens of thousands of people from these areas. Many were also murdered. The 1940 massacre of Katyn, in which almost 22,000 Polish officers (and others) were shot, is one of the best-known atrocities. Already previously, Stalin had cracked down on his own population. The collectivisation policy of the early 1930s caused the death by famine of an estimated five million people plus, three million of which were in the Soviet Ukraine. During the Great Terror of 1936 to 1938 hundreds of thousands of people were murdered as enemies of the state. Millions of people suffered and died in Soviet forced labour camps of the Gulag, which were only dismantled with the gradual de-Stalinisation after 1956.

On 22 June 1941 National Socialist Germany attacked the Soviet Union. The Wehrmacht quickly occupied the Baltic states and those areas of Poland which a year before had been annexed by the Soviet Union. The anti-Semitic legend of 'Jewish Bolshevism' now became the framework in which the German occupiers proceeded to annihilate the Jews of the conquered areas. In this they were aided by native volunteers and collaborators, among them the Lithuanian Activist Front, which came back with the Wehrmacht from its German exile, or the Latvian Arājs Commando. The latter not only actively participated in the murder of Baltic Jews but was also later deployed in the murder of Jews deported from Austria and Germany or in the liquidation of the Minsk Ghetto and the murder of its inhabitants. After the turning point in the German war of extermination against the Soviet Union many former Holocaust collaborators fought in units of the Waffen-SS side by side with the Wehrmacht against the advancing Soviet army. At the same time, the Soviet army was the only hope of survival for the few Jews who were able to remain hidden from the Germans and their local helpers.

After their reconquest by the Soviet Union the Baltic states were permanently incorporated into the Soviet Union. After Stalin's death the Baltic states remained annexed and only regained their independence in 1991.

In terms of the way it arose, its goals, and its range, the Holocaust is understood to be a sui generis violation of human rights. The goal of the

Holocaust as the 'final solution of the Jewish question' was the industrial annihilation of the entire Jewish population of Europe. By the end of the Second World War, six million Jews had been murdered by the Germans and by volunteers and collaborators under German command, first through bullets and then in the gas chambers of Auschwitz, Majdanek, Treblinka, Belzec, and Sobibor. On 29 January 1945, the Soviet army liberated Auschwitz as the last working site of the industrial liquidation of Europe's Jews. The National Socialists wanted to exterminate the Jews as a people because specific characteristics were ascribed to them as a 'race'. It was as the imagined global enemy of Germany – not as a mere local impediment that needed to be removed – that they were to be physically eliminated. It was Hitler's aim to re-order the whole world in terms of race by means of still further unimaginable genocidal mass murder.[2]

The totalitarianism narrative at the EU level since 2008

The double occupation of the Baltic and parts of Eastern Europe, first by the Soviet Union and then by Nazi Germany, is the historical background and point of departure for the totalitarianism discourse that the right-wing and conservative parties are trying to anchor as obligatory historical commemoration in history books, museums, and political discourse of the EU.

The first step in the Europeanisation of this narrative was taken on 3 June 2008 with the so-called *Prague Declaration on European Conscience and Communism*.[3] According to the Prague Declaration, there are 'substantial similarities between Nazism and Communism in terms of their horrific and appalling character and their crimes against humanity'. There needs to be an introduction of a 'principle of equal treatment and non-discrimination of victims of all the totalitarian regimes' and the establishment of the 23 August as 'the day of signing of the Hitler-Stalin Pact, known as the Molotov-Ribbentrop Pact, as a day of remembrance of the victims of both Nazi and Communist totalitarian regimes, in the same way Europe remembers the victims of the Holocaust on January 27th'. Among the signatories were former Czech president Václav Havel and the former director of Germany's Federal Commission for Stasi Documents, Joachim Gauck, along with numerous representatives from Eastern European and Baltic states.

On 2 April 2009, a majority in the European Parliament accepted a joint motion for a resolution 'on European Conscience and Totalitarianism' based on the Prague Declaration, introduced by the EPP parliamentary group, the Union for Europe of the Nations (UEN), the liberalist ALDE, and the Greens. Borrowing from the Prague Declaration, the text called for the

establishment of '*23 August as a Europe-wide Day of Remembrance for the victims of all totalitarian and authoritarian regimes*'. The resolution also calls for '*the establishment of a Platform of European Memory and Conscience to provide support for networking and cooperation among national research institutes specialising in the subject of totalitarian history, and for the creation of a pan-European documentation centre/memorial for the victims of all totalitarian regimes*'.[4]

For propagating the concept of totalitarianism on the European level an important body was founded on 6 October 2010: the *Reconciliation of European Histories Group* (REHG) in the European Parliament. This unofficial group consisted largely but not exclusively of Baltic and Eastern European members of the EPP group. Its chair was the Latvian EPP deputy Sandra Kalniete. The REHG has set forth its goals on its still existing website: 23 August is to become the 'European Day of Remembrance for Victims of Stalinism and Nazism'. It is important 'to continue work on converging the views of all the Europe about the history of the 20th century'. The Iron Curtain had excluded '50 years of our true history from the European history'. The REHG strives 'to develop a common approach regarding crimes of totalitarian regimes, inter alia totalitarian communist regime of the USSR, to ensure continuity of the process of evaluation of totalitarian crimes and equal treatment and non-discrimination of victims of all totalitarian regimes'.[5] From 2010 to 2014 the REHG organised various conferences in the European Parliament. Some of them only addressed the crimes of state socialist regimes (for example, The Endured European Dream of Bulgaria: 1944-1989, on 17 November 2010),[6] others the equating of the crimes committed under various state socialist regimes with the Holocaust. The official hearing, 'What Do Young Europeans Know About Totalitarianisms?' on 23 March 2011 began with a session entitled: 'Holocaust, Gulag, Katyn, Goliotok ... – The Dark Side of Our History'. In the 'Conclusions' of the conference we read: 'Double standards for the treatment of the victims of totalitarian regimes should not exist; such regimes should be evaluated on the same scale.' For this there needs to be '*adjustment and overhaul of European history textbooks and curricula so that young generations could learn about totalitarian regimes*'.[7]

On 22 December 2010 the EU Commission took up the REHG's history-policy initiative and published a report to the European Parliament and the Council on 'the memory of the crimes committed by totalitarian regimes in Europe'.[8]

On 14 October 2011 in Prague, representatives of several scholarly institutes and monuments signed the founding declaration of a Platform of European Memory and Conscience in the presence of Donald Tusk, Viktor Orbán, and Petr Nečas. In its self-description, 'The Platform of European

Memory and Conscience brings together institutions and organisations from the V4 and other EU countries active in research, documentation, awareness raising and education about the totalitarian regimes which befell the Visegrád region in the 20th century'.[9] On 7 June 2012 the REHG reported on its website that the Platform of European Memory and Conscience is working for the establishment of a '*supranational court for international crimes committed by Communists*'. Accordingly, on 5 June 2012 in the European Parliament it issued a call for a conference on the '*Legal Settlement of Communist Crimes*'.

Further activities of the REGH in 2014 were directed at the prohibition of 'totalitarian symbols' in the European Parliament and all EU countries ('*in particular the swastika, red star as well as the hammer and sickle*') as well as the makeover of the exhibition at the House of European History in terms of the role of the Soviet Union at the beginning of the Second World War.[10]

The House of European History is a Brussels-based museum initiated by the European Parliament and its former president Hans-Gert Pöttering who was a member of the REHG. It opened in May 2017. The conservative programme of totalitarianism has at least partly shaped its exhibition on the twentieth century.[11]

Criticism of the totalitarianism concept

The implementation of this conservative history-policy programme at the EU level has encountered a great deal of criticism whose most important arguments are outlined in what follows.

Perhaps the most prominent representative of the totalitarianism discourse within the conservative EPP is Sandra Kalniete who in 2005 published the book *With Dance Shoes in Siberian Snows* about the Soviet deportation history of her Latvian family.[12] She herself was born in the Gulag; her grandparents did not survive the Soviet forced labour camp. Kalniete's book contributed to make the Soviet deportations and the suffering of tens of thousands of Latvians in 1941 and 1949 known throughout Europe. However, the book was also part of the public debate over the consequences for the politics of memory inherent in the conservative totalitarianism concept. The historian Michael Wolffsohn wrote in a review of Kalniete's book that it contains 'an almost provocative and unreconstructed whitewashing of Latvian collaboration with the German occupation in the Holocaust'.[13] This is one of the most important points of departure in the criticism of the Prague Declaration, the commemoration of the Hitler-Stalin Pact on 23 August, and of the 2009 Resolution of the European Parliament.

The Association of Lithuanian Jews in Israel published a declaration on the occasion of the Prague Declaration in which it warned against equating

communism and National Socialism to veil the participation of 'thousands of local murderers' in the Holocaust: 'We appeal to the European Parliament to reject and discard the Prague Declaration and any and all similar proposals and declarations. These efforts represent attempts to cover up the Holocaust by imposition of an artificial equivalence and symmetry between the Nazi-Lithuanian genocide and the crimes committed by the Soviet Union.'[14] John Mann, Labour MP in Britain and chair of the All-Party Parliamentary Group against Antisemitism, characterised the approach of 'equal evaluation of history' as 'just a traditional form of prejudice, rewritten in a modern context. In essence, it is trying to equate communism and Judaism as one conspiracy and rewrite history from a nationalist point of view'.[15]

Efraim Zuroff of the Simon Wiesenthal Center Jerusalem, who in his book *Operation Last Chance*[16] concentrated on the flushing out of Eastern European and Baltic Nazi collaborators, criticised the political history project in an article headed: 'A threat to Holocaust memory', pointing to 'the hidden motives behind the Prague Declaration'. If the goal were, Zuroff wrote,

> to merely gain official recognition for communist crimes and international empathy for its victims, both important and legitimate goals, we could support the Prague Declaration without any reservations. By seeking equivalency with Holocaust crimes, however, it becomes clear that among its primary motivations is to help the countries of Eastern Europe deny, relativize and/or minimize their sins of collaboration with the Nazis in Holocaust crimes and change their status and image from that of perpetrator nations to nations of victims.[17]

At the OSCE Human Rights Conference in October 2009, Dr. Shimon Samuels, also of the Simon Wiesenthal Centre, warned that this involved 'a project to delete the Holocaust from European history':

> State-sponsored Commissions (known informally as 'red-brown committees') seek to 'equalize' Nazi and Soviet crimes in addressing Western Europe, while at home, in each of these countries' museums, a different tale is told: a bogus account of overwhelming Jewish complicity in Soviet rule, the glossing over of local participation in the killings, and increasingly efforts to tarnish Holocaust victims, survivors and resistance fighters with antisemitic stereotypes of 'Jewish Bolshevik conspiracies'. The state-sponsored 'Genocide Museum' in central Vilnius, for example, has almost deleted the Holocaust while permanently exhibiting antisemitic

> materials. The State Museum of the Occupation in Riga iconizes the Latvian battalion of Nazi volunteer auxiliaries responsible for mass murder of their Jewish neighbours.[18]

After long discussion, the Genocide Museum in Vilnius was renamed in 2017 and will now be called the Museum of Occupations and Freedom Fights. The director of the Genocide Resistance Research Centre of Lithuania, Teresė Birut Burauskaitė, explained that the name of the museum had not matched the content of the exhibition and that the deportations and massacres under Soviet domination cannot be equated to the Holocaust, which was exceptional: '[W]e cannot equal the threats faced by Lithuanians in Soviet-ruled Lithuania to the threats faced by Jews during the Nazi era.'[19]

Roger Bordage, a French survivor of the German Sachsenhausen concentration camp and former President of the International Sachsenhausen Committee, summed up the conflict in November 2011. It is obvious, he said, that 'the millions of victims of Stalinist terror as well as victims of other state crimes have the same right to be commemorated as do victims of National Socialism. But, he warned:

> However, through the planned annual commemoration of the 'victims of totalitarianism' historical occurrences are being torn out of their contexts and causes and effects being mixed together. This kind of commemoration does not bring together the diverse memories of war and the rule of terror. Instead, it deepens antagonisms, opens up old wounds, and leads to new conflicts and confrontations.[20]

For an open policy of memory that does justice to all victims of state violence and produces no new myths

In historical scholarship the old concept of totalitarianism is considered outdated. As Salomon Korn puts it: 'I cannot simply equate Communism with National Socialism or with the Killing Fields in Cambodia. These are different phenomena in different cultural milieus with different preconditions. They are all abhorrent crimes. However, I have to make the effort to find out the qualitative, historic, social, and ideological differences. This is demanded by historiographical integrity.'[21]Consequently, the concept of totalitarianism has given way to an empirical and comparative approach to research that does not arise as a political programme and that enables the elucidation both of similarities and fundamental differences between dictatorships and their crimes as well as their diverse socio-historical developments. In this way a public space is opened up for a differentiated examination of historical events

and epochs in diverse geographical spaces – without the need to formulate an imperative commemoration policy. This permits a commemoration of victims of political violence that does not allow new myths to arise or bring back on the political stage old myths in new clothing. In this way it can be possible to individually commemorate all victims of state crimes in twentieth-century Europe.

Dovid Katz, scholar of Yiddish language, literature, and culture in Lithuania, resumed the various motives behind the equating of German National Socialist and communist crimes in memory policy thus:

> The policy is being driven not only by ultra-nationalism ('We have a perfect history'), antisemitism ('the Jews were basically communists and got what they deserve'), and anti-Russianism ('they are the same as Hitler'), but by a perceived set of current geopolitical concerns that should not (whether right or wrong) be converting history into a one-opinion discipline with the foregone conclusions being dictated by the state's apparatchiks.[22]

Modern anti-Semitism and right-wing extremism in all of its forms begins with the idealisation of the past. This can be seen in Hungary, which has been governed since 2010 by the party Fidesz, a member of the EPP. In April 2011 the constitution was changed to define Hungarians as an ethnic community.[23] In the same year 23 August was introduced as a state day of remembrance. In summer 2017 Prime Minister Viktor Orbán declared an ally of Hitler, Miklós Horthy, to be an 'outstanding statesman', without entering into his role during the Holocaust.[24] At about the same time the Fidesz government put up posters throughout Hungary representing the Hungarian-American investor and philanthropist George Soros, who has Jewish origins, as a powerful conspirator who is threatening Hungary with a plan for the settlement of immigrants.[25] The example of Hungary shows what political mechanisms are behind the totalitarianism discourse. In the context of a conservative nationalism the historical co-responsibility of Hungarian 'national heroes' for the Holocaust is suppressed. At the same time an anti-Semitically tinged friend-enemy policy is intended to secure votes.

The modern left and coming to terms with authoritarian socialist regimes

The twentieth century has left traces of violence in millions of European families, as victims, perpetrators – sometimes both at the same time. This is also, and especially, true for the political traditions and completely different

paths of development of the various communist and post-communist parties in Europe, in the Soviet Union compared to Italy, in Romania compared to Spain. In the name of communist parties horrible and lethal violence was inflicted on millions of people in Eastern Europe, especially (but not only) in the Soviet Union during the Stalin period. At the same time many people became victims of violence as (actual or alleged) communists, not least in the dictatorships of Spain, Portugal, or Greece, which lasted well into the second half of the twentieth century. The remembrance of the resistance to Nazi Germany and the fascist dictatorships in Southern Europe occupies a firm place in the left's politics of memory.

The victims of the crimes committed under the Stalinist regimes in the Soviet Union, in Romania under Ceausescu, in 1956 in Budapest, or 1968 in Prague should also have a self-evident place in a living democratic culture of memory, also – and especially – in the modern, plural, and anti-authoritarian European left. This absolutely does not mean that historical phenomena and their background should be simply overlaid on each other, distorted, or even edited out.

Unfortunately, there is historical revisionism even within the very broad spectrum of left and (post-)communist parties in the EU. When the German Member of the European Parliament Helmut Scholz – from the group of the United European Left/Nordic Green Left (GUE/NGL) – brought an exhibition on the Stalinist terror into the European Parliament, he contributed to bringing left memory policy out of the national context and into the European arena. The exhibition 'I Came to Your Country as a Guest' dealt with Hitler opponents and their families who had fled to the Soviet Union and became victims of the Stalinist terror there between 1933 and 1956. The Greek Communist Party (KKE) saw the exhibition as nothing but an anti-communist attack and slander of the Soviet Union.[26] A half year later, after the 2014 European Parliament elections, the KKE left the GUE/NGL group.

It is to be hoped that in the future the left, especially the left anchored in Western Europe, will deal more intensively with the twentieth-century history of Eastern Europe and the Baltics. Historical examination and the commemoration of the victims of authoritarian state-socialist regimes ought to be more systematically integrated into the anti-authoritarian self-conception of the European left.

NOTES

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Two Anniversaries: 150 Years of Marx's *Capital* – 100 Years after the Hungarian Soviet Republic

Marx, Hilferding and Finance Capital – A Roundtable on the Continued Relevance of an Old Book

At the invitation of the transform! Europe Yearbook, scholars from three continents discussed their experiences with Marx.

The discussion initiated and coordinated by **Lutz Brangsch** included **Radhika Desai** (Canada), **Patrick Bond** (South Africa), **Claude Serfati** (France), and **Ingo Schmidt** (Canada/Germany).

Lutz Brangsch: Dear colleagues, let us begin our talk about Marx and what his thought means 200 years after his birth or 150 after the publication of the first edition of *Das Kapital*! As a point of departure I want to ask you two interconnected questions:

- What was new for you when you recently read a text by Marx?
- How has your view of Marx changed from when you first came into contact with him?

Patrick Bond: My initial contact with Marx's work was during the early 1980s when I was curious whether insights on capitalist crisis contained in *Capital* were useful, in light of the profound failure of bourgeois neo-classical and Keynesian traditions in which I was trained in Philadelphia. Indeed, those insights were very compelling, and I moved from the Wharton School of Finance (where none of my professors except Ed Herman had a clue about the Third World Debt, redlining/gentrification, financial volatility and power, the threat of securitisation, etc.) to Johns Hopkins to study economic geography with David Harvey.

The central shift I have subsequently made - since taking up residence permanently in Southern Africa nearly thirty years ago - is drawing upon more of Marx's analysis of primitive accumulation. The tradition that followed this argument – from Rosa Luxemburg to Harold Wolpe to Samir Amin to Harvey – has explained how capitalism often requires contact

with non-capitalist relations to create more amplified forms of uneven development in search of profits.

So I'm wondering from others, since Southern Africa has been the world's worst site of income inequality and still utilises the colonial era's migrant labour system, whether in your sights it's also important to relate capitalism to exploitative systems that have proven profitable for corporate manipulation. These include racial and ethnic divisions, ecological abuse, the gendered reproduction of labour and society, spatial segregation, etc. And then, if so, whether our understanding of the 'laws of motion' of capitalism requires more attention to systematic super-exploitative processes, especially when internal over-accumulation tendencies compel capital to search further and faster for profits?

Radhika Desai: Reading and re-reading Marx is a constant source of pleasure and intellectual stimulation of the deepest sort. Every time, one is struck with new insights. Let me give you some examples from my more recent encounters.

a) This is not so recent but happened about five years ago when, along with a rather large Marx reading group in Winnipeg, we read all three volumes of *Capital*. One major thing I was struck by was Chapter 25 of volume one, entitled 'The General Law of Capitalist Accumulation'. One might imagine that, with a title like that, the chapter would be all about machinery and equations about value and what not. But, of course, Marx considered capital a relation, not a thing. And the chapter is all about… population, human beings. It is one of the three long chapters of Volume 1 (the others being on machinery and the working day). It is well known that Marx spoke of how capitalism generates surplus populations, and certainly that is discussed here as part of the laws of population specific to capitalism (this was surely a riposte to Malthus, who posed 'eternal' and biological laws of population on the basis of the fertility of the soil and the fertility of humans). But Marx also says another thing here on a topic which has become very trendy in our time, migration. In effect he says, given the tendency of capital to suck in vast quantities of labour in expansionary times and to expel it during contractions, migration is an essential feature of capitalism. Just as Barrington Moore proposed 'no bourgeoisie, no democracy' (it would be truer to say 'no bourgeoisie, no liberal democracy'), a careful reading of Chapter 25 suggests 'no migration, no capitalism'. Read alongside careful contemporary treatments of migration like Saskia Sassen's, which do not assume, as so many do in our time, that the Third World is simply teeming with people banging at the doors of western countries, we realise that the

highly controlled population movements of our time are actually set off by the capitalist core.

b) In recent years, at the urging of my good friend and colleague, Peter Kulchyski here at the University of Manitoba, I have been reading and thinking more and more about the situation and struggles of Canada's indigenous peoples. I have already been arguing, inter alia in my *Geopolitical Economy* (2013), that nation-states are as material a product of capitalism's development as are its classes. To this I would now add that the processes of separating people from their land is a process that is just as endemic. I think David Harvey has done a great disservice in implying that, according to Marx, original or primitive accumulation happens only at the 'beginning' of capitalism. In any case, it 'begins' at different places at different times. It's a part of an ongoing process, as Rosa Luxemburg also recognised. There is nothing in Part 8 of Volume One that implies anything else.

c) Finally, one theme I am thinking about constantly is how mistaken is the view that Marx has a commodity theory of money: on the contrary, anyone who reads even Volume One, with its chapter on Money and critique of Say's Law, let alone the sophisticated if incomplete Volume Three, cannot make this mistake. Anyway, how is a critique of Say's Law compatible with the ridiculous story about the commodity theory of money?

I am not sure my view of Marx has changed after my contact with him. What struck me when I first encountered him was the sheer intellectual power of his questions, let alone his answers. What attracted me to Marx was that he was asking questions which 'dull normal' social science never even considers asking. In a recent article, 'The Value of History and the History of Value',[1] I also argue that what is distinctive about Marx is something which so many who consider themselves Marxists miss because they are trained in 'social science' which is methodologically opposed to Marx's historical approach. The former is synchronic or static, the latter diachronic or historical.

Ingo Schmidt: I did some re-reading of classical Marxist political economy (Hilferding, Lenin, Luxemburg, Baran, Mandel, Amin) before re-reading *Capital* last year. What struck me was that there are rather different readings of Marx which can legitimately call themselves Marxist – whether they read Marx as a guide to social democratic reformism (Hilferding), socialist revolution (Lenin, Luxemburg), anti-colonial revolution (Baran, Amin), or they try to pull various strands of socialist thinking and strategy together (Mandel).

I took this as proof that claims to represent what Karl really meant are

futile, though all of the above mentioned were guilty of doing so to different degrees. It also seemed to me that different readings of Marx are important to understand today's world as the political projects around which these readings developed and shaped this world even though all of these projects either failed or were defeated.

This plea for understanding Marxism in the plural doesn't mean that anything goes. Each reading needs to be checked for logical consistency, in the light of Marx's texts and empirical data available to respective authors and re-interpreted in the light of texts and data available today. From this angle I concur with Radhika that interpretations of Marx that accept Say's law don't contribute much to our understanding of the past or present, though Marx's praise for Ricardo brought him sometimes close to being a 'Sayist' himself.

I first read pieces by Marx in secondary school and was stunned how much they spoke to the world around me. Coming from a family of factory workers in the GDR, at university I was puzzled by the thinking of the offspring of the educated classes. They behaved in a more radical fashion than I ever dared to do, which included putting well-articulated claims to knowing what Marx really meant. What was confusing was that many of these 'definitive interpretations' were logically incompatible. I think it was just thanks to continuing political activity that I learned to ask questions relevant from a strategic angle and to use Marx as a deliverer of ideas helpful in coming up with my own answers. In short: I first saw in Marx somebody who had a lot of answers; now I see his work as helpful in getting the questions right and finding answers without being obsessed with definitive interpretations.[2]

Claude Serfati: I would say that I have always been inspired by Marx's writings but not in a sycophantic way. I always endeavoured to connect his writings with the analysis of contemporary capitalism. To give a recent example, a very useful rereading of Marx has been when I wrote a chapter on the relevance of the concept of finance capital in a collective book.[3] My opinion is that there is no reason to 'throw the baby out with the bathwater', that is, to drop the concept of finance capital because of Hilferding's flawed definition. I'm not concerned that Marx offers no 'unifying concept' of finance capital, as he addresses the role of lendable capital in different ways and in different pieces of his work. As an example, he separates the functions of 'Geldhandlungskapital' (money-dealing capital) from money capital as a historical phenomenon – which at his time reflected the development of lendable capital.

Most authors (Marxists and non-Marxists) feel that 'financialisation' better reflects an outstanding feature of contemporary capitalism than the term finance capital. As there is nothing incorrect in this claim, the danger is not to see how deeply embedded in the long-term dynamics of capitalism is the existence of both the capital-property and the capitalism-function sides of the capitalist. Instead, a mainstream 'Keynesian-Marxist view has long considered that 'alongside' a capitalism involved in the endless development of the forces of production, there are capitalists who step in once the production process has been carried out and whose activities drain the surplus value created.

In a long comment on the formation of interest-bearing capital on the basis of capitalist production,[4] Marx chides 'the nonsensical pronouncements of those who consider the different forms of surplus value [profits of enterprise, financial profits, etc., C.S.] to be merely forms of distribution; they are just as much forms of production'.[5] I'm sure that this sentence, were it pronounced today by a political economist, would be criticised on the ground that value has to be produced before being distributed, etc.

What I understand Marx to be arguing with this remark is obviously not to say that the labour process is no longer the only place where value is created, but that capitalism is a social mode of domination based upon private ownership of the means of production against which the production process takes place. Ownership of capital (capital-property) is not a quality added to the allegedly 'real' capital in-function, not least because the former has to be protected, including by politically coercive means, if the latter is to proceed 'smoothly'. Exploitative social relations are politically built and territorially defined. At the world level, they shape a specific configuration of capitalism (this is how I understand Radhika's proposal of *geopolitical economy*). In short, the existence of capital-ownership and capital-in-function are evidence of the 'two-faced' nature of capitalism as a specific exploitative system.

It is one reason why I concur with those who claim that primitive accumulation is not a past history that existed before the 'full development' of capitalism, which 'at the end of the day' would look like a 'pure capitalism' (let's say as in Volume 2 of *Capital*), but an ongoing and contemporary process.

In my view, the relevance of finance capital for our understanding of contemporary capitalism is that the social and political consolidation of the capitalist class as a rentier class (not a transnational one !) gives overwhelming importance to value capture – including through the 'exhaustion of nature', wars, etc. – over value production (which obviously remains essential). I think it is more accurate to place finance capital against the background of

the internal limits of capitalism, so much stressed by Marx, than limit it to a 'distributional conflict'.

PB: This is a good point, about the institutional definition. Because too much emphasis is often placed on the power of 'finance capital', it is vital to bear in mind financialisation's vulnerabilities. I think the leading example is the debate between Rudolf Hilferding – who in 1910 explored the way various fractions of capital fuse under the thumb of the banks – and Henryk Grossman, who wrote about the coming economic collapse in his book *The Law of the Accumulation and Breakdown of the Capitalist System*, well timed for publication in March 1929.[6] Keeping the balance between understanding finance's power and vulnerability is critical, and the best new example in my view is François Chesnais's book *Finance Capital Today*.[7]

CS: At least, it is my understanding of finance capital informed by Marx's insight; hence I define financial capital as the intertwining of various forms of capital – commercial (think of large retailers and branding companies today), banking, industrial, real-estate, etc. – now subjected to the compelling logic of capital-property.

IS: As I see things, Marx's motivation to engage in intellectual inquiry was mostly driven by his political activism throughout his life, from the days he fought for the republic and delved into philosophy to later days as an economist seeking to build an autonomous workers movement. What I find fascinating with regard to the latter is reading *Capital* (and other economic manuscripts) alongside the political stuff he wrote at the same time for the IWA. Many Marxists hang on to this idea that Marx, had he lived longer, would have written a book about wage labour. Yet, in his last years he wasn't working on *Capital* very much but studying non-Western societies (without publishing anything about it so this stuff wasn't known to his contemporaries and early followers) and he gave up a lot of time working/writing for the IWA, which is about wage labour – in ways defying any charges of reductionism that one could possibly level against *Capital*. So you get the activist recognising and trying to understand labour in all its different aspects (including race, gender, and nationality), on the one hand, and the decipherer of the logic of a rather colour-gender-blind logic of capital. One wonders whether this was Marx's blindness or whether he just reflected an unfolding logic that could grind down 'tastes for discrimination'. Hope nobody takes offence at this 'Beckerite' reading of Marx.

Sure it's useful to consult Marx to understand today's conditions. Question is why.

Anyone reading *Capital* as a theoretically guided history of capitalism has

difficulty explaining how that analysis could still be relevant in light of the radical changes that happened since Marx's days (maybe most notably the migration of industrial working classes from the imperialist centres (a term not used by Marx, of course) to parts of the periphery.

Anyone seeing capitalism catching up to what Marx had predicted only now (for German readers: 'die Wirklichkeit kommt auf ihren Begriff') should admit that this is a Hegelian, not a Marxian argument (which, if it helps us to understand the world would be quite alright, of course); one would also have to explain how somebody could have such foresight (I don't think that's possible) and why mass movements (without everyone in them necessarily reading Marx) were inspired by a text speaking about a future – a perspective explicitly rejected by Marx and Engels in some of their mass-distributed texts.

Anyone seeing *Capital* as deciphering the logic of capital has to explain the changing forms (not just of value but also institutions) through which this logic unfolds. That's what I'm trying to do, being fully aware of the difficulties of mediating between abstract logic and concrete appearances in such a way that neither implies an invisible hand replacing human agency nor stokes fantasies about 'struggles' as the wonder weapons bringing everything into existence regardless of underlying conditions.

CS: I would say that Marx was neither an economist nor a philosopher (nor, as Schumpeter suggested, both an economist and a sociologist). In a limited way it could be argued that he created a discipline of its own, called by him 'critique of political economy'. This would still be misleading and would narrow the scope of Marx's life. I understand that Marx's objective was to combine the deciphering of the economic law of motion of modern society (capitalist social relations) – developing, in order to do so, a critique of classical political economy – with contributions to practically transform the society he was analysing. He never disconnected these two activities during his own life. It is thus rather amazing, to say the least, that Marx throughout his life jumped from quite abstract writings to political writings. Just to give an example: between 1848 and 1850 works by Marx include a critic of *The German Ideology* in 1845, *The Poverty of Philosophy* in 1847, the *Manifesto* in 1848, a speech (in 1848) commemorating the 1846 Krakow uprising, *The Class Struggles in France 1848-1850*, etc.

His focus on economic development had little to do with a preference for being an economist. Note that 'economics' as a disciplinary field did not exist at that time. His own presentation as 'being both German and economist at the same time' in his polemics against Proudhon should obviously be taken

as a joke. Rather, his interest in political economy was a logical consequence of his own understanding that social relations are based on a specific form of economic exploitation.

This raises two issues:

First, for ambivalent reasons the social sciences have increasingly split into compartmentalised scholarly fields for a century and half, whose practitioners, if drawing upon Marx's analysis, would have difficulty finding their way in their respective professional fields. It might be that my view is distorted because I've been trained as an economist. For four decades, economics has been a powerful ideological spearhead for the great social and political upheaval beginning in the 1980s. This discipline should nevertheless not be abandoned by Marx-inspired economists, even though to stay in discussion with the discipline we have to adopt a critical political economy framework while engaging in dialogue with the 'heterodox' economists (drawing upon other disciplines' findings in order to do so).

Second, as soon as one accepts that one major source of the fecundity of Marx's output was his ability to combine theoretical analysis and political activism, a similar question emerges today. As the French saying has it, 'comment mettre ses actes en accord avec ses paroles?' (How can one square one's acts with one's words?)

RD: In a Gramscian sense, in the sense Gramsci meant when he said that all 'men' are intellectuals, we too need to be and are all three things. Whether we support the current social arrangements, acting as the loyal bearers of its structures or wish to transform them, a certain understanding of what they are (economist), what they imply for human existence (philosopher), and how to maintain/transform them (political activist) are all part of our everyday actions whether we understand this or not. Marx took this combination to new heights of elaboration, sophistication, and self-awareness.

I am interested to see, however, that Claude has inadvertently opened another question which I want to respond to because it is critical for our understanding of Marx and Engels and their work, particularly *Capital*. That question is whether Marx is an economist, sociologist, or political scientist. To this question, I have already given some answers.[8] In short, Marx was none of these. Using these categories is anachronistic because the division of the study of society into different 'disciplines' was part of an attack on Marxism perpetrated by bourgeois thinkers who had lost any revolutionary zeal they may have once had and had begun cleaving to the aristocracy and any other conservative forces they could hook into (like the church, etc).

Marx and Engels constituted the culmination of the long tradition of the classical political economy we date back to Petty and earlier, essentially the

tradition of trying to understand the new, capitalist society emerging before the eyes of observers. It was not always right, it was confused by many key questions, including what value was, but it was, as Marx and Engels noted, still, for the most part, scientific. They brought it to its culmination by resolving its key questions: what value was, what surplus value was, why crises happened, why profit rates fell, etc. The problem was that this analysis pointed in socialist directions. Now political economy had become dangerous and had to be replaced by 'economics', which was promptly provided by the so-called 'marginalist revolution' that gave us neoclassical economics three years after the publication of *Das Kapital*. Max Weber now initiated a new social scientific division of labour by hiving off sociology from economics (he was trained as an economist), claiming, in the tone of weary regret he adopted when endorsing things he knew the mass of the people would find unpalatable, that this was necessary because 'modern' (capitalist) society tended to differentiate into separate and autonomous spheres which needed to be studied by separate disciplines. In reality, the only sphere whose separation and autonomy he was worried about was the economy because the working class was getting more and more organised and capable of demanding that since capitalist states routinely intervened in favour of capitalist classes, the working class should also intervene in its own favour.

Finally, as I have argued in 'The Value of History and the History of Value' and 'Capital at 150', Marx and Engels, and the tradition of classical political economy they brought to its culmination, were historical above all. More than the separation of the study of society into separate disciplines, it is the ability to think historically – about change, transformation, and politics – that we have lost in adopting the 'social scientific' approach. There is no such thing as Marxist social science, or Marxist economics, only classical political economy and Marx and Engels's critique of it.

As I mentioned before, I wanted to respond to a particular point Claude made earlier:

Claude refers to the question of the relevance of Marx's writings to our form of financialised capitalism and I agree with him entirely and might even go further. There is a more sophisticated understanding of money, its various forms and functions in capitalism, their changing nature and the history of money than the overwhelming majority of allegedly Marxist economists even suspect. As I've underlined, Marx (like Keynes) began with the critique of Say's Law, and such a critique puts the role of money at the heart of understanding capitalism and the historically distinctive dynamics money acquires in it, the latter theme being necessary because, of course,

money predates capitalism and manifested very different dynamics in other social formations.

What I found intriguing is Claude's reference to those who suggest that we should discard Hilferding's concept of finance capitalism because it does not deal with the financialisation that we know today. I have not come across such folks, perhaps because they are writing in French. What I have encountered in the English language literature is a far worse situation: the conflation of Hilferding's finance capital with today's financialisation, with reverential references to how *Finance Capital* helps us understand financialisation. At least the people Claude is reading are aware that what Hilferding called finance capital was not the same as today's financialisation. However, even they are making one mistake: they forget that in *Finance Capital* Hilferding specifically contrasts the 'continental model' (preeminently Germany but also other continental European countries and the US) with what he called the 'British pattern'. It was the latter that was akin to what we call financialisation (which later became the target of J. M. Keynes's attack on speculators and rentiers) and it remains so to this day. And, until the launch of the euro, the continental pattern of banking retained the key elements of its original finance-capital form, though since then it has edged closer to the British model and paid a heavy price in the form of the shock of 2008 and the Eurozone crisis, particularly because its very different structures were simply not up to the new 'British-Pattern' activities it was exposing itself to.

I broadly agree with Claude when he speaks of the distinct processes of value production and capture. I would add that the exact way in which the dominance of the latter in our time has come about is related to what he calls 'the internal limits of capitalism'. Specifically, it is related to the exhaustion of necessarily national markets, jointly and severally, leaving investment prospects dim and leading to an increasing mass of profits directed not to productive investment (M-C-M') but to purely financial investment (M-M'). In this sense, financialisation has routinely been, and remains today, a symptom of the sickness of capitalism. As more and more such idle capital seeks a return without producing value, margins get razor-thin and only those with vast amounts of such capital can make even a reasonable return, we see the distinctive contradictions of this form of competition between money capitals. I discuss all this in great detail in the eighth chapter of *Geopolitical Economy: After US Hegemony, Globalization and Empire*.[9]

PB: Agreed! The overaccumulation crisis tendencies work their way into the financial and monetary circuits; there is thus displacement (not resolution) of these tendencies (until a crash devalorises finance, as well as other forms

of exposed overaccumulated capital). Harvey pays especially close attention to the three kinds of 'fixes' that allow crisis displacement: a spatial fix (e.g. globalisation), a temporal fix (e.g. financialisation which allows capital to postpone its reckoning with credit), and accumulation by dispossession (e.g. imperialism). These tactics of shifting, stalling, and stealing deserve much more attention since they too reach their limits but become ever more frenetic as the more powerful capitals resist devaluation by pushing the problems onto new terrain.

RD: So, in (provisional) conclusion, I believe there is a wealth of understanding to be gained about the national and international dynamics of capitalism in the various economic writings of Marx, provided, and this is a major proviso, one sheds the lenses of neoclassical economics and the social-scientific division of labour it created and reads Marx and Engels as they must be read: as historical thinkers writing about the system they witnessed developing. On money and finance specifically, one should remember that Marx's first major work analysing capitalism, *Contribution to a Critique of Political Economy*, focused on money almost exclusively, particularly on nutty bourgeois theories of it which were embraced even by political economy's most sophisticated intellectuals such as Ricardo. This was, to Marx as it should be to us, a dead giveaway that mystifications of Money are deeply necessary to the functioning of capitalism. This was true then and remains so today. Whoever it was who said 'give me the child until he is seven and I will give you the man' was speaking about education, but the acute observer of the child does end up knowing the personality and fundamental motivations of the adult more surely than those who only meet him or her later in life. Marx and Engels were such acute observers of a young capitalism, and their analysis remains unsurpassed today: Keynes came close but had none of that 'nothing-to-lose' determination to go to the heart of the matter which has given Marx's work its uniquely honourable and uncompromising character.

IS: On Hilferding: No doubt, his empirical point of reference was the German banking system. To make any use of his work today we need to 'lay bare' the logic of his arguments behind the empirical references, at least try to do so. Same as Marxists eventually figured out that it's necessary to read *Capital* outside and beyond its English industrial context. All older works need to be read in their respective historical contexts to get to the heart of their logic (if there is one) and possibly draw on that for an understanding of today's capitalism.

On razor thin margins: That's only true seen from the perspective of heavily inflated money capital. With nature and living labour being treated

as if in unlimited supply, i.e., dirt cheap, the rate of surplus value is sky high – which could open the way for another cycle of 'disaster accumulation' (disastrous because of its reliance on dirt cheap nature and labour) after a financial meltdown not compensated by blowing up a central bank bubble [...] which leaves us in the uncomfortable spot of possibly praying that over-accumulated money capital may stay with us until I don't know when, haven't calculated my time preference rate yet.

PB: These observations help us in thinking about whether Hilferding (and others in his tradition) put excessive emphasis on institutional 'finance capital' power overwhelming the underlying contradictions of capitalism: 'taking possession of six large Berlin banks would mean taking possession of the most important spheres of large scale industry, and would greatly facilitate the initial phases of socialist policy during the transition period, when capitalist accounting might still prove useful.' Hilferding believed that the 'increasingly dense network of relations between the banks and industry [...] would finally result in a single bank or a group of banks establishing control over the entire money capital. Such a "central bank" would then exercise control over social production as a whole.'

The reasons for his confidence include:

- first, the ability of 'finance capital' to manage and share risk effectively;
- second, the belief that a strong gold reserve and other state policies can shore up the creditworthiness of the system;
- third, a decline in the volume and importance of speculative activity (at the powerful urging of key institutions of 'finance capital'); and
- fourth, the ability of production by joint-stock companies during a downturn to continue since such production need not realise an immediate return.

Here is one critique, by Grossman:

> Hilferding needed this construction of a 'central bank' to ensure some painless, peaceful road to socialism, to his 'regulated economy' [...] The historical tendency of capital is not the creation of a central bank which dominates the whole economy through a general cartel, but industrial concentration and growing accumulation of capital leading to the final breakdown due to overaccumulation.

Here's a later critique by Paul Sweezy: 'Hilferding mistakes a transitional phase of capitalist development for a lasting trend.'

I'd argue that the flawed logic stems from a half-dozen mistakes, both theoretical and empirical:

- the problem of uneven sectoral development between capital goods and consumer goods (disproportionalities between Departments One and Two), upon which Hilferding bases his crisis theory, tends to heighten as finance grows more important, notwithstanding the short-run amelioration provided by credit;
- the same problems in the productive sector that lead to falling profit rates also force banks to look further afield, geographically and sectorally, in order to maintain lending and a healthy deposit base, and this brings added risk;
- new forms of financial regulation, which Hilferding suggests are responsible for stabilising an inherently unsound banking system, are often incapable of dealing with a major financial crisis;
- rather than declining in importance, speculation tends to increase dramatically prior to the climax of a crisis;
- Hilferding's argument that joint-stock companies are relatively immune from downturns is contradicted by his analysis of how vital credit is to the smooth operation of stock exchanges;
- given the system's crisis tendencies (especially increasing risk, the breakdown of the state's protective role, and uncontrolled speculation), the combination of industry, commerce, and banking as 'finance capital' increases temptations for insider lending and thus for greater than normal risk, leading to a greater chance of financial problems.

RD: I am afraid, Patrick, we have found another theme on which we are on opposite sides!

I find myself in profound agreement on some points but also have serious reservations as you go further to speak about financial capital. Let me try to summarise:

Agreements:

1. I agree with this: it is nicely put: 'Overaccumulation refers, simply, to a situation in which excessive investment has occurred and hence goods cannot be brought to market profitably, leaving capital to pile up in sectoral bottlenecks or speculative outlets without being put back into new productive investment.'

2. I also broadly agree with this: 'When overaccumulation becomes widespread, extreme forms of devaluation are invariably resisted (or deflected) by whatever local, regional, national, or international alliances exist or are formed in specific areas under pressure.' However, I wonder what you are eliding by using the term 'alliances'. Why not refer to states and alliances between them. However, on this still rather sensible point, you contradict yourself. See my point 2 under Disagreements.

3. This is also fundamentally correct: 'The argument, simply, is that as overaccumulation begins to set in, as structural bottlenecks emerge, and as profit rates fall in the productive sectors of an economy, capitalists begin to shift their investable funds out of reinvestment in plant, equipment, and labour power, and instead seek refuge in financial assets.'

Disagreements:

1. There is no need to beat up Hilferding for pointing to the realisation of the possibilities of socialisation of labour through the agency of banks. Marx also commented on the same in Chapter 27 of Volume III, 'The Role of Credit in Capitalist Production'. Being Volume III, the discussion is a little ragged but it's critically important.

2. I disagree that 'the only real "solution" to overaccumulation - the only response to the crisis capable of reestablishing the conditions for a new round of accumulation – is widespread devaluation'. Actually, while this may occur in some circumstances where the capitalist class proves particularly inept, as you point out in my point 2 under agreements, they do seek to resist it. Historically, imperialism has been one response and it still remains effective in the greater power of the advanced industrial world in international bi- and multilateral economic and other relations. There is also military production. And there is the sort of geopolitical economy between the advanced industrial states, with each seeking to treat the others as its market, which Brenner described so well in his *The Economics of Global Turbulence* and which I adapt to my understanding of geopolitical economy.

3. Your extended discussion of finance capital is an excellent example of the writings I mention, which entirely ignore the critical difference Hilferding posits between the continental and the British pattern. Without that understanding, Hilferding is not critiqued but confounded. You criticise Hilferding for considering finance strong but seem to equate all financial sectors of the time: British and German. But they were very different.

4. You claim to refute Hilferding on the grounds that 'the banks that were supposedly at the centre of power in this new era of capitalism suffered tremendous bankruptcies, culminating in system-wide crashes that left the financial system in tatters from 1929-33'. However, one simply cannot discuss what happened to and in the various national banking sectors in the 1920s and 1930s without placing them in the very nationally specific and determinate positions they came to occupy in the 'vast paper entanglements' (Keynes) arising out of the 'reparations, debt repayments and US lending to Europe' merry-go-round. These processes vastly transformed the financial world. The world of 1914 had simply ceased to exist. You ignore all this and jump straight to Hitler, eliding the necessary examination of the political

economy of Germany's and other countries' financial sectors during this period. One helpful book here is Michael Hudson's *Superimperialism*.

5. You refer to a rise in the 'social wage' due to credit. But is credit a wage in any sense? Moreover, what do you say about the loss of so many working people's homes, jobs, and pensions today?

Any understanding of the shifting rules and fortunes of financial capital in all its forms, 'British' and 'continental' and any others, requires historical understanding. Marx's was.

CS: What I mean by 'there is no reason to "throw the baby out with the bathwater"', that is, to drop the concept of finance capital because of Hilferding's flawed definition, is this: There are a number of relevant points in *Finance Capital*; however, the 'two-faced' nature of capital as social relations (productive and property relations are intertwined) is underanalysed.

Having said that, I'm aware of a danger of 'fossilisation' that plagued Marxists involved in academic research in post-Second World War decades in some European countries, in particular in France, where Marxism reached an influential, if not dominant, position among 'intellectuals' and in some places was transformed into dogmatism (I am not addressing here the connections at that time between this tendency and the political involvement of a majority of these intellectuals). Today, for obvious reasons, this posture cannot be replicated, and there is a crucial need not to be cut off from discussions among 'heterodox' researchers while not dissolving the Marxist analytical background.

Let's take financialisation. Financialisation has become a buzzword among radical economists, including Marxists. That should not distract us from looking at the roots of this situation, which can be addressed by drawing on Marx's writings on money capital, interest-bearing money capital, etc. and the 'internal limits of capitalism' as noted by Radhika and pointed to by Patrick (Grossman's quotation). Hilferding strove to maintain the link with Marx, even though he was wrong on a couple of major points which have been widely analysed in the Marxist literature, not least his conclusions that monopoly capitalism opened the 'high road' to socialism. 'Reconquering' the fruitful concept of finance capital is an effective way – not the only one for sure! – to begin to create a theoretical and political framework for the exploitive nature of capital, as an antagonistic social relation.

This should not prevent us from benefiting from the contributions of other social thinkers, including Keynes and some post-Keynesians. An approximate analogy could be drawn with the '1%' debate, occupying centre stage in discussions on, and struggles against, social inequalities in developed

countries. How that surfaces, and is mainly presented by scholars, as a distributional conflict aggravated by austerity policies is indeed connected to the very nature of contemporary capitalism ('There's class warfare, and we're winning it' according to Warren Buffet) and is a real challenge worth addressing.

NOTES

1 In Turan Subasat (ed.), *The Great Meltdown of 2008: Systemic, Conjunctural or Policy-created?*, Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing, 2016.
2 <https://socialistproject.ca/bullet/1448.php>.
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The Hungarian Soviet Republic – Revolutionary Movements in Hungary in 1918-1919

Lajos Csoma

I

The wave of world revolution between 1917 and 1923 that swept through the entire globe was a fundamental event of the twentieth century. The Russian Revolution in February 1917 proved to be the spark that initiated a series of revolutionary movements all over the world in the years to follow. Revolts, uprisings, and land and factory occupations took place from Canada to Argentina, from Siberia to Italy, and from Egypt to China, and various revolutionary governments emerged. All these developments mutually reinforced each other and formed a coherent tendency. The establishment of a new society appeared to be a realistic alternative for wide segments of society. As Thomas Mann put it in one of his letters at the time, '"Communism" as I understand it, contains much that is good and human. Its goal is ultimately the total dissolution of the state (which will always be dedicated to power), the humanization and purification of the world by de-politicalizing it. At bottom, who would be against that?'[1]

The revolts in Bulgaria and in Hamburg, Germany of 1923 can be regarded as the closing of the revolutionary wave, though significant events also occurred in the years to follow. If World War I is often taken as the closing of the nineteenth century, then the wave of world revolution can be considered as the beginning of the twentieth century. The first half of the twentieth century was dominated by fascism, which evolved from the counter-revolutionary terror, while the second half was characterised by the Cold War, the bipolar world, where the Soviet Union – which emerged from the revolutionary movements – stood for one of the poles.

The ending of the world war was the most visible achievement of the world revolution. The military defeat of the Central Powers was hardly

debatable by autumn of 1918, yet it was the uprisings within the armed forces of Germany and Austria-Hungary that ended the military operations. After the world war, for several years fierce clashes took place between the revolutionary and counter-revolutionary forces; moreover, great empires disappeared from the map of Europe, new states were established, and various revolutionary governments emerged. The focus of the conflict was in Central and Eastern Europe.[2]

Then, after years of serious struggle, the wave of revolutions subsided.

The Hungarian Council Republic of 1919 was an integral part of the international revolutionary movement; it was a significant but not unique episode of the 1917-1923 period.

II

The Kingdom of Hungary had been fully incorporated into the Habsburg Empire by the eighteenth century, and in 1867 it became a 'member state' of the Austrian-Hungarian Monarchy. Hungary was integrated into the larger economic framework of the Monarchy after 1867, which brought about rapid industrialisation and the emergence of modern big cities and industrial centres. Although the proportion of those employed in agriculture remained high (more than 60 percent), the proportion of those employed in industry and commerce exceeded 20 per cent, and the proportion of industrial workers made up 15 per cent. Hungary was a multi-ethnic country, with more than 50 per cent of its 20 million-strong population belonging to an ethnic group other than Hungarian in 1914. The emergence of nation-states took place only after World War I in East Central Europe, and after the dissolution of the Austro-Hungarian Monarchy a considerable part of the population of Hungary sympathised with the idea of becoming citizens of a nation-state because the Hungarian ruling class had earlier strictly opposed the rights of ethnic minorities. The nationalist sentiment turned out to be an important factor in repressing the revolutionary movement, and, eventually, nationalism gained the upper hand over internationalism.

The imperialist interests of the Hungarian ruling class also played a role in the outbreak of World War I since Serbia blocked all further expansion in the Balkans and supported those southern Slavic ethnic groups which wanted to secede from the Monarchy. However, the world war had unexpected consequences: the Habsburg Empire not only ended on the losing side but its economy went bankrupt.

The revolt of the military preceded the complete debacle. By that time the anti-war movement had grown stronger due to the Russian Revolution. General strikes were organised with more than half a million participants in

Hungary in January 1918, and then in June. Illegal workers' councils were set up in many factories as well as soldiers' councils within the military units. Desertion and non-compliance with military orders became prevalent. By the autumn of 1918 discipline could no longer be maintained on the fronts, nor could the government control the hinterland.

III

In October 1918 a new government, the so-called National Council, was established in Budapest, headed by Mihály Károlyi, a popular anti-war liberal politician. Massive demonstrations filled the streets of Budapest on 31 October, while the soldiers' council disarmed the military units, and the King appointed Károlyi as Prime Minister of Hungary. Two weeks later the republic was proclaimed. The Social Democratic Party, which had a considerable influence on industrial workers at the time, also joined the new government. In the countryside, soldiers returning from the war became leaders of the revolutionary movement; stores and aristocrats' palaces were looted, and the lives of the representatives of the previous regime endangered. It took several weeks and some heavy fighting for the National Guard – which was hastily established – to restore order.

Though the new administration introduced several social measures, the dynamics of the revolutionary movement made the workers increasingly radical. The workers occupied many factories, discharged the general directors, and the workers' councils took over. In the countryside the local workers' councils often took charge of the local administration, ensuring provision and supplies for the public. The government issued a decree on partial land reform, but it benefited only a few. At the same time land was occupied by force in many places, and agricultural cooperatives were even organised in some counties with the support of the Budapest Workers' Council.

The Communist Party of Hungary (CPH) was established in November 1918, merging left-wing Social Democrats and other left-wing groups. The bourgeois-democratic government tried to restrain the revolutionary movement, arresting the leaders of the CPH on 20 February 1919, but this only made the Communists more popular. The government did not dare consign the leaders to strict confinement, so their prisons cells soon began to operate like party offices. The masses were not satisfied with the implemented reforms and demanded more. One of the cabinet ministers described the situation as follows: 'By March the Socialist and Bolshevik masses demonstrated together on the streets of Budapest, and all differences between them have disappeared. This could readily be seen in their demands

concerning material benefits, which were first raised by the Communists, but by then the entire proletariat was backing these demands.'[3] The same process was highlighted by President Károlyi who later wrote that 'the actual power had already been exclusively in the hands of organised labour for months by that time'.[4] In that situation the two parties, the Social Democrats and the Communists, merged, and took over the government. This is how the 133-day story of the Hungarian Council Republic began on 21 March 1919.

At that time the Central European entente allies, mainly Romania and the emerging Czechoslovakia, whose armies were stronger than that of Hungary, were interested in the greatest feasible expansion of their territories. Defence from foreign intervention was a major challenge for the Hungarian Council Republic all through its existence, and the intervention was a principal cause of its collapse.

The major question for the Hungarian Social Democratic Party in the spring of 1919 was whether to follow the example of Lenin or Noske.[5] The Social Democrats were a mass party not just in Germany but also in the Habsburg Empire already before the world war. The revolutionary moment in 1918 opened a great window of opportunity for the Social Democrats whose response differed from country to country. Social Democracy grew increasingly revolutionary the further East one looked. The German Social Democratic Party joined forces with the counter-revolutionary military and participated in repressing the revolution.[6] In Austria, the Social Democrats successfully stabilised parliamentary democracy, while in Hungary they supported the proletarian revolution. In Russia, they took the lead in advancing the revolution.

The left wing of the Hungarian Social Democratic Party was ready to embrace socialism. The party's centrists were realistic enough to see that with the downfall of the bourgeois-democratic government only the proletarian parties had an adequate social base for assuming the responsibilities of government. Though the centrist politicians participated in establishing the Revolutionary Council of Government, by summer they began to entertain the idea that they could govern without the Communists. The right wing of the party stepped back from this, but they started to develop plans for the future, for the period after the Council Republic.

IV

The Hungarian Council Republic was established by a coalition of Communists and Social Democrats, and this meant that its government programme was complex and sometimes contradictory.

Local left groups together with former Hungarian prisoners of war returning from Russia established the Communist Party of Hungary (CPH) in Budapest on 24 November 1918. Its basic strategy was to radicalise the revolutionary movement, and its main objective was to accomplish the dictatorship of the proletariat, but it lacked a clear idea of exactly what the dictatorship of the proletariat should look like. The *Red Journal*, the daily paper of the CPH, advocated the self-administration of workers and called on industrial workers to occupy the factories; however, when in government, the Communists approached the autonomy of the workers in a different way.

During the months following the Revolution in October 1918 the workers' councils became increasingly powerful; in many factories they discharged the managing directors or even assumed ownership of the factory. In smaller settlements, the workers' councils took over the tasks of public administration. The composition of these local workers' councils varied from region to region. For instance, in western Hungary the better-off farmers and middle landowners were in charge in many places, while the more radical landless peasants took the lead in poorer regions. In the industrial regions, the radical left-wing workers became the leaders of the workers' councils. The bourgeois-democratic government did not succeed in reducing the influence of the workers' councils, even though in January 1919 they issued a decree excluding Communist members from the workers' councils, which in most places, however, was not implemented.

The Communists were gaining ever more control over the Soldiers' Council, which was the most important leading body of the military. It became the executive centre of the entire defence force as the wartime military leadership dissolved in autumn of 1918, and it remained the top military body until the creation of the Council Republic government.

Parliamentary elections had been announced for April 1919, but the Revolutionary Council of Government cancelled them and decided to hold council elections instead. Following these, the local councils sent delegates to the National Council. In each settlement the executive power was in the hands of the so-called Direktorium whose operation was supported by the local workers' council. Direktoriums had already been formed before 21 March in many places, and they took over the administration. The franchise was further enlarged – it had been extended by the previous government after October 1918 – giving all adults over 18 the right to vote but excluding factory owners, large shareholders, and priests. In fact, the 500 members of the Central Workers' Council in Budapest possessed the real power because the National Assembly of Councils held sessions only for

a short period. The Central Workers' Council, just like the Revolutionary Council of Government, was a locus of party rivalry. The centrist Social Democrats tried to slacken the pace of events, while the radical Communists tried to accelerate social changes. At the centre stood Béla Kun, leader of the Communist party, who was much more of an authoritarian politician and intriguer than a revolutionary. He succeeded in preventing the radical elements within the Communist party from launching an organisation on their own.

The Revolutionary Council of Government sought to gain control over the workers' councils and therefore appointed production commissioners to the larger factories. One of the first decrees of the council government nationalised factories employing more than 20 workers.[7] After this the workers in smaller factories began to demand nationalisation of their plants; in some cases, the workers simply took over control of the factory. All stores – except for food stores and pharmacies – were closed down, and their stocks were nationalised and then centrally distributed. This led to serious shortages; at the same time furniture was distributed to those in need as part of the government's social policy. The government tried to improve the food supply among other ways by selling hens and geese directly to industrial workers. The landed peasantry was unwilling to accept the official banknotes issued by the Council Republic,[8] which made the food shortage even worse. Apartment buildings were also nationalised, and rents were decreased by 20 percent. Large apartments were broken up into smaller ones, so that workers' families could move into middle-class homes and fancy villas. A decree was issued ordering those who had a bathroom in their apartments to share it with others; they were also instructed to provide soap and towels if necessary. A complete ban on the sale of alcoholic beverages was introduced, which was relaxed only during the summer. Important measures were also introduced in the fields of culture and education. Museums, theatres, and private collections were made accessible to all, and private parks were opened to the public. Compulsory school attendance age was raised to 14, then to 18 years. Centrally organised summer holiday tours were offered to workers' children.

The agricultural policy of the Council Republic was contradictory. Although the new government after the world war proclaimed that the latifundia were to be divided up, the Revolutionary Council of Government did not understand that for the peasants, land reform was a fundamental goal. In line with the prevailing Social Democratic conception, the revolutionary government nationalised all landed property larger than 100 acres, aiming at establishing agricultural cooperatives in the belief that collective property was

superior to private property. The newly established agricultural cooperatives were centrally directed so that they actually operated like state farms. Despite this central initiative to set up cooperatives, the latifundia were parcelled out to peasants in places where the locals strongly asked for this and were backed up by the local council. The revolutionary government issued a confidential decree to the effect that the landed property of large landowners could be parcelled out if local peasants very strongly demanded it but that each family could obtain five acres at most. Altogether around 10 or 20 thousand peasants received agricultural land in this way. The government's central control of agricultural production actually resulted in the former landowner becoming in effect the production commissioner, and so the landowners' former managers remained in place.

The peasants with medium-sized landed property – who hoped to possess even more land – were mostly hostile to the revolutionary government, and they were among the major supporters of counter-revolutionary armed action. The smallholders wavered but tended to accept the political leadership of the wealthy peasants because they regarded private property as a cornerstone of society. However, many among the landless peasants joined the agricultural cooperatives.

In 1918, following the world war, the new government repressed the peasants' revolution with firing squads. In 1919, the Council Republic used centralisation as a tool for blocking the peasant's movement for self-determination. The spontaneous anarchism of the poverty-stricken peasants could only partially join forces with the Communist labour movement.

A significant part of the intelligentsia was in favour of the Council Republic in the beginning. It was obvious for politically informed public opinion that the Kingdom of Hungary was a thing of the past, and it was conceivable that a new historical period would have to emerge. Many of the lower-rank intelligentsia, such as young school teachers and engineers, supported the revolutionary government. Even more accepted was the government's cultural policy measures, such as the extension of public education and state subsidy for culture. However, the restrictions imposed on freedom of the press – with the justification that the paper shortage did not permit the publication of bourgeois newspapers – and the policy of religious intolerance alienated many intellectuals. The petty bourgeoisie was also distrustful of the new regime because nationalisation was also extended to their small shops and workshops.

When the Hungarian Council Republic was proclaimed on 21 March, the foreign policy situation was hopeless for Hungary because the Central European allies of the entente demanded ever more territory. The council

government proclaimed the project of 'revolutionary home defence'. For the working class and the landless peasants this meant the defence of the revolution, while for the middle class and the military officers it meant national defence. The Hungarian Red Army, which was established in only a few weeks, achieved significant successes at first. It pushed back the Romanian army to the eastern side of the Tisza River in eastern Hungary, and in June drove out the Czechoslovak forces from the northern part of the former Kingdom of Hungary (which was largely inhabited by Slovaks). However, the revolutionary government was not able to convert military success into political success. The entente powers promised to withdraw from eastern Hungary in exchange for the Hungarian Red Army giving back the northern, would-be Czechoslovak territory. The Red Army withdrew from the north – and with that the short-lived Slovak Council Republic fell – but the Romanian troops did not move. Then in July, Red Army troops crossed the Tisza River to attack the Romanian forces, but by that time the morale of the revolutionary army had languished due to the fiasco in the north. It took many by surprise that, especially in the beginning, a large number of professional military officers joined the Red Army; actually, their motivation was to defend the historical boundaries of Hungary and they thought that they had no other choice but to join forces with the Council Republic. However, most of the military officers had turned away from the revolutionary government by July. Their morale was so low that secret information was leaked even from the General Staff of the Red Army to the Romanian generals. Distrust was spreading on all levels of the military, and supply for the combat troops was hindered even by some of the highest-ranking officers.

The working class and the landless peasantry, which made up the main base of the Council Republic, were losing their faith. The four-year-long world war had already inflicted serious losses on them, and they grew tired of fighting more wars. Some of the Social Democrats openly criticised the Council Republic, claiming that if the Communists were expelled from the government the entente would recognise a full Social Democratic cabinet. They suggested that this would end the armed conflict, their government would still represent the workers, and life would improve.

The industrial as well as the agrarian proletariat were disappointed. The peasants did not receive agricultural land, and workers' control over the factories was not complete; production was faltering and even basic needs were not met. The leadership of the Council Republic became more and more divided in the course of the summer. Some Social Democrats initiated talks with the entente powers, while the radicals among the Communists wanted

the removal of Béla Kun and the Social Democrats from government and the introduction of 'a genuine dictatorship of the proletariat'. Favouritism was widespread, which many members of the top leadership, including Béla Kun, were inclined to practise. By and large, it can be said that quite a few leaders in the Revolutionary Council of Government acted like standard politicians. Genuine revolutionary enthusiasm was more characteristic of the lower levels of leadership and of the local Direktoriums. These activists, who used to be Social Democrats for the most part, truly believed that the time of socialism had come, and that a new age had begun in the history of humankind.[9]

V

The social base of the Council Republic was diminishing, the conflicts within the leadership became irreconcilable, and opposition to the regime grew stronger and stronger, but it was the foreign military intervention that caused the fall of the regime. The Romanian forces were able to stop the offensive of the Hungarian Red Army because the military plan for the offensive was leaked to them; then they launched a counterattack. This fiasco completely demoralised the Red Army soldiers, and consequently the Hungarian forces fell apart; the road was open to Budapest. The majority in the Revolutionary Council of Government was in favour of giving up the struggle, and so the revolutionary government resigned on 1 August. Its leading politicians, along with several thousand left-wing activists, fled to Austria. The right-wing Social Democrats formed a new cabinet, but a coup soon removed them. When the Romanian troops left Budapest in November, Admiral Miklós Horthy and his followers gained actual control over the state administration. Horthy and his military officers initiated a vengeance campaign against the activists of the Council Republic. There is no reliable data, but it is estimated that more than a thousand people were killed by the white terror in 1919. Which of the two terrors, red or white, was bloodier in Hungary is an ongoing debate, but in general historical experience the number of victims tends to be much higher in counter-revolutionary atrocities than in revolutionary ones.

The number of Hungarian casualties in the First World War reached 600 thousand, not counting the injured. Some dozens from the elite of the Habsburg Empire were killed in October 1918, but the forces of order of the new bourgeois government murdered several hundred people, particularly in villages. The Romanian occupying forces were responsible for the death of another few hundred. The number of those killed for political reasons during the Council Republic was about 100 to 200 persons; they were the

victims of red terror. The number of those executed by Miklós Horthy and his followers – who proudly labelled themselves'counter-revolutionary' – was much higher. Thousands were imprisoned or sent to detention camps, and thousands emigrated for political reasons.[10]

Miklós Horthy was elected Governor of Hungary on 1 March 1920, and the entente powers also recognised him as the legitimate head of government. It was the Horthy regime that signed the peace treaty, as a result of which several parts of Hungary with a majority Hungarian population were transferred to the neighbouring countries. The Hungarian right-wing 'national mythology' has always blamed the revolutionary governments of 1918-1919 for the loss of territories, ignoring that the secession of non-Hungarian ethnic groups from the Kingdom of Hungary was an inevitable process inherent in the establishment of nation-states.

VI

The 1918-1919 Revolution has never occupied the place it deserves in Hungarian historical memory. The anti-Communist and anti-Semitic authoritarian regime of the interwar period based its legitimacy on the repression of the 1918-1919 Revolution. When Hungary became a part of the Soviet bloc after 1945, the Council Republic was largely ignored because many of its leaders had fallen victim to the Stalinist terror in the Soviet Union. After 1956, under the government led by János Kádár, a distorted picture was projected of this historical period. Although the regime considered its predecessor to be 'the Council Republic led by Communists', it wanted to conceal its real revolutionary substance. Historical perception rapidly shifted to the right after 1990, and the official views soon revived the attitude of the interwar Horthy-government towards the Revolution. This attitude has remained dominant up to the present day.

NOTES

1 Letter to Josef Ponten, Munich, March 29, 1919, *The Letters of Thomas Mann: 1899-1955*, selected and translated by Richard and Clara Winston, New York: Vintage Books, 1975, p. 86.

2 A summary overview of these developments can be found in F.L. Carsten, *Revolution in Central Europe 1918-1919*, Berkeley and Los Angeles: University of California Press, 1972.

3 Tibor Hajdu, *A Magyarországi Tanácsköztársaság,* Budapest: Kossuth Könyvkiadó, 1969, p. 21.

4 Hajdu. p. 411.

5 Gustav Noske, one of the leaders of the German SPD, was willing to 'play the role of bloodhound' in directing the repression of the Berlin revolt in January 1919, in

cooperation with the Freikorps.

6 Sebastian Haffner accurately describes the role of German Social Democracy during the revolution in his ruthless essay *Die verratene Revolution Deutschland 1918/19*, Munich: Scherz, 1969.

7 The economic policy of the Hungarian Council Republic was presented by the renowned economist and former people's commissioner, Eugen (Jenő) Varga in his *Die wirtschaftspolitischen Probleme der proletarischen Diktatur*, Hamburg: Verlag der Kommunistischen Internationale, Carl Hoym Nachf., 1921.

8 These banknotes were called 'white money' because only one side was printed due to ink shortages.

9 This optimism was well described by the Communist writer, Ervin Sinkó, who held various positions during the Council Republic, in his novel *The Optimists*, which was set in the period of the Hungarian Council Republic.

10 Like Béla Lugosi, a leader of the actors' trade union, who later became a Hollywood star in the role of Dracula.

The Christian-Marxist Dialogue

Dialogue of Critical Minorities

Walter Baier

During the private audience that Alexis Tsipras, then still leader of Greece's parliamentary opposition, and I had with the Pope in 2014, which, as *L'Osservatore Romano* reported, lasted 35 minutes, the Pontiff said it was high time to turn a new leaf in the relations between the Catholic Church and the left. This is by no means a trivial question since these relations are complicated by mistrust and centuries of conflicts that separated the labour movements from the church. It is not hard to see that today neither side represents a homogenous unit and that the experience they have had in dealing with each other vary according to period but also locality, continent, and country.

What then could provide the basis for a dialogue aiming at common action in the world? On the left side, the basis could be the feeling – already newly awakened in the 1980s in that decade's very significant peace movement – of the common responsibility of all communities of conviction for the fate of humanity as a whole. Knowledge of the dangers threatening humanity through the reckless plundering of nature oriented to growth and profit has also helped in overcoming deterministic and simplistic notions of progress among the left and has generated a debate leading to fundamental questions of the meaning of human existence.

On the Church's side, with the election of Pope Francis in spring 2013 new standards were set both in spiritual terms and for the worldly engagement of Catholic Christianity. In his first encyclical *Laudato Si'*, the Pope criticised the consumerism and dominance of the economy – especially of finance in relation to politics – that characterise the centres of contemporary capitalism and not only prevents effective environmental protection but generates enormous social-policy distortions and a growing gap between rich and poor countries.

We were surprised by the directness and openness with which the Pope called for a 'transversal dialogue of the Church and the left' during the

meeting, although it follows logically and necessarily from the position that both sides have taken on a significant number of questions involving the world.

In my view, there is a further, if you will, mental precondition for the dialogue that exists aside from the common recognition of the dangers threatening humanity: the perception of the defensive in which humanism, in the broadest sense, finds itself in the face of the totalitarian claim to universal validity made by the neoliberal ideology of contemporary capitalism, particularly as its crisis has produced a new populist nationalism that has become a threat to democracy and peace. Solidarity with the refugees became the acid test of any community calling itself humanist.

In a workshop in the framework of the structured dialogue that has developed from the discussion with the Pope, one of the Catholic participants made this sober observation: 'We, that is, both sides, position ourselves critically and in opposition to the status quo, and we find ourselves in a minority position in our societies.'

In such a defensive position how could we do otherwise than act together? In more than three years since the meeting with the Pope the issues and forms of this dialogue have been concretised. In September of 2018 a European summer school of Christian-Marxist dialogue supported by several universities will be held on the Greek island of Syros, known for its bi-religious character.

The following contributions of three prominent participants demonstrate that what is involved here is neither a diplomatic circumvention of existing differences of viewpoint nor a syncretism but an open and honest effort to understand what we have in common.

Pope Francis and the Opening of a Christian-Marxist Dialogue

Luciana Castellina

At the second WMPM (World Meeting of Popular Movements), held in Bolivia in 2015, after the first which took place in Rome in 2014, President Evo Morales presented Pope Francis with a cross composed of a hammer and sickle. Reading the speech given by the Pope at the last Meeting (Rome 2016) – this time with another president as guest, Pepe Mujica, the Tupamaro guerillero who led Uruguay's government until recently, but without Bernie Sanders who was invited but too taken up in the electoral campaign to attend – one could say that this anomalous crucifix has become the new symbol of Bergoglio's church.

I say 'could' because I know that we have to be careful here. And yet we cannot fail to realise that Francis's pontificate has imprinted on Vatican policy a turn of major dimensions.

Something analogous had already been done by his extraordinary predecessor, John XXIII, with the historic Second Vatican Council convened at the beginning of the 1960s, whose application was sharply reduced by the following pontificates. Nevertheless, the real qualitative leap in Bergoglio's language is striking, in particular in his meetings with the movements.

This is true not so much, or not only, in terms of his denunciations, which by now have become explicit, of what he does not literally call capitalism but clearly so intends ('that unjust structure', dominated by the 'primacy of money', 'which comprises all the exclusions', 'makes people into slaves, robs them of their liberty', and 'idealises infinite progress' and unconditional 'efficiency'). The main novelty does not lie, in fact, only in the force of the denunciation of the present state of things but in the identification of a historically existing enemy and in the subjectivisation of the agent of change which had been 'domesticated', 'anaesthetised'.

It is to the exploited, to the victims of the system that the Pope is now turning, inviting them not to just watch 'with folded arms' but to 'pass'

– as the final document of the Rome meeting states – 'from the phase of resistance to that of appropriating political power, from the social struggle to the electoral struggle'. In two words: to pass from solidarity to struggle, from charity to politics.

Of the church's exhortations to involvement in politics we Italians in particular have a long experience, and it is precisely this intrusion that we have denounced and fought because it was an invitation to support the party which called itself (and really was) the representative of the Vatican, the Christian Democratic Party, in its anti-communist crusade. Other countries underwent analogous experiences although to a lesser extent than Italy where the influence of the powerful Roman Curia was so great. By contrast, the invitation to politics launched by Pope Bergoglio has a very different stamp, which can be gauged by the sarcastic contempt with which his actions are covered by the Italian press – 'Pope Francis blesses the social centres' (organs of the extreme left), 'Bergoglio meets with Leoncavallo' (the best known of these centres), 'Zapatistas, Marxists, indignados, all visiting the Pope' – these are some headlines from the main newspapers close to the seats of power.

To repeat, the Pope's words represent a new level not only due to their very precise indication of the adversary to be attacked – capital ('money') – but because his is a call to protagonism on the part of the victims: 'you are putting up', he says in addressing the poor, '*until* you call economic policy into question', and *until* 'social policy becomes policy *by* the poor and not *for* the poor', in other words, until you leave paternalism behind and take your destiny into your own hands – until you become a political subject and no longer an object of charity.

Naturally, there is no talk here of 'class struggle' as the motor of history as in our Marxist tradition; instead the word 'people' is used, which is of course different. However, the world that is being invited 'to popular mobilisation' is an ever vaster one that has grown in our society where work is increasingly compartmentalised and deprived of rights, where the informal economy is spreading, where a working class that is economically and culturally homogenous increasingly appears to be a minority phenomenon, where the subaltern are traversed by many contradictions, and where social exclusion is growing apace. It is a reality the left has difficulty in dealing with and which it is often still incapable of organising; and precisely this is what has given rise to its crisis.

A glance at the 97 organisations from 68 different countries that met at the last WMPM immediately reveals a great similarity, better, a coincidence with the protagonists of our World Social Forums who have based their strength in the most marginalised sectors. It is no accident that it was Stedile,

the historic leader of Brazil's landless movement, member of the Council of the Forums that arose in Porto Alegre, who was also one of the protagonists of the meetings promoted by Pope Francis, named after the three 't's: Terra, Techo (shelter), Trabalho (work); and that the questions faced are also similar: common goods (starting with the struggle against privatisation of water), a universal wage, and food sovereignty, which has been sacrificed by the power of the big agriculture and food multinationals (indeed, at the last meeting in Rome the paladin of this struggle – Vandana Shiva – was present).

Does everybody agree on everything then? Of course not. Beginning with so-called civil rights (abortion, the right to put an end to one's own life), which are certainly very important. Still, in terms of these problems there is an unprecedented opening today, with a sense that diversities ought not to prevent believers and non-believers, as well as the faithful of other religions, from working together. And a breach has been opened by the feminist movement since the gender question has been given full recognition in the Pope's words.

How could all of this happen? Bergoglio's personal role – his courage in confronting an ecclesiastical apparatus that is still very conservative – has certainly favoured a veritable reversal of Vatican policy. But it would not have been possible if it had not been stimulated by the changes that have occurred in the last decades, which have produced a global crisis of capitalism, putting an end to the illusion of a positive modernity, having generated the most extreme inequality in history and which is corroding – or 'atrophying' to use Pope Francis's words – democracy, 'dominated by the enormous power of the media groups'. If this process is occurring it is because the barbarisation of the world has by now set off cries of alarm. The only ones who seem not to notice this sign of the times are the political forces which call themselves left but have ended by surrendering to neoliberalist and globalised capitalism.

Taking into account the respective political and cultural autonomies, and without simplification but also without preconceived rigidities, what is happening in the Christian Church concerns us; and it is a good thing.

I remember the thesis of the Ninth Congress of the Italian Communist Party at the beginning of the 1960s when John XXIII and the Council were opening up new horizons that also helped us secular people and communists to acquire a less myopic vision of the reality of the Catholic world. A passage was inserted into that document – on the initiative of Togliatti himself – which read: 'a religious faith authentically lived can contribute to an anti-capitalist critique'. Today this seems still clearer even if the counterforces, many of them within the Church itself, are involved in a dangerous counteroffensive.

At any rate, it is essential to multiply the occasions for exchange and working together. Among them there is the work in progress of the group created by Transform and the secretariat of the Vatican Congregation for Catholic Education with the project of a summer school held in September 2018 on the island of Syros with the support of Greece's University of the Aegean. It is a Christian-Marxist dialogue on the contents of training. The first meeting, lasting two days at Castel Gandolfo, was very interesting and fruitful.

We at *Il Manifesto* have distributed the book containing Pope Francis's interventions at the three meetings of the WMPM as a supplement to our daily newspaper (the only daily in Italy that still uses the title 'communist'), obviously with the agreement of the Vatican. This too is a way of aiding the dialogue.

The Left and Christian Nonviolent Consensus

Michael Löwy

A few weeks ago I took part in a Conference in Brescia in honour of the 60th anniversary of Paul VI's Encyclica *Populorum Progressio* (March 1967). This document contains interesting reflections on the issue of violence. Paul VI, of course, criticises the use of violence, but he admits some exceptions: ' … revolutionary uprisings – except where there is manifest, longstanding tyranny which would do great damage to fundamental personal rights and dangerous harm to the common good of the country – engender new injustices, introduce new inequities and bring new disasters.' [1]

One year later, the Latin American bishops who convened in the town of Medellín (Colombia, in 1968) discussed the same issue in the chapter 'The Problem of Violence in Latin America' in their final document. They used, for the first time, the concept of 'institutionalized violence' to describe social injustice in Latin America, and to counter it called for 'global, audacious, urgent, and deeply innovative transformations'. In this context, they quote the above passage from *Populorum Progressio*, adding however that the tyranny described by Paul VI can proceed 'not only from one person' but also from 'clearly unjust structures'.[2] The concepts of *institutional violence* and *structural tyranny*, introduced by the Bishops Conference of Medellín, moved the debate from the moral/the individual to the social sphere.

⋆ ⋆ ⋆

We all agree on a nonviolent approach for the present social struggles in Europe. This is not an abstract issue, but a concrete political one, according to historical and institutional circumstances. In other times, for instance under the Nazi occupation, armed resistance was morally legitimate. In Europe today, practically nobody in the left claims that emancipatory movements should use violence. A handful of young activists, calling themselves 'Black Block', habitually break many windows during demonstrations, but this is

(useless) symbolic violence, not directed against humans.

In Europe, however, there are various forms of *institutional violence*:

1) The violence of European neoliberal capitalist policies, leading to social suffering, growing inequality, precariousness, unemployment, poverty, and the dismantling of the welfare state. In some cases, as in Greece, financial capital and its institutions (the European Central Bank, the IMF, etc.) have used economic violence and blackmail to impose a brutal reduction of wages and pensions on a population, along with other socially regressive measures, leading to mass unemployment and misery.

2) The violence against refugees: By closing its borders, building walls, and extending barbed wire, European governments are responsible for thousands of immigrants perishing in the Mediterranean Sea. Those who arrived on European shores are being interned in 'provisional camps', and, in the vast majority of cases, denied asylum. Many are deported to their original countries. Desperately trying to escape wars – in Syria, Afghanistan, Iraq, and Sudan – or famine, many refugees are being condemned to die by the inhumanity of the dominant European powers. Pope Francis denounced this situation in his famous intervention in Lampedusa (2014).

3) Violence against ethnic or religious minorities: In many European countries, discriminatory policies are being implemented against Roma ('gypsies'), Muslims, Jews, and other minorities. In some cases, they are victims of murderous racist attacks.

4) Police violence against peaceful demonstrators, and police killings of individuals of colonial origin – mainly African and Arab – living in the poor neighbourhoods of large European cities.

Throughout Europe the answer to this institutional violence has been the rise of nonviolent social movements such as:

1) The legal or illegal networks of human solidarity with migrants, helping them to cross the closed borders, and giving them shelter, food, and fraternity.

2) The popular movements against neoliberal 'austerity' policies, such as the Indignados movements in Spain and Greece, or the mass strikes and demonstrations in France against the regressive labour law imposed by the government in 2016.

3) The social-ecological movements against the destruction of the environment by useless mega-projects, such as the Notre-Dame-des-Landes airport in France, or against coal mining in Germany ('Ende Gelände!').

4) The symbolic nonviolent initiatives of movements like Attac, 'expropriating' chairs in several banks as a protest against their recourse to tax

oases and their massive investments in fossil energy responsible for disastrous climate change. These initiatives have been repressed by the police, but the courts have usually refused to condemn the 'chair reapers'.

These are only a few examples among many others.

There are various motivations in the choice of nonviolent forms of action: for some, nonviolence is rooted in moral and/or religious convictions; but for most of the activists, it is simply the fact that in Europe today there is no military or fascist regime that would require and legitimate emancipatory violence. As long as a minimum of democratic freedoms exist – though increasingly curtailed in several European countries – nonviolence is the reasonable option.

Clearly today in Europe, Marxists and Christians are united in understanding the need for nonviolent resistance to institutional violence.

NOTES

1 'Populorum Progressio', at <http://w2.vatican.va/content/paul-vi/en/encyclicals/documents/hf_p-vi_enc_26031967_populorum.html>; also in *A marcha da Igreja*, Rio de Janeiro ; Editôra Encontro, 1967, pp. 38-39.

2 <http://www.geraldschlabach.net/medellin-1968-excerpts/>; *A Igreja na atual transformaçâo da americalatinz à luz do concilio. Conclusôes de Medellin*, Petropolis: Editôra Vozes, 1973, pp.61-62.

For a Nonviolent Style of Thinking

Piero Coda

In the brief reflections offered here I am prompted by a provocative idea of the philosopher Emmanuel Lévinas and by an approach enunciated by Pope Francis.

1. Lévinas writes in *Otherwise Than Being*,

> The true problem for us Westerners is not so much to refuse violence as to question ourselves about a struggle against violence, which without blanching in non-resistance to evil could avoid the institution of violence out of this very struggle (*Otherwise Than Being*, p. 177).

Lévinas, frontally facing the depths of violence into which twentieth-century Europe fell, laid bare the structural (to be precise, metaphysical) connection between a certain form of thinking and violence.

Indeed, thinking is never neutral and does not function independently of the liberty of the person doing the thinking in recognition or non-recognition of the dignity of the other qua other. And, Lévinas stresses that, even when thought wants to defuse the violence that destroys relations as a place in which liberty flourishes, the subtle danger – which is no less destructive for being insidious – is to want to vanquish violence with violence, that is, through a war against violence and through coercion or even by eliminating the alterity of the one practicing the violence.

The history of religions as well as political thought has had ample experience with the consequences of succumbing to this tragic drift. To exorcise the temptation to violence, even when it is devious and vestigial, the exercise of thinking needs to be brought back to its roots and educated with extreme attention and constant vigilance.

It is a fact that the dominant mode of thought today, whose form is Western, has characteristics that (even when its points of departure are

quite positive) have become unilateral and violate, even destroy, the free and creative flourishing of the individual and society, beginning with the weakest and most rejected, in their diverse human, cultural, social, and ecological expressions.

I will briefly list what I think are the most important of these characteristics:

- *individualism*: thought exercised with a view to wielding absolute individual ownership in which otherness is not considered, let alone seen as constituting identity;

- *possessiveness*: thought exercised as a capturing of the thing that it contemplates, which is thus reduced to a mere object to be dominated;

- *instrumentalisation*: thought carried out as a tool for pursuing what is individually useful for oneself, with tragic consequences on the level of economic and political practice and in the exploitation of Creation;

- *ideologism*: thought exercised as the dictating of law to reality, which is imposed on it and bends it to the (explicit or concealed) aims of the person exercising it;

- *male chauvinism*: thought exercised in the form assumed in fact in the context of a society dominated by a certain masculine model and, in any case, disregarding the experience of the relationship of symmetrical-asymmetrical reciprocity between the masculine and the feminine;

- *uniformism*: thinking that is thought and exercised as something univocal and standardising, aimed not only at reducing all diversity to a lowest common denominator, but at ignoring, as a matter of principle, the value and richness of diversity;

- *immanentism*: thinking that is thought and exercised without taking account of, or intentionally disregarding, any reference – not an external and accidental reference but an internal and qualifying one – to the transcendence of the other.

The need for a 'new way of thinking' – as was incipiently defined by Franz Rosenzweig and of which we find an example not only in Lévinas but also in some exponents of the Frankfurt School, in Jacques Derrida, and in others – comprises a radical *metanoia* of thinking at each of these levels.

And around this – though, to be sure, with tensions and the obstinate resistance of the political, economic, and technocratic establishment – a significant if small convergence of many voices and many accents is taking place, often with a prophetic flavour. With a crucial advantage: the determination to travel the road of a kind of thinking that defuses the temptation and the practice of violence through a radically nonviolent style of thinking; to be precise, and expressed positively, with a style of thinking inspired by reconciliation and constructing peace.

2. Now as to the impulse given by Pope Francis:

His testimony – in words and deeds – is motivated by an inspiration that has at its centre the gospel of Jesus, or, better still, the Gospel that is Jesus, as symbolised by the gibbet of the Cross – as we read in his message for the World Day of Peace: 'Nonviolence: A Style of Politics for Peace'.[1] The context evoked by Francis is that in which the concept of 'politics' is understood in its original and most complete sense since it involves 'cultivat[ing] nonviolence in our most personal thoughts and values'.[2]

The short and intensely inspired formula of nonviolence, of this challenge to the style of thinking in order to impregnate everything with nonviolence – at the roots, as Lévinas would have it – was given us by Pope Francis in the *Regina Coeli* of Sunday, 23 April 2017:

> Mercy in the light of Easter enables us to perceive it as a *true form of awareness* [...] [because it] opens the *door of the mind* in order to better understand the mystery of God and of our personal existence. Mercy enables us to understand that violence, rancour, vengefulness have no meaning,[3] and the first victim is whoever feels these sentiments, because he deprives himself of his own dignity.[4]

I will confine myself to deriving some suggestions from this.

- First: mercy '*opens the door of the mind*'. That is, it lets it exit from the closed space of the 'ego', understood in the individualistic sense, and which tends to the possessive and the ideological, in order to open it up to the freedom of relating to the other. This involves more than opening oneself up to the other because one gives him/her space, one respects him/her, one puts oneself in his/her shoes in order to understand what he/she is experiencing and thinking; in essence one is taking care of him/her. At bottom, what is involved is perceiving oneself and behaving like 'misericordiati' (receivers and bearers of mercy), that is, people who live gratuitously through giving ('perdono') and through forgiveness ('di perdono').

This is what mercy really is: to recognise the primacy of forgiveness (perdono) as the event from which life arises and is regenerated.

- It is thus that thinking – and this is the second suggestion – that looks through the open door of mercy gazes on a new horizon and sees in a new way. Mercy, in other words, is the ingredient – the style – of '*a true form of awareness*'. This is not a matter of a momentary surface ornament of an inexpensive bland, apolitical 'feel-goodery' but of the opening up of a horizon of light that illuminates the landscape and lets one see in greater depth the meaning and the justness of things and situations.

If giving in to the temptation of violence is to deprive oneself of one's own dignity while depriving another person of her or his, forgiving recognises and rehabilitates the dignity of the other while affirming one's own. The dignity of a human being is recognised in forgiveness and is exercised through the capacity to forgive.

- This does not mean ignoring or removing conflicts – and this is the third suggestion – but reading them and managing them not according to the dialectical logic in which one term of the conflict is removed and reabsorbed into the other, which then in the end prevails, but according to the logic of reciprocal recognition in which each of the polarities at play (and in struggle) is in principle conscious of its own perspectivalness and incompleteness, of its own limit and of its own pain, and expressly searches out the true and good part of this in relation to that of the other in a broader and richer horizon. This implies, Pope Francis writes,

> the willingness to face conflict head on, to resolve it and to make it a link in the chain of a new process' (*Evangelii gaudium* 227). […] Active nonviolence is a way of showing that unity is truly more powerful and more fruitful than conflict. Everything in the world is intimately interconnected' (*Laudato Si*, 16, 117, 138). Certainly differences can cause friction. But let us face them constructively and non-violently, so that 'tensions and oppositions can achieve a diversified and life-giving unity' (*Evangelii gaudium* 228), preserving 'what is valid and useful on both sides'[5] (*Evangelii gaudium* 228).[6]

This matter of the deep 'logic' of the thinking that is manifested in (but not exhausted in) how conflicts are managed is a key question because it expresses everything about the style of thinking. Hegel's intuition, brought back to earth by Marx, so to speak via Feuerbach, has had the merit of trying to express the 'dialectic' of identity-alterity as a movement of life and thought. But it ends by reducing the alterity to a negative factor that needs to be removed as such. We need to go to the roots of this intuition, which is the Trinity – in which one part is in front of the other, not to remove the other but rather to meet it again in the new that springs from the, even conflictual, encounter. This is the dialectic of 'per-dono', of forgiving/doing in order to give – the Trinitarian dialectic.

- Finally, I draw a fourth suggestion from Pope John Paul II whom Francis quotes and whose idea he develops in his Message for the World Day of Peace: 'This peaceful political transition was made possible in part "by the non-violent commitment of people who, while always refusing to

yield to the force of power, succeeded time after time in finding effective ways of bearing witness to the truth".'[7]

A nonviolent style of thinking is *performative*, individual, and even creates at once ever new, realistic, and prophetic solutions because it is able to look at the conflict and the problem not only with its own eyes but also, in a sense, through the eyes of the other.

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Certainly – as we were told two years ago by Pierre, a Sophia student from the Congo, who was actively committed to the political struggle and therefore exiled far from his family and homeland – some things can only be seen by 'eyes that have cried' – the eyes of the victims of violence and of he or she who has united with them in mercy. Because these eyes already in themselves radiate the light of the new world of peace that expresses justice. These are the eyes of Easter.

NOTES

1 Pope Francis, 'Message of His Holiness Pope Francis for the Celebration of the Fiftieth World Day of Peace', 1 January 2017, § 6. <https://w2.vatican.va/content/francesco/en/messages/peace/documents/papa-francesco_20161208_messaggio-l-giornata-mondiale-pace-2017.html >.
2 Pope Francis, 'Message of His Holiness'.
3 Translator's note: that is, 'are senseless'.
4 <http://w2.vatican.va/content/francesco/en/angelus/2017/documents/papa-francesco_regina-coeli_20170423.html>.
5 Translator's note: Literally, in Italian:'[preserving] the precious potentials of polarities in conflict'.
6 Pope Francis, 'Message of His Holiness Pope Francis for the Celebration of the Fiftieth World Day of Peace', 1 January 2017, § 6. <https://w2.vatican.va/content/francesco/en/messages/peace/documents/papa-francesco_20161208_messaggio-l-giornata-mondiale-pace-2017.html>.
7 Pope Francis, 'Message of His Holiness Pope Francis for the Celebration of the Fiftieth World Day of Peace', § 4.

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