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Framing a New Progressive Narrative

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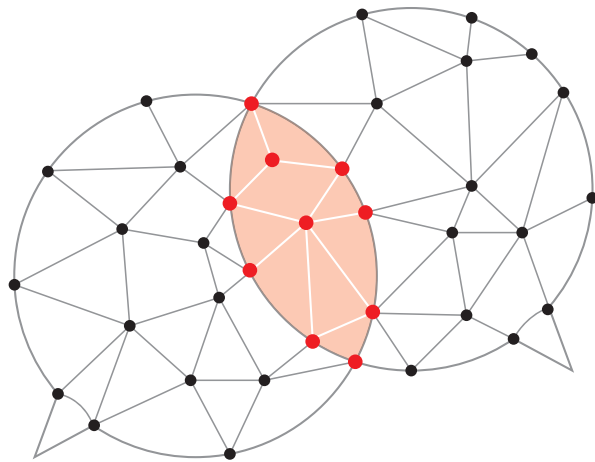


Framing a New Progressive Narrative





Ernst STETTER, Karl DUFFEK & Ania SKRZYPEK



The gloomy reality of the crisis in Europe has overshadowed the majority of the conversations within the last half of a decade. The crisis has been *the reason*, the crisis *has been* the experience, and the crisis *has been* the determinant of the options. It implied the confinement of politics, it limited the programmatic horizons and it imposed many ungrateful tasks on active politicians. Even if some would have liked to use the crisis as a chance to liberate from the formerly already powerful neoliberal doctrine (famous “never waste a good crisis”), they found themselves bitterly disappointed. Not only had the crisis exposed its failures, but paradoxically became the factor of strengthening for financial capitalism. In the *Schumpeterian sense*, it was rather a catalysing moment for its acceleration. Consequently, this very same crisis has become a constant feature of the contemporary times. For many, it has turned into the only reality they can remember or envisage. And that is perhaps one of the most relevant lessons to draw: this crisis has been so profound and so long lasting that it has grown to be a certain narrative in itself.

This observation provokes the following reflection. The debates about the crisis have been nourished with very rich literature, endless statements and numerous protests. The attempts to emancipate, both intellectually and politically, have still been considering that profoundly relevant to acknowledge the crisis by departing from phrases such as “searching for ways out of crisis”. The dictate of the logic has been so eminent that there is even a separate dispute on whether the situation at hand is still within the crisis, in the crisis aftermath or on the eve of the next crisis. None of the positions embodies however an ambition to really look beyond. Without denying importance to the entire solid academic and strategic work in designing “alternative recovery paths”, which constitutes a great contribution from progressive thinkers and experts, this focus remains incomplete unless the longer-term mission of the movement is being framed. And this is precisely what this particular volume is trying to answer to: an eminent need to propose a *New Progressive Narrative*.

This quest for a different way of thinking begins with a commitment to a belief that ideas still matter. Though this conviction may appear self-evident, while looking at the

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contemporary state of politics, one may assume that in fact it no longer is. Perhaps it is an off spring of the *financialisation* of political debates, but it would seem that there is less and less place for idealism. Instead, there is more and more a sense that certain ideological proposals, even if they are most integral to the system of values and hence also most noble, cannot be spelled out. The reason is a fear that instantly they will be called “unaffordable and too idealistic”. This programmatic defeatism needs to be fought against, as it is most discouraging and most impoverishing. It is also one of the greatest obstacles in terms of *Framing a New Progressive Narrative*.

While having courage of conviction and feeling secure in assuming more idealistic standpoints, it is relevant to try to keep in mind that a true renewal is not “once-upon-a-time” effort. In fact on the contrary – in order to be successful, it needs to be a continuous process. There are a number of reasons to offer. The first one is that the credibility of such an endeavour depends on the depth of reflection, number of people involved and inspired by it, as also in how far the outcomes are truly innovative. The second regards the capacity of setting the evaluation criteria. To give an example, even if the most spectacular and feasible alternative would be proposed now – it is likely being judged with the crisis-narrative imposed criteria, it can be easily undermined and herewith dismissed. And thirdly, the reason for an incessant process is that the surrounding conditions keep on changing.

Indeed, while the crisis have been imposing a logic of overall decline (living and working conditions), the answers to it have been in many ways focused on preserving or returning to previous standards. However they may have been set adequately to the social aspirations and existing possibilities in the previous moment of history, but it is impossible to continue making them a blueprint for an alternative. It is simply because the world moved on. With its turn, also the societies have been transformed, which has influenced both their expectations and their commitment to the previously framed common cause. The way forward is not about looking backwards, but on the contrary. It is about embracing the permanent change. However in order to make a difference to the decline, the essential controversial point should be about how to ensure that any transformation is steered by democratically legitimised politics, which is led accordingly to the communitarian values-based mandate and for benefit of both all the individuals and the entire societies.

This touches upon another, extremely relevant question. It concerns the challenge that is not only about laying out a different scenario, but mostly about ensuring that it is being distinguished amongst many others. While the crisis-narrative has been a prevailing and dominant one, it has been fairly easily assumed by all its contesters that their respective leverage in campaign terms lies in talking about “an alternative”. The problem with that is double-folded. Firstly, the success of the crisis-narrative is that it infiltrated all dimensions of political thinking of all the political families – regardless of their partisan colour or pro- or

anti-systemic attitude. Secondly, once everyone started using the rhetoric of an “another option” – it became unclear who is the main opponent and who has got a really distinctive proposal. The point of that observation is that it is no longer sufficient to speak in broad rhetorical terms about taking a different path. It is necessary to consequently point out the choices, including the hard ones that need to be faced.

Subsequently, there is a need to realise that any search for a *New Progressive Narrative* is not a simple, agreeable way towards regaining popular support and enjoying the privileges of governing. In terms of real politics, which is based on ideological integrity and far reaching political ambitions, such a way does not exist. It is unavoidable that the conflicts are to emerge. The crisis shook the equilibrium of the social order by precisely inducing the clashes, which derived from growing inequalities and deepening gaps between different societal groups. These have not yet been sufficiently addressed, especially that the neoliberal remedy to the predicament took the form of austerity and further cuts of the mechanisms aiming at providing equal opportunities for all. Hence the new vision must not be following the old-fashioned, nostalgic even, logic of catch-all parties. On the contrary - it must assume the position on the new battle-ground. Instead of trying to appeal to the image of society from the past, it must start from the scratch. It must find ways to elevate the individual experiences of injustice, unemployment or poverty into a level of a common, societal story. Uniting in that way all those excluded and alienated within the current fragmented societies, it stands a chance to forge new alliances and build new communities. Based on that, it can then be serious in terms of presenting itself as a contender in another, but yet again historical struggle. The aim of that is a new vision for prosperous and just societies, which based on a *New Social Deal* adequately benefits from the gains of regulated financial capitalism.

The tangible proposals on how to achieve that constitute the core of this 8th volume of the successful FEPS Next Left Book series. The very rich, academically excellent and politically inspiring material gathered in here represents the contributions that had been received in the FEPS Next Left Symposium that under the same title was held at the University Pompeu Fabra in Barcelona on 9th – 11th May 2013. This conversation attended by most renowned scholars and experts constituted the continuation of the “Transatlantic Dialogue of Dialogues”, which had been launched in 2010 at the Watson Institute of Brown University and featured also a seminar at the Institute of Global Law and Policy of Harvard Law School in 2012. For the opportunity that this partnership has been offering – we remain most grateful. Its realisation on the European side, would not be possible without a great support and involvement of Renner Institut (which has been a partner within the Next Left Research Programme since the beginning), as also the cooperation and hospitality of Rafael Campalans Foundation that hosted this event. We would like to thank these two partners most warmly for an excellent teamwork.

The volume is composed of 5 sections and annexes (which enclose information about the FEPS Next Left Research Programme, biographies of authors and a short presentation of the previous FEPS Next Left publications). The four thematic chapters correspond to the building blocks of the symposium in Barcelona and feature the 13 written contributions, which had been presented prior to the event and amended following the discussions. As the reader will discover, they are written in respectively different formats – reaching from essays to academic papers. They present themselves a great testimony to the character of the discussions which are led within the think tank world, and which incorporate a fascinating, constructive tension between scholarly and politicised currents within.

The first chapter takes on the challenge of *Reinstating Values-Based Politics*. In the opening article, Michael D. KENNEDY argues that a *New Narrative* has to be built around the notion of solidarity. Pointing out at the transformative and consequential features of a new, proposed interpretation of this value, he argues that it needs to be seen as a bridge towards the future. It should be bridging therefore beyond existing injustice and offer a connecting point for those currently alienated. The issue of bonding between politics and society lays also at the core of the paper by Ania SKRZYPEK. She provides a solid critical assessment of the “TINA-rhetoric”, while simultaneously asking a question why social democrats have not been the one to prevail its two reoccurrences in the 1990s and 2000s. Looking from that angle at the social mobilisations, A. Skrzypek examines five ways towards restoring a sense of politics and reconnecting with voters. What may sound as an oxymoron, but what connects these deliberations with the ones of Oriol BARTOMEUS is the focus on phenomenon of powerless politics. In the light of the latter’s article, it is incessantly connected with the emergence of the crisis and its overwhelming influence over political thinking. O. Bartomeus points out that the lack of moral underpinning in today’s politics in conjunction with its *bubblezation* makes it very hard to envisage ways to re-establish its credentials. This is especially in the times, when it is under the pressure to respond to assumed demands of “easy solutions to complex problems”. These three more theoretical deliberations are well contrasted with the complementary piece by Rupa HUQ. Being both an academic and a politician R. Huq offers qualitative analyses of developments in Britain. Taking on board a number of case studies, she proves in her contribution that an idealistic standpoint can be easily connected with practice, following the saying: where there is a will, there is a way.

The article of Mark ELCHARDUS and Monika SIE DHIAN HO opens the second chapter *Defining Modern Progressivism*. The authors offer there a way to look beyond the contemporary confinement, by introducing a thought-provoking term of a ‘post-liberal narrative’. In the course of the deliberations, they look at its potential power of appeal vis-à-vis contemporary societies. In that context they argue that the sociological analyses have been deceptive, while confusing individualism with individualisation. Having that distinction

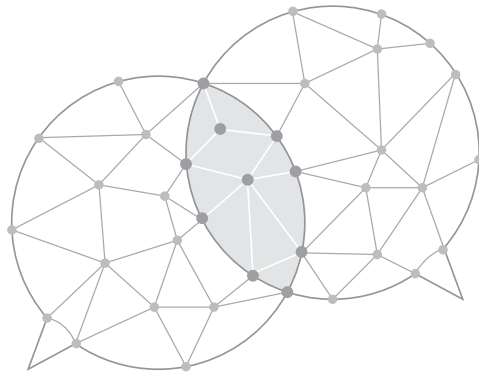
in mind, M. Elchardus and M. Sie Dhian Ho argue that with the high level of individualism and low level of individualisation, where a New Progressive Narrative can make a difference is through a proposal how people can obtain more control in order to shape their lives, attitudes and tastes. The question of societal and political behavioural patterns, is also what animates Yannis Z. DROSSOS. In the course of his deliberations, he reviews the idea of 'living and leading by example'. He analyses diverse types of a progressive model figures. In his conclusion, Y. Z. Drossos suggests that 'the next leftist' would need to be someone, who can engage within the global dimension through the existing information structure, showing ability to use the understanding gained there to connect the individual realms with societal relevance. This constitutes a link between his and Inge KAUL's article. Her closing piece presents a strong set of arguments why "smart sovereignty" should be a determinant feature of the new progressive thinking. Whilst calling for an agenda of fairness and effectiveness, I. Kaul claims that the only way for domestic politicians to gain required credibility is to prove that their thinking is complex, multifaceted and reaches new horizons beyond the national borders.

Within the third chapter *Stimulating Growth, Creating Jobs and Providing Welfare*, Paolo GUERRIERI's article provides an excellent link between sociological-anthropological deliberations and the socio-economical ones. The author argues that the unemployment figures indicate a real state of emergency, which can be overcome if an adequate policy mix is applied. P. Guerrieri reaffirms that however the fiscal consolidation and external rebalancing are obviously necessary, still they have to be economically and socially sustainable. For that reason return to focus on growth is still essential, this will enable especially peripheral countries in particular to fight unemployment. The condition of the labour market is also at the core of the paper submitted by Rémi BAZILLIER. He looks, more precisely, at the labour market institutions, trying to figure out ways in which they can be substantially strengthened. The logic of his consideration seeks to map the path towards ensuring high social protection standards, while at the same time accomplishing the quest for a modern productive economy. R. Bazillier's hypothesis here is that the promise of *predistribution* carries therefore a lot of potential, enabling to interfere at the beginning of the processes instead of merely offering correctional mechanisms at their end. This conceptual framework is also noticeable in the last article of this chapter. Anton HEMERIJCK invites there to move beyond dialectics of "frozen welfare states", pointing out that many of them have been continuously self-transforming and to the contrary of common belief, have played a proactive and reconstructive role. While arguing for a New Social Deal, A. Hemerijck shows how to proceed; whilst accepting the necessary fiscal discipline and in parallel not giving up in terms of social objectives. One of the proposals is to revisit the social investment paradigm, which argument the authors backs with thorough analyses of the recent history of social reforms. Last but not least, he challenges the

readers to start thinking about social policies also from the angle of their (economically) productive functions.

The last, fourth chapter *Delivering within a Realistic Union* features three articles. To begin with, Leopold SPECHT makes a strong case that a political response to the current state of affairs within the EU should entail a guaranteed minimum for each citizen. Looking from judicial perspectives at the question of redistribution and entitlements, the author eloquently exposes how the crisis has enabled further institutionalisation of technocratic policies within the Union. He argues in that sense against the neo-liberal underpinning of the socio-economic contemporary strategies, indicating the paths leading towards a democratic and social Union instead. The herewith-raised set of problems is echoed also in the paper of Matjaz NAHTIGAL, who denounces the institutional pragmatism of the Union and calls for more of “re-imagination”. His proposal is to consider more of a bottom-up approach for restructuring of the EU. He advocates that this would help bridge beyond the existing divides, as it would also present itself as a credible alternative to the classic top-down and one-size-fits all approach. M. Nahtigal believes that in that way more space would be given to retrieve and re-track existing opportunities and capabilities, enable more initiative and innovations, as also to re-engage the citizens. This is essential to the argument introduced also by Dimitris TSAROUHAS in the last article of this chapter, which points out at the immense lack of legitimacy and the need for the Union to reform. While looking at the multi-level design, D. Tsarouhas points out its shortcomings and deficits due to which also there is such a challenge in trying to politicise the EU. The parties, who should be taking this mission, face there additional obstacles - having issues with connecting the national and EU operational levels. To that extent, the author claims that the crisis constitutes still a certain opening and a chance for change – bridging in between them through consolidating policy initiatives such as FTT or the Banking Union.

All in all, *Framing a New Progressive Narrative* constitutes an astounding collection. The articles included abide by the principles of academic excellence, while bringing forward a set of stimulating, frequently courageous, but always politically viable proposals. Connecting different contexts and offering complex answers, they form the best proof that not only there is a way to break out of the hegemonic crisis rhetoric, but also that the strategy to accomplish it in a coherent, and ideologically integral manner is fully plausible. To this extent this exhibits a showcase that the power to restore a sense of politics and to reconnect with voters depends on bold, inspiring ideas – samples of which are is herewith offered for readers' kind attention, consideration and hopefully further debate.

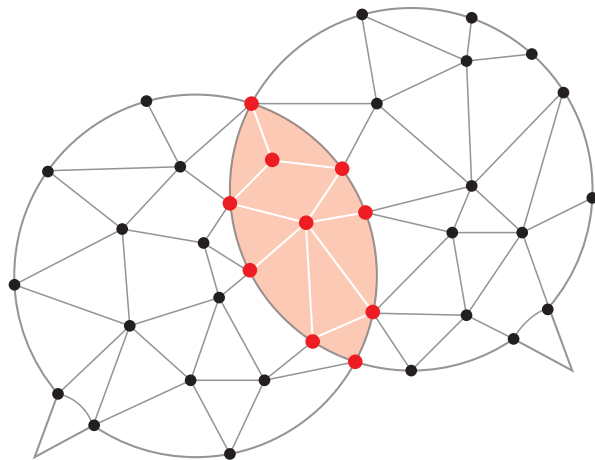


**FRAMING
A NEW
PROGRESSIVE
NARRATIVE**



Alfred GUSENBAUER

For an Idea, an Ambition and a Strategy – Designing Social Democracy in the 21st Century



Political discourses of the contemporary times echo certain nostalgia. It reverberates in terminology, which has become a sort of professional rhetoric. The dominant concepts are described with the words that incorporate prefixes “neo” or “post”. They emphasise the inclination to rather adjust, but nevertheless continue. Those on the side of the current mainstreaming neo-liberalism advocate for it to be the only ideology that bridge with the future. Their ideological opponents respond with answers that call upon the return, or re-launch of alternatives. Such ones seem to be offered by neo- or post-Keynsianism. On both sides the references remain well-known frameworks of political thinking. These determine the limits of political imagination, placing anything profoundly innovative or different beyond the brackets of what is safe or even considerable.

This diagnosis provokes claims that this is an “end of an era”. These statements reappear every time history is about to take a new turn. They are not at the core why the situation is worrisome. It is the pace of the world's evolution. And here through societal and economic developments seem rather unmatched in their speed as far as political thinking and acting are concerned. Politics has become rather a way to lean in into the course of events than an art to lead forward. Hence the challenge to establish primacy of politics in contemporary times should not be seen in terms of institutions and regulations. These are important, but secondary. It should rather be considered as a primary mission to lay out a greater vision, which would reflect societal hopes and aspirations. For that however more ambition and courage would be required from the side of the political class to propose not so much of “neo”, but more of “new”.

This would demand liberating itself from narrowly interpreted dogmas and sentimentally abused traditions. The division between the political left and political right can no longer remain subjected to anachronistic concepts, which no longer reflect even dividing lines within the contemporary societies. “Ideological treason”, which has been pleaded towards many innovators, cannot be a category to judge new ideas. This is while of course the criteria in how far they enable to transform the traditional values into contemporary reality should remain the evaluation measures. The political legacy of social democracy can be

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safeguarded only if the contemporary generations prove that it can still be transformative as an idea, that it can show a new societal ambition and that it can be a successful strategy.

For an Idea – Restoring Sense of Politics

The most common response of social democracy regarding its electoral losses in Europe in the first decade of the 21st century was that it “betrayed its electorate” and consequently was “punished” by voters. The diagnoses in itself shows traces of wishful thinking. First of all, it stipulates that there is still a possibility to talk in categories of “own (core) electorates”. Secondly, it anticipates that what previously was proclaimed to be close at least to “golden standards” of social democracy would carry an eternal appeal power. Neither of these can be possibly proven, while there are numerous studies showing the contrary to be the case. The electoral volatility of traditional parties seem to be a growing phenomenon, while at the same time any ideology – social democratic one included – should continue to self-transform, shall it want to guide political answers of modern times.

With the declining trend being slightly reversed with the recent elections, social democracy appeared relieved. Even though the electoral results did not show a major shift in terms of gaining support, at least it allowed several parties to return to governments. With that the spectre of a total defeat faded away. Instead the weak results have been explained with the crisis that the entire political system is undergoing. Following that, though it would have been unthinkable just a couple years earlier, the theory that “elections are won in the middle” has got its own revival. And herewith in the light of its internal debate, social democracy found itself framed in-between criticism of having been “too centre” and “too left” within the scope of just 5 years. One could dispute both disparagements, however the common point for them would seem most obvious that it has consistently shown lack of its own direction.

This should not be misunderstood. Evidently, social democracy has been calling for an “alternative” path, especially since the global crisis hit in 2008. However it has become verbally outspoken, the consistent holistic framework to support this call has still been lacking so far. This is visible in three dimensions.

First of all, social democracy itself got accustomed to operate within the neoliberal framework. This meant that its space for both conceptual and political manoeuvre has been rather limited. Within it, the traditional centre left programme has been undermined. An example of that is the criticism of the welfare state, which was portrayed as unsustainable. This put social democracy in a precarious position, as any new idea could easily be dismissed as “unrealistic” or “untenable”. Secondly, the narrowed political space meant that there has been very little room to propose a truly distinctive alternative. Herewith, though social democrats have been calling for “another option”, they still were forced in

a number of cases to follow the path towards austerity. So even if there were relevant differences, still at least some of the centre left parties are held responsible for the impact those policies had on societies. This weakens credentials they aspire to, trying to describe itself as a party that “want to bring a difference”. Thirdly, the danger of the new bubble is more than real. It means that soon the situation may deteriorate further. The reason to believe that it is going to be worse than before is that many tools to manage the impacts of the previous blow have already been exploited. Nowadays the mechanisms to cushion new predicaments are very limited. Herewith the political class altogether, with social democracy included, may find itself powerless.

Therefore social democracy must find within courage to liberate itself from the neo-liberal framework. Perhaps therefore a call for “an alternative” is becoming slowly not ambitious enough and should be replaced with a proposal how to profoundly redefine sense and herewith restore the idea of politics. This means that though the movement has evolved and imprinted in its fabric reformist logic, more of radicalism of a new character would be rather required. This is essential to show differences vis-à-vis neo-liberalism, offering the real democratic choice to the citizens. It is indispensable, shall social democracy carry an ambition to look at the long-term horizon and avoid drowning in the rejectionist and anti-systemic reactions that the upcoming crash is to enhance.

It is natural that an attempt to change the terms of the debate will not be broadly welcome. This is not the only risk, as of course any new idea bares the danger of being unsuccessful as well. Nevertheless there is no other way that to try – even for the sake of offering what has already been mentioned as a sense of offering a choice. The aim of providing an option should however also look at the two aspects. First of all, it should change the terms of the debate. It should restore the focus on ideology and move away from the pragmatically obsessed calculations. This is in different words also a way to move away from the financialised debate and reintroduce social values as criteria of evaluation of politics. Secondly, it has to seek further new quality of politics. This equals refocusing on politics anchored in substance as opposite to politics based on package.

The later one is extremely relevant. The renewal of politics and herewith renewal of social democracy cannot be focused on appearances. The power of appeal must be originating from a vision and not from a visual identity or image of a candidate. This is why rejuvenating candidate’s lists or party boards are hardly enough to convince the voters that a profound re-foundation has taken place. Evidently it means going against the tides, especially that the recent campaigns show that the attention is rather drawn to the question “who is nicer”, “who is cooler” or “who shows the middle finger”. But even if that constitutes a spin-off in a given moment, it is not enough to create a momentum – and this later one is what social democracy needs to win support that is large enough for the centre left to bring about a significant change.

For an Ambition – to Define a New Agenda

The courage to propose a different idea must be anchored in a genuine ambition to shape the course of history. This requires a different understanding of the questions of power, governance and electoral victory. They would have to be redefined in the different terms than the one that is determined by the 24 hours media cycle and that imposes a census of subsequent elections. On the contrary, social democracy should abandon thinking that focuses predominantly on its electoral survival. This has been a result of anxieties that the movement experiences in the first decade of the contemporary century. Rather, it should begin with the longer term perspective and herewith set the list of its political priorities through which it wants to answer the socio-economic questions of the modern times.

To begin with, social democracy must restore its own understanding that the “social” policies are in fact “societal ones”. As long as this is not the case, its agenda will remain to be seen as “an addition” to the economic policies, aiming at nothing too different than that of “financial capitalism with slightly more humane approach”. This is hardly an alternative. Instead it should pose a question on how this stage of capitalism can be subordinated to policies that serve creating a better, more equal and just society. Answering it will require engaging with people, for which reason empowerment that enables civic participation should be on the top of the agenda.

Neoliberal order created new and enhanced already existing inequalities and social divisions. The gap between rich and poor, the split between outsiders and insiders of the labour market – to point to just two examples – these erode the connections between individuals and deteriorate communities. With those relations fading away, the power of appeal of “common values” or a “common cause” is naturally decisively weakened. So that as such influences the participation in any common endeavours, starting from local level initiatives or workplaces and finishing at politics at the national level. To make things worse, seeing politics as powerless as it is, people tend to believe that their involvement brings no difference. This is especially when themselves they feel disempowered, fearing for their very own futures in socio-economic terms.

This is why social democracy must begin with the democratisation of economy. It must be a starting point of its offer in terms of providing a choice. It must pave the way to a new consensus, in which the financial capitalism is bound to contributing to development of a real economy and to providing means for advancing in terms of social goals. It must stand on an understanding that existing capital must be invested, becoming an engine of economic revitalisation instead of remaining a gear for an ongoing carousel of financial speculations only. In that sense, the principles of social co-decision must be exercised through all the channels, re-empowering voters, citizens, workers, and consumers etc. to have a say.

The underpinning hope remains that, as ever in history, through participation it will be possible to jointly reach out to different forms of engagement. Most naturally, many of them may appear quite different in comparison to already known forms of political participation. The two recent mobilisations, both of alter-globalists and of the “occupy” and “indignados” seem to indicate it. Social democracy must anticipate on it, being prepared to interact within the ambiance that this will create. Unlike before, it should not reason within its own organisational terms, hoping to annex these sorts of movements. On the contrary, it should rather see in it the above mentioned momentum, when the claims for its own traditional points of agenda are being made and when it is time to step up onto the stage. This is the way to bridge with society and prove that the negative experiences have taught the movement much. Without that it may prove hard if not impossible to re-establish the connection, as just claiming that “we have been wrong once, but now we are so much better” is likely to prove not to be enough. This is especially implausible in an era, when political declarations are so easily doubted.

While spelling out the new historical aspiration, social democracy must focus on what society it aims to create. The objective should not be described as “re-creating” in terms of “post” or “neo”, on the contrary, it should set up the ambitious agenda that also matches the possibilities that the contemporary times potentially could offer. This is why the core values such as equality or solidarity should not only be defined as in opposition to the contemporary situation, but also in the anticipation what the different developments may bring along. Quality employment, especially for young people, labour and social rights, welfare state – these all should be reinforced as priorities. However, in this spirit, they should not only be seen as “fixes” for contemporary challenges, but rather as transformative tools.

And this is a path on which social democracy can change the ways it is being portrayed by political opponents and hence perceived within society. Following the crisis, it still pays a price of being a force that is “good at spending” in a “charitable way”. In the narrative of liberals and conservatives, the expenses made in the spirit of welfare state, hence of social justice to ensure universal access to high quality public services and goods have been diminished to “financial burdens”. They have been pointed at as the cause of public debts in simplistic ways. The way out in terms of restoring economic credentials is to show a different sort of understanding than the one promoted by the others. Once they say that politics is just about creating conditions, social democracy should be able to prove that the politics can actually still be about more. Herewith jobs’ creation is the most important test that the centre left must be able to pass in contemporary times.

For a Strategy – to Win the Future

With courage to put forward a new idea and an ambition that goes beyond the rigid limits of the subsequent electoral terms, social democracy must also change the way it thinks about itself. Though it enjoys its proud tradition of emerging historically from the workers' mobilisations, it would seem that the characteristic that it misses the most at the moment is precisely being a movement. Despite its anti-systemic origins, it evolved to be part of the system. It melted into the fabric of partisan set up, which not only narrows the creational and operational scope of politics, but which is also drifting more and more away from the points of reference that individuals hold important.

To begin with, it is important to redefine social democracy not in terms of the party concept – but rather in ideological terms. It may serve as a new opening that would enable establishment of a broader progressive alliance. This would allow setting up new boundaries in terms of focusing on a common cause. And in this sense a different understanding of political conflict, consensus and coalition would be required.

Furthermore, there is a need to broaden the debates on social democracy. While stepping out of the partisan limitations, new opportunities will appear while re-connecting with individuals and groups that have disfranchised from the centre left in the past. This would mean embracing an idea that progressivism may be as much a political concept, as it can and should also be a cultural haven and intellectual challenge. The first may help attracting groups that are currently left over on the margins of the political appeal, and the second re-energising a debate on the aims and policies of the movement as such.

While looking at the organisational renewal, social democracy must also enter spaces where the debates are being led. It would seem that in recent years, it has rather been a follower than a protagonist of the new communication solutions. It gave into different fashions, experimenting with the “Americanisation” of the campaigns at the beginning of the last decade, gearing up for the social media a few years later and re-discovering canvassing just recently. All the methods are applicable in different ways, however there needs to be a more coherent and coordinated strategy that puts social democracy rather as an animator and not just a participant of different phenomena. In that sense, there is also a need to return to the conventional media platforms. These also evolve and serve different, often broader purposes than before. Social democracy must gain a better understanding of these processes. Essentially there is of course never a potential for a permanent mobilisation, but in the new reality of continuous media cycle centre left must gain a greater ability to shape the directions of the debate.

Concluding...

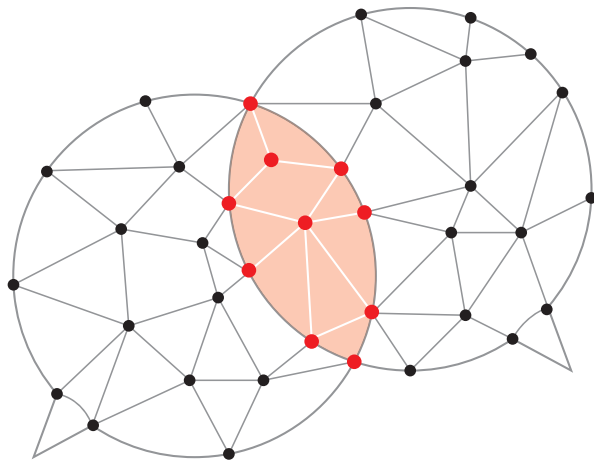
“Framing a New Progressive Narrative” requires courage from social democracy to risk a profoundly new idea that would serve setting new goals and serve in terms of restoring sense of politics. Equally, it demands an ambition to bring about the profound change, while both responding to the needs of the contemporary societies and anticipating on the future developments. Last but not least, social democracy has to urge different thinking about itself and its’ organisational set up, while figuring out the ways to engage with individuals and communities.

The patchwork of these qualities: visionary approach, political bravery and organisational openness are key ingredients to designing a progressive movement that is able to face the challenges of the 21st century and that has a potential to shape its course. An obligation to offer such a choice is a historical one and one that can't wait, especially when the spectre of a new crash seems to be already haunting both worlds of economy and politics. The momentum to return with a strong proposal has to be grasped now – and the herewith presented deliberations may serve as an inspiration for those who in fact would dare.



Esther NIUBÓ CIODONCHA

Towards a New Narrative... The Next Left Symposium in Barcelona



For the Foundation Rafael Campalans it was an honour to host in May 2013 in Barcelona the symposium "Next Left: Towards a New Narrative". We have been delighted to work with FEPS in cooperation with the Renner Institute, the Institute for Global Law and Policy and the Pompeu Fabra University, putting together an event that allowed us all reflect on convergences and divergences of the contemporary progressive political agenda on the both sides of the Atlantic. In that sense the exchange has been crucial in fostering the mutual understanding in the framework of the transatlantic academic and politic dialogue.

The programme of the seminar was structured into 6 different thematic pillars. Each of them reflected the challenging queries that should be addressed while seeking creation of a new progressive narrative. Among these were: *Restoring sense of politics*, *Distinguishing modern progressivism*, *Formulating a global agenda*, *Politicising European Promise*, *Building a welfare society*, and last but not least, *Creating socio-economic paradigm*.

To reiterate, for the Foundation Rafael Campalans, it was a delight to be a home and a stop for such excellent, accelerated debates. We consider them essential to identify necessary reforms that are needed in different areas. Together with the invited outstanding scholars, experts and think tanks' representatives, we are certain to have, at least modestly, contributed to questioning the current constraints of politics, finding new sources of confidence and mapping the areas where social democracy could gain in terms of credentials and credibility in Europe.

Starting with the political field, the extremely rich debate resulted in a several conclusions. To begin with, it was observed that momentarily politics not always provides sufficient explanations. Consequently also, people do not perceive politics as useful tool and they doubt in its capacity to shape the reality. This made it only easier for the neoliberals, who have gained their ground and have subordinated politics and political debates to economical terms. Yet another cause of the degradation of politics' image is the apparent noncompliance elected representatives with the electoral pledges. Especially since the start of the crisis, many escape from those arguing that "there is no other alternative" (TINA) or that "politics (social democracy included) should become more realistic". This approach

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allows politics to fall into yet another trap – which relates to emergence of mediatisation. Politics have become more about presentation than about content.

Subsequently, one of the key questions of the seminar was how to restore the sense of politics. It was argued that politics must rebuild ties to economy in a way allowing it to regain its primacy and regulative powers. In order to regain the trust of citizens, politicians must be conscious of the hopes and aspirations that are entrusted in them, taking their offices as a matter of fulfilling promises and acting by principles. They must be role models and serve as examples to the societies. Hence it is very important that politics is once again defined in terms of ethics and rules of conduct.

Furthermore, the role of ideologies has changed. They do not seem to carry the same importance as they used to have in the past. It is neo-liberalism that acquired mainstreaming position to such an extent that many issues seem to have become de-ideological in parallel. In that context, it is often really difficult to detect differences among respective parties' ideologies. People's ideas have been packaged in order to appear homogeneous, making it possible for the elites to talk in terms of "horizontal" parties and "issue coalitions". Dominance of this trend meant that alternative ideas are nowadays frequently considered peripheral, of even anti-system. One of the reflections of the debate was that social democracy (together with other traditional political families) finds itself now in a *post-catch-all* era. There they aspire to embrace a lot of different policies, which makes them frequently end up presenting such a broad political – that seems to fit for all, and hence appeals to no one.

In the discussion regarding the state of democracy, much attention was devoted to the new criteria of describing and hence evaluating participatory politics. The recent experiences of social mobilisation were named as one of the incentives. What is more, there is a need to clarify how citizens' satisfaction and dissatisfaction are both measured and understood, becoming a new set of measurement to evaluate quality of a democracy. To that end, the role and influence of mass media (being fourth power) should be examined. That is especially because in the times of "packaged politics" they are profoundly important to comprehending how people and parties make choices. The conclusion deriving was that it would be necessary to think how to provide politics with new ways and tools, which would aim at empowering people in terms of acquiring sufficiently information about reality and herewith enabling them to make conscious, rational choices.

A very interesting thread of the deliberations concerned the renewal of social democracy. Most of the speakers departed from the point that the world has become very complex, and hence also the policy agendas has become more compound. This obliges political parties to constantly adapt to new situations, while balancing in their rhetoric "bigger picture" with essential, but miniature even, details. Since the outburst of the global crisis, it would seem

that social democracy has had difficulties with reaching this state of equilibrium. This had an impact on capacity to provide distinctive, bold alternatives.

A number of reasons were given to why social democracy lost support of so many voters, even if it stopped losing elections in a catastrophic manner. It was suggested that social democracy has in fact lurked in and borrowed some of the proposals, as also some of the attitudes from the centre right. This trend was a side effect of the above mentioned “catch-all-party” fashion. Consequently, voters felt that they were not choosing among different directions, but rather among diverse managerial options. The divergences lines became blurred. To that end, social democracy has become “part of the system”, which is facing a lot of pressure with the emergence of the protest and anti-establishment movements. They come into sight also on the left as possible competitor. Therefore social democracy needs reemphasise its principles, forging its greater commitment to them and herewith showing much more of ideological integrity. This however should be achieved, while simultaneously opening the movement and enabling new debates to take place in junction to it and within it. This is relevant, while holding onto an ambition to consider paths towards an indispensable social-economic transformation, which is essentially out of reach for as long as there is no clear break-out from the neo-liberal paradigm.

Following this debate possible ways through which social democracy can re-establish itself after the crisis, the participants returned to the earlier points regarding sense and essence of politics. They remarked that many people perceive politics as powerless and useless especially nowadays, since it failed to show the ways out of crisis. It not only did not manage to tame the predicament, but also it has not offered real remedies to increasing social inequalities, extending imbalances and growing tensions. Therefore, it is important for progressive forces to open their agenda, to be bolder and to embrace different issues. This is the way to show that there is more in terms of a political horizon than a bunch of temporary fixes and short term exit strategies.

Indeed, contemporary societies are very diverse and divided. The problem is that people feel that they can no longer count on one another. They feel disempowered due to the crisis. Hence they feel neither a sense of belonging, nor they have sensation of a capacity to get together and strive jointly for a better future. Therefore there is a necessity of creating a new social contract, which would bring individuals together and create new frameworks within which societies could thrive. From a progressive point of view, it would be imperative to reject the “This is no alternative” rhetoric, as because it is limiting, undemocratic and herewith confining in terms of setting this new deal. Without it however, social peace and stability cannot be achieved.

Following that, the crisis should be examined in the context of the contemporary social question. Existing social inequalities should be taken as a criteria to measure the institutional scope of it. The indicators referring to growing inequalities show at this

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point that it would most difficult to reboot and reset, so that the negative trends could be reversed within the time framework of one generation. But this should only be additionally encouraging, especially that the welfare society debate cannot wait till “after the crisis”. This is a very true observation, taking into consideration that crisis has been persisting so long that it has almost become the “only known reality”.

There are several points that the welfare society debate should touch upon. To begin with, despite self-transforming feature, welfare state models seem to have become inflexible. Therefore they lack capacity to respond to people’s necessities, for which reasons they have been heavily criticised. Furthermore, the debate on funding versus spending has been particularly harmful. The welfare states have been portrayed as a reason for public deficits, which attack was launched with disregard to the fact that bailouts were the core reason of misbalance in terms of many states’ balance sheets. This debate nowadays, furthermore, disregards completely the question of social costs of the austerity policies.

The reform of the welfare state is necessary also due to the changes within the labour market. Its transformation is nowadays somewhat only randomly related to the ongoing changes within our societies. From behavioural perspective, people now don’t see a job as an employment for life, rather as a task that they have in the particular moment of their lives. With the crisis bringing additional destabilisation, they are aware that they need to adapt constantly. What social democrats must do is to reiterate its commitment to the pledge of full, quality employment. The debate must incorporate the questions of incomes, which better than simple calculation of wages reflect the dedication to realised a promise of decent life for all. Additionally, progressives must reclaim and reformulate profoundly the concept of flexicurity, which has been hijacked by neo-liberalists. If it was to be understood as a political issue, as a matter of empowerment and self-determination, it is a way to approach regulations and put emphasis on the respect employee’s rights.

Finally, concerning the European framework, speakers agreed that as a result of the crisis, many people have started to doubt if there is a future for the EU. It suffers from lack of credentials, since it has failed to manage the crisis and reduce the impacts of it. There is currently a lack of solidarity, not only among citizens but also among states, which leads into mutual blaming and shaming. It induces internal competition, is unsustainable and moreover, induces a very serious EU identity crisis. In the light of that, it is worth to remind that the historical success of the unification process was the fact that the cooperation among states meant not only growing interdependence of Member States, but also translated into a system of mutually created guarantees. This is part of what some would name “smart sovereignty”. Because of the scale of the problem, it cannot be fixed with small steps. There is a need for a more ambitious agenda, which should be framed also in the logic of a new social contract. It should pave the way to another EU, as also it should shape a new, better relation between the EU and its citizens.

Last but not least, the discussions looked at the developments on the global level. It was stipulated that the current international system is not adequate to face the challenges that are ahead. So, the *new internationalism* should become an objective. It should be a building material to construct a transnational social agenda and re-define sovereignty in a *smart way*, introducing the new, but really essential understanding of complexity and interdependence on a global level.

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**FRAMING
A NEW**

**PROGRESS
NARRATIVE**



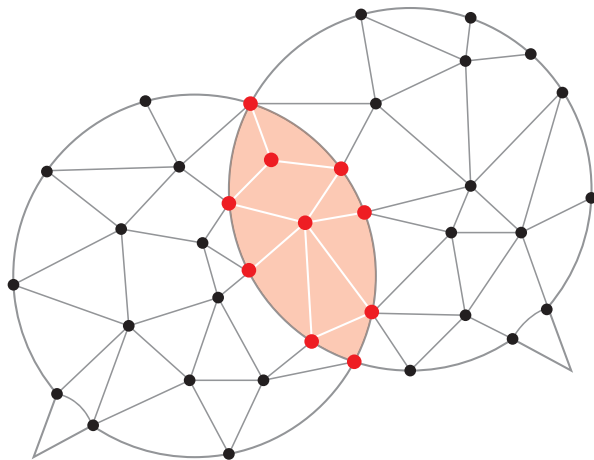
Reinstating Values-Based Politics

SIVE



Michael D. KENNEDY

From Affirmative to Critical Solidarity in Politics



Keywords:

Solidarity – Hactivism – Corruption – Direct Action – Occupy

Abstract:

Solidarity is about both principle and passion. It is about identifying injustice but also recognizing one's fellow. In what follows, I explore some of solidarity's conceptual foundations and emergent political expressions, along with its new means and antagonisms. I don't manage here to provide that alternative narrative that the Next Left seeks, but I do think I pose questions that the Next Left should not avoid in that narrative's making. Hactivism as means of direct action and corruption as pervasive condition not just in others' societies but in our own are vital questions to consider, especially as we move beyond an affirming to critical solidarity.

The next narrative needs to be built around solidarity. But that begs the question: with whom, around what and where? And once we answer that question, we might better answer why solidarity matters so much.

Austerity is the most obvious place to start, and that can be extended. It's quite possible that Hannes Swoboda¹ may be right in his own emphasis, in accusing Wolfgang Schauble of "neocolonial behavior" with regard to the Cyprus bailout.² To realize solidarity around who is genuinely in association with the people of Europe rather than the bankers of Europe, and to link them to narratives of imperialism, sounds promising as a political slogan.³ I think that is the obvious approach, but one that does not require critical public engagement as much as it requires mobilizing elites to recognize their own implication in austerity's destruction.⁴ Solidarity is a different question than identifying what's wrong.

Solidarity is about both principle and passion. It is about identifying injustice but also recognizing one's fellow. In what follows, I explore some of solidarity's conceptual foundations and emergent political expressions, along with its new means and antagonisms. I don't manage here to provide that alternative narrative that the Next Left seeks, but I do think I pose questions that the Next Left should not avoid in that narrative's making. *Hactivism* as means of direct action and corruption as pervasive condition not just in others' societies but in our own are vital questions to consider, especially as we move beyond an affirming to critical solidarity. But let me begin with some exemplary narratives that are restoring solidarity in European Union politics.

1 President of the S&D Group in the EP and MEP from Austria

2 <http://euobserver.com/economic/119838>

3 At the same time, that can easily tap a subconscious wish among many to go back to the times when Europe enjoyed its place in the world defined by colonial presumption. . Indeed, some of the recent work illustrating how German elites, far more than German citizens, have benefitted by the terms of Euro trade is a start in this direction.

4 Mark Blyth's *Austerity: The History of a Dangerous Idea.*, Oxford: Oxford University Press, 2013 contributes much, but it is not an argument for publics as much as for elites who have gotten swept up in its logic. Indeed, one might argue that the cross-cultural sense and intellectual foundations for an anti-austerity movement are much simpler than those that engage racism, gender inequality, and especially corruption. For that line of thinking, see my *Mobilizing Justice across Hegemonies in Place: Critical Postcommunist Vernaculars*, [in:] *Post-Communism from Within: Social Justice, Mobilization, and Hegemony.*, J. Kubik & A. Linch (eds.), New York: New York University Press.

“It is a Fully Authentic Union if it is Characterised by Solidarity.”

I don't know well enough the politics of Europe's Next Left to know where Michael D. Higgins fits, but his contribution to the European public sphere and to its parliament merited enough applause of late to answer in the affirmative whether Europe enjoys any more prophets.⁵

Although as his co-disciplinary kinsman I might find ready answer in his Irish eloquence and sociologist background, his articulation of the issues no doubt helped generate that affirmation. I find these portions of his speech most meaningful to my point:

Today, citizens in Europe are threatened with an unconscious drift to disharmony, a loss of social cohesion, a recurrence of racism and a deficit of democratic accountability.....

We cannot, however, ignore the fact that European citizens are suffering the consequences of actions and opinions of bodies such as rating agencies, which, unlike Parliaments, are unaccountable. Many of our citizens regard the response to the crisis as disparate, sometimes delayed, not equal to the urgency of the task and showing insufficient solidarity.

They feel that the economic narrative of recent years has been driven by dry technical concerns; for example, by calculations geared primarily by a consideration of the impact on speculative markets, rather than by sufficient compassion and empathy with the predicament of European citizens who are members of a union.

In facing up to the challenges Europe currently faces, particularly in relation to unemployment, we cannot afford to place our singular trust in a version of a logistical, economic theory whose assumptions are questionable and indifferent to social consequences in terms of their outcome. Instead of a discourse that might define Europe as simply an economic space of contestation between the strong and the weak, our citizens yearn for the language of solidarity, of cohesion, for a generous inclusive rhetoric that is appropriate to an evolving political union.

This is a serious challenge, not least because of the risk that an economic crisis will lead to a crisis of legitimacy for the Union. The Union in its founding treaties is fundamentally founded on values – respect for personal dignity; freedom; democracy; equality; the rule of law and respect for human rights.

The Union draws its legitimacy from the support of its citizens. That connection with the citizens – their belief that the European Union is of them and for them – is fundamental. Without it, we are adrift. Citizens need an appeal to their heart as well as their reason. They need reassurance now that the Union will keep faith with its founding treaties...

As we face into the future, we need to draw strength from the founding values of the Union. These include cohesion and solidarity – among Member States, among

⁵ <http://euobserver.com/political/119856>

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the citizens of our Union, and between the European Union and the rest of the world....

I believe that a European Union that has the courage to face all of its past, including its periods of empire, with honesty, and its future with a commitment to values that are inclusive of all humanity, with a discourse that respects diversity, has a profound contribution to make – not only to its own citizens in Europe but to the global community. It can give a lead in creating a form of ethical globalization that recognizes intergenerational responsibilities.

Such an integrated discourse as might allow for this to happen is, I believe, missing just now. The prevailing narrative seems to be trapped intellectually in a structure of thought which it appears unable to challenge, from which it seems unable, or at times even unwilling, to escape.

In the absence of considering other possible models or approaches, we are in danger of drifting into, and sustaining, a kind of moral and intellectual impotence. Yet we have available to us a rich legacy of intellectual, radical work upon which we could draw. ...

We need a new substantive, political economy and an emancipatory discourse to deliver it, and I suggest that this is possible.

A European Union – if it is to be respected as the great project it is and can be – must draw on the intellectual heritage and the intellectual imaginings, and the existing talents and capacity of the peoples of Europe. It is a fully authentic Union if it is characterised by solidarity.⁶

If all the Next Left needs is a new narrative articulated by political figures sufficiently prominent as to issue the transformation, these words, and those around it are, in my mind, enough. If that assumption is indeed motivating many, I would like to know from my colleagues why Higgins is not the exemplar, and not enough. I have one suggestion, however.

It could be that Higgins relies too much on eloquence and the model of intellectual political leadership characteristic of the early 20th century more than the beginning of the 21st. It may be that he needs social media to extend and transform that vision. And here, once again, we might find an example in the recent work of the Open Society Foundation.

We can solve the crisis. Together. We are all Greek, Italian, Spanish... We are all borders, we are all boundaries, we are all dreaming... While you are not safe, I am not safe... No people should fall and keep falling... When systems fail, it is the people that must hold up... Solidarity isn't silence, it's a voice that unites us all. We are all Europe. This is our common ground.⁷

⁶ <http://www.thejournal.ie/michael-d-higgins-speech-european-parliament-873314-Apr2013/>

⁷ http://solidaritynow.org/#/vid_en-1

As eloquent as an Irish poet with sociology's insight might be, these 2 minutes of video connote more quickly and effectively what solidarity means. Indeed, even such an acerbic and insightful critic as Leigh Phillips⁸ calls it a "remarkable video" as he describes the project:

The scheme aims to bring together ordinary Greeks in difficult situations with ordinary Europeans from outside Greece to establish social centres, or what the group is calling 'Solidarity Centres', focussing on healthcare, heating, housing, legal aid, job-seeking assistance, and support for vulnerable groups such as elderly and migrants.

Combining a sort of Kickstarter, crowd-sourced funding with cash from one of the richest men in the world, Solidarity Now will match small donations from "people around Europe and larger contributions from philanthropies and individuals" to "offer space to new and existing civil society organisations in Greece, facilitating cooperative community solutions to pressing social and economic problems. Each locally run centre will address the unique needs of its community."

And then he lays down the gauntlet:

To me, this is what a 21st Century social democratic ad campaign might look like if social democracy were not the stumbling zombie of a political philosophy that it is, capitulating to the right's every position and shuffling along, a corpse and yet not quite dead at the same time, waiting like Pasok for something to put it out of its misery.

From these two examples and Phillips' commentary, I take two things to heart:

- 1) **we certainly have the narrative in solidarity that might be offered;**
- 2) **we certainly have the means of communication to make that narrative powerful;**

But something holds the Next Left back, and that actually has to do with the conceptual articulation of solidarity in these times.

Solidarity's Enduring and Emergent Contradictions

Solidarity depends on the capacity to recognize affinities of some sort and to embed part of one's identity in the fate of others. In this sense, it involves a willingness to bear the burden of others.

That last phrase suggests a Catholic affinity, and indeed solidarity can be so rooted. My own respect for the term clearly derives from the Polish Solidarity movement of 1980-

⁸ in <http://blogs.euobserver.com/phillips/2013/04/06/he-aint-heavy-hes-my-brother/>

81,⁹ which was itself influenced by Catholic social doctrine, whose ethic some work to rekindle in both Catholic¹⁰ and more postmodern theological discussions.¹¹

The Polish Solidarity movement of 1980-81 and its associated concept are of course also quite rooted in the traditions of labor mobilizations and the social and sociological sense that such collective action represents. For some time, but especially in the age of globalization, labor activists and those associated with the alter globalization movement have worked to figure the conditions of solidarity in generated what some have called “globalization from below”.¹²

One of the most striking expressions of such solidarity comes, however, the civil rights movement in the United States. Martin Luther King Jr., in his 1963 letter from a Birmingham Jail, wrote,

Injustice anywhere is a threat to justice everywhere. We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly affects all indirectly. Never again can we afford to live with the narrow, provincial “outside agitator” idea. Anyone who lives inside the United States can never be considered an outsider anywhere in this country.¹³

Here, however, King reflects the problem quite clearly, even as his eloquence was driven to solidarity. Networks of mutuality are much more easily conceived within the bounds of citizenship, even if quite unevenly experienced. And here, then, is the problem with Europe.

With the extension of the European Union in both institutional depth and geographical breadth, solidarity is no longer practically considered within nations.¹⁴ This, many on the left argue, means that European solidarity depends upon that cultivation of European consciousness through inclusive institutions. But King would be the first to say that this evocation of universal European consciousness through the *world as it is* is a false consciousness based on the defense of privilege rather than an anticipation of the *world as it ought to be*.

9 In *Professionals, Power and Solidarity in Poland: A Critical Sociology of Soviet-type Society.*, Cambridge: Cambridge University Press, 1991, I argued that the movement might be through a lens of socialist-feminist pragmatism

10 G. J. Beyer, *Recovering Solidarity: Lessons from Poland's Unfinished Revolution.*, South Bend: Notre Dame University Press, 2010.

11 A. Min, *The Solidarity of Others in a Divided World: A Postmodern Theology after Postmodernism.*, New York: T&T Clark International 2004.

12 J. Brecher, T. Costello & B. Smith., *Globalization from Below: The Power of Solidarity.*, Cambridge: South End Press, 2002.

13 <http://historicaltextarchive.com/sections.php?action=read&artid=40>

14 as I argue here: *Cultural Formations of the European Union: Integration, Enlargement, Nation and Crisis.*, [in:] *European Identity and Culture: Narratives of Transnational.*, R. Friedman & M. Thiel (eds.), Aldershot: Ashgate 2012, pp. 17 - 50.

To realize a transformative solidarity, a consequential solidarity, one must look toward the future and focus on injustice more than draw the disaffected into an institutional world from which they are already alienated. Craig Calhoun's sociology helps here.

More than any other theme, solidarity has been the key problem for Calhoun from the time of his focus on class struggle and reactionary radicals.¹⁵ Rather than view group formation as derived from larger systemic principles or institutional conditions, Calhoun has sought to understand the meaning made by actors in their world, and how those meaning-making efforts and consequent actions affected the qualities of community apparently lost in the movement to larger scale forms of action and association.

Calhoun puts the question of solidarity directly into the problematic of public spheres.¹⁶ It is misleading to focus on decision making as such, and rational debate, he argues, without first considering the constitution of the identities and interests that come together in any collective project. What, in other words, produces the solidarities that enable communities of discourse to form? What constitutes *peoplehood*? For this is certainly not a derivative of constitutional experts fashioning rational documents or even eloquent politicians evoking citizenship. It is far more a matter of imaginaries of solidarity constructed, and motivations made in its wake. Unfortunately, while Habermas spells out the problem of the public sphere, he is particularly problematic on the subject formation associated with it. As Calhoun writes,

Habermas hopes the public sphere will produce a rational agreement that can take the place of pre-established culture as the basis for political identity. He works, however, with an overly sharp dichotomy between inherited identity and rational discourse. He identifies voluntary public life entirely with the latter, and thus obscures the extent to which it is necessarily also a process of cultural creativity and modes of communication not less valuable for being incompletely rational.¹⁷

Instead, Calhoun recommends, **we should ask whether the discourse of the public sphere can produce the solidarities that enable different kinds of decisions and consequent state action to reflect a superior kind of integration and democracy. This is, in a sense, the difference from most nationalist views as nations being inherited, and different from civic nations with their thin identities.** Calhoun asks how

15 The arc is nice: from C. Calhoun, *The Question of Class Struggle: Social Foundations of Popular Radicalism During the Industrial Revolution.*, Chicago: University of Chicago Press 1982, and Oxford's B. Blackwell through *The Roots of Radicalism: Tradition, The Public Sphere, and the Roots of Early 19th Century Radicalism.*, Chicago: University of Chicago Press 2012.

16 C. Calhoun, *Imagining Solidarity: Cosmopolitanism, Constitutional Patriotism and the Public Sphere*, [in:] *Public Culture*, vol. 14 #1, 2002, pp. 147-72.

17 Ibidem.

thicker identities can themselves be produced by the public sphere itself, and whether these can be better or worse.

Moving beyond Durkheim's categorical mechanical solidarity, or the functional interdependence of his organic solidarity, or even the direct social ties associated with classical understandings of community, Calhoun wants to know whether we can envision a solidarity that is less imposed and more *intersubjectively* realized, and best identified with what is public. Publics may be deliberative, but solidarity is something more: it is about, as Calhoun reminds us, the promises people make to one another, those that bind them together.¹⁸

Those in the socialist, especially social democratic, tradition know better than any of the enduring contradictions of mutuality that animate progressive politics. **One can't succeed electorally without prioritizing promises to the nation across classes and defending past accomplishments rather than embracing the creative destruction that might make institutions more suitable for future needs. One can't hold on to socialist principles, however, without recognizing how progressive change and class solidarities not only across nations but within them are often sacrificed on the altars of such electoral pragmatism. It may be, then, that the struggle to move electoral contest beyond the nation to the European Union itself is one escape from that enduring trap.**

One might hope that this continental contest would generate the momentum for a new kind of class solidarity, but I am skeptical given the measure of influence and power transnational capital has at the European level.¹⁹ I do believe, however, that **the meaning of politics is changing faster than the rules of electoral contest**, and those political formations that get out ahead of that curve are likely the ones that, if political institutions survive as such, will be the ones that define the future. Those formations depend on superior articulations between parties and movements.

Solidarities of Resemblance and Recognition

In previous contributions to this Next Left knowledge network, I argued that there are two kinds of transformative solidarity in formation: ones based on resemblance, and ones

¹⁸ Arendt becomes important to this public engagement because she, like Calhoun himself, is difficult to locate within any conventional debate posing modernists against postmodernists, or liberals vs. communitarians, although it is fairly easy to see where Calhoun stands when it comes to assessments of the more utilitarian tradition for the making of publics and historical explanation. See: also C. Calhoun, 1998.

¹⁹ After all, look at how lobbying works in the EU to assess class power dimensions. See: Neil Fligstein's work, including N. Fligstein, *Euroclash: The EU, European Identity and the Future of Europe*,. Oxford, Oxford University Press, 2008.

based on the recognition of difference.²⁰The latter has gotten much more attention in the days since I wrote those earlier pieces. This is one great summary:

Many cultural, religious and intellectual figures have issued appeals that call for a different conception of Europe beyond the market. For example, Mikis Theodorakis, the renowned songwriter and composer, and Manolis Glezos, politician, writer and World War II resistance fighter, issued the 'Common Appeal for the Rescue of the Peoples of Europe' last October, which invoked the cultural and democratic legacy of Europe and opposed it to the 'empire of money' which has come to dominate. This appeal formed the basis for the later solidarity campaign for the people of Greece that spread throughout Europe. In France, Alan Badiou, together with others, wrote the manifesto 'Save Greece from its Saviours!' It likewise summons the ideal of European democracy which is threatened by a neo-liberal onslaught, and it calls on a community of intellectuals and artists to 'multiply articles, media appearances, debates, petitions, demonstrations' to save the people of Greece from imposed impoverishment. Ulrich Beck and Danny Cohn-Bendit call for a 'Year of Volunteering' in order to reconstruct European democracy from the bottom up in 'We are Europe! Manifesto for re-building Europe from the bottom up'. While British Chief Rabbi Sir Jonathan Sacks, in 'Has Europe lost its soul to the markets?' calls on religious leaders to reassert the role of religion in society to act as a bulwark against untrammelled markets – invoking the story of the Golden Calf to remind us why the Sabbath was established in the first place: to preserve a day for things which do not have a market value.²¹

It is really worth examining each of these initiatives on their own, and comparing them so that we have a better grasp of their variety and existing and potential articulations. But there is a larger analytical point made in them that Mary Kaldor's work with scholars across Europe organizes around what they call "subterranean politics".

Although the movements that Kaldor et al explore across Europe have little in common with each other ideologically, or in terms of their issues, they are clearly alienated from the political system as such.²² And here is the challenge, as they pose it:

we need to be open to understand the (potential) cultural dimension of these current public displays of subterranean politics; the absence of a specific demand need not be dismissed as a shortcoming, but rather as a manifestation of a different, 2.0

20 M. D. Kennedy, *Cosmopolitanism and the Global Articulation of Consequential Solidarity*, [in:] *Queries: The Next Mission of Cosmopolitan Social Democracy* 8 / 2012; pp. 46-54. http://www.fepe-europe.eu/uploads/queries/2012_07/#/46 and M.D. Kennedy, *The Next Left and Its Social Movements*, [in:] *Next Left: Building New Communities*, E. Stetter, K. Duffek & A. Skrzypek (eds.), FEPS Next Left Book Series vol. 5, FEPS / Renner Institut, Belgium 2012. <http://www.fepe-europe.eu/en/publications-next-left> pp. 98-109

21 M. Kaldor et al, *The Bubbling Up of Subterranean Politics in Europe*, LSE Research OnLine June 2012 <http://bit.ly/Tx6LTI> p. 30.

22 T. Gitlin, *Occupy Nation: The Roots, the Spirit, and the Promise of Occupy Wall Street*, New York: IT Books, 2012, p. 11.

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culture that (potentially) transforms (the idea of) politics and the nature of political actors and that is about processes rather than outcomes.²³

It is difficult, I believe, to respect and recognize this diversity in their common alienation from actually existing politics by respecting the bounds of legitimate discourse as such. Higgins' speech appeals to me and others in political society because it does sound different than what technocratic Europe offers, but I don't know whether those mobilizing subterranean politics wouldn't hear it just as another expression of appropriation. Indeed, we had the same issue in the United States around Occupy, MoveOn and Obama. Gitlin reports that Occupy distrusted that pro-Obama lobby "the way social democrats once fretted about the many-tentacled Communist Party."²⁴ Further,

From a certain point of view, MoveOn's aid threatened the integrity of the horizontally organized community. That kind of success was corrosive. Recognition was a certificate of legitimacy from authorities who did not deserve their authority. The movement thrived on a sense of beautiful marginality, but rapture was attached to a sense of vulnerability, for it was good to be supported but bad to be trendy. It was good to be sought after, bad to be captive. It was good to be a community banded together in warm solidarity, bad to be smothered by hypocrites.²⁵

Occupy's inner core was not wrong. Gitlin recognizes this, when he writes

If the last decades have demonstrated anything—indeed, if the history of American capitalism demonstrates anything—it is that the social arrangement known by the God-term the market is perfectly content with vast inequalities. As for the political class, its reliance on big money inhibits, if it does not outright extinguish, whatever reform impulses well up from time to time. Given the power of money in politics, the political class is too interlocked with lobbyists, Wall Street, and the rest of the corporate galaxy to care enough to take the political risks. Democratic vitality is both the prerequisite and the outcome of a continuing mobilization to make the conditions of life more decent and fair.²⁶

To put it quite bluntly, **the politics of transformative solidarity may very well rest on developing a new model of politics, not only appealing to the center but appealing to the alienated, who, as crises deepen, become the numerical center if not political center.** We already note the success of this model in Italy, where a comedian's efforts managed to mobilize an electorate profoundly alienated. But I think we can find even more challenging models in the Pirate Party movement.

23 Ibidem, p. 18.

24 Ibidem, p. 148.

25 T. Gitlin, Op. Cit. 2012, p. 148.

26 Ibidem, pp 169-70.

It is too easy, I believe, to see these upstarts as simply riding a wave of web-kids' discontent; it would be much more productive, I think, if we were to see them as resonating with a new sense of economy and property that the internet models. It took far too long for European socialists to recognize what the anti-ACTA mobilization represented, as I have argued previously.²⁷ And now, as TAFTA hits the parliamentary floor, it looks, once more, that socialists abandon the front lines in this struggle over the meaning of property in the 21st century. At least tell me who within the PES leads this forward thinking alongside movements like *La Quadrature*.²⁸

This is one place where real policy decisions, substantial social movements, and critical thinking over the qualities of property and society in the future demand new association. A real progressive movement would be at the heart of this debate. But this is where newly critical thinking is absolutely central to refashion with whom, around what, and where solidarity can develop for the foundations of struggle are changing given the morph of corruption's meaning and the spread of hactivism's praxis.

Corruption and Hactivism

The Anti-ACTA movement was very much based on an EU-wide solidarity, but one based on the solidarity of resemblance. Poland sparked the actual movement, and was given meaningful narrative identity by Piotr Czerski²⁹, but *internauci* from across Europe

27 M. D. Kennedy, Op. Cit 2012b., & M. D. Kennedy, Op. Cit 2012c.

28 <http://www.laquadrature.net/en/eu-parliament-opens-the-door-to-copyright-repression-in-tafta>

29 P. Czerski, *We the Web Kids.*, February 15, 2012 <http://pastebin.com/0xXV8k7k>

There is probably no other word that would be as overused in the media discourse as 'generation'. I once tried to count the 'generations' that have been proclaimed in the past ten years, since the well-known article about the so-called 'Generation Nothing'; I believe there were as many as twelve. They all had one thing in common: they only existed on paper. Reality never provided us with a single tangible, meaningful, unforgettable impulse, the common experience of which would forever distinguish us from the previous generations. We had been looking for it, but instead the groundbreaking change came unnoticed, along with cable TV, mobile phones, and, most of all, Internet access. It is only today that we can fully comprehend how much has changed during the past fifteen years.

We, the Web kids; we, who have grown up with the Internet and on the Internet, are a generation who meet the criteria for the term in a somewhat subversive way. We did not experience an impulse from reality, but rather a metamorphosis of the reality itself. What unites us is not a common, limited cultural context, but the belief that the context is self-defined and an effect of free choice. Writing this, I am aware that I am abusing the pronoun 'we', as our 'we' is fluctuating, discontinuous, blurred, according to old categories: temporary. When I say 'we', it means 'many of us' or 'some of us'. When I say 'we are', it means 'we often are'. I say 'we' only so as to be able to talk about us at all.

1. We grew up with the Internet and on the Internet. This is what makes us different; this is what makes the crucial, although surprising from your point of view, difference: we do not 'surf' and the internet to us is not a 'place' or 'virtual space'. The Internet to us is not something external to reality but a part of it: an invisible yet constantly present layer intertwined with the physical environment. We do not use the Internet, we live on the Internet and along it. If we were to tell our bildungsroman to you, the analog, we could say there was a natural Internet aspect to every single experience that has shaped us. We made friends and enemies online, we prepared cribs for tests online, we planned parties and studying sessions online, we fell in love and broke up online. The Web to us is not a technology which we had to learn and which we managed to get a grip of. The Web is a process, happening continuously and continuously transforming before our eyes; with us and through us. Technologies appear and

then dissolve in the peripheries, websites are built, they bloom and then pass away, but the Web continues, because we are the Web; we, communicating with one another in a way that comes naturally to us, more intense and more efficient than ever before in the history of mankind.

Brought up on the Web we think differently. The ability to find information is to us something as basic, as the ability to find a railway station or a post office in an unknown city is to you. When we want to know something - the first symptoms of chickenpox, the reasons behind the sinking of 'Estonia', or whether the water bill is not suspiciously high - we take measures with the certainty of a driver in a SatNav-equipped car. We know that we are going to find the information we need in a lot of places, we know how to get to those places, we know how to assess their credibility. We have learned to accept that instead of one answer we find many different ones, and out of these we can abstract the most likely version, disregarding the ones which do not seem credible. We select, we filter, we remember, and we are ready to swap the learned information for a new, better one, when it comes along. To us, the Web is a sort of shared external memory. We do not have to remember unnecessary details: dates, sums, formulas, clauses, street names, detailed definitions. It is enough for us to have an abstract, the essence that is needed to process the information and relate it to others. Should we need the details, we can look them up within seconds. Similarly, we do not have to be experts in everything, because we know where to find people who specialise in what we ourselves do not know, and whom we can trust. People who will share their expertise with us not for profit, but because of our shared belief that information exists in motion, that it wants to be free, that we all benefit from the exchange of information. Every day: studying, working, solving everyday issues, pursuing interests. We know how to compete and we like to do it, but our competition, our desire to be different, is built on knowledge, on the ability to interpret and process information, and not on monopolising it.

2. Participating in cultural life is not something out of ordinary to us: global culture is the fundamental building block of our identity, more important for defining ourselves than traditions, historical narratives, social status, ancestry, or even the language that we use. From the ocean of cultural events we pick the ones that suit us the most; we interact with them, we review them, we save our reviews on websites created for that purpose, which also give us suggestions of other albums, films or games that we might like. Some films, series or videos we watch together with colleagues or with friends from around the world; our appreciation of some is only shared by a small group of people that perhaps we will never meet face to face. This is why we feel that culture is becoming simultaneously global and individual. This is why we need free access to it.

This does not mean that we demand that all products of culture be available to us without charge, although when we create something, we usually just give it back for circulation. We understand that, despite the increasing accessibility of technologies which make the quality of movie or sound files so far reserved for professionals available to everyone, creativity requires effort and investment. We are prepared to pay, but the giant commission that distributors ask for seems to us to be obviously overestimated. Why should we pay for the distribution of information that can be easily and perfectly copied without any loss of the original quality? If we are only getting the information alone, we want the price to be proportional to it. We are willing to pay more, but then we expect to receive some added value: an interesting packaging, a gadget, a higher quality, the option of watching here and now, without waiting for the file to download. We are capable of showing appreciation and we do want to reward the artist (since money stopped being paper notes and became a string of numbers on the screen, paying has become a somewhat symbolic act of exchange that is supposed to benefit both parties), but the sales goals of corporations are of no interest to us whatsoever. It is not our fault that their business has ceased to make sense in its traditional form, and that instead of accepting the challenge and trying to reach us with something more than we can get for free they have decided to defend their obsolete ways. One more thing: we do not want to pay for our memories. The films that remind us of our childhood, the music that accompanied us ten years ago: in the external memory network these are simply memories. Remembering them, exchanging them, and developing them is to us something as natural as the memory of 'Casablanca' is to you. We find online the films that we watched as children and we show them to our children, just as you told us the story about the Little Red Riding Hood or Goldilocks. Can you imagine that someone could accuse you of breaking the law in this way? We cannot, either.

3. We are used to our bills being paid automatically, as long as our account balance allows for it; we know that starting a bank account or changing the mobile network is just the question of filling in a single form online and signing an agreement delivered by a courier; that even a trip to the other side of Europe with a short sightseeing of another city on the way can be organised in two hours. Consequently, being the users of the state, we are increasingly annoyed by its archaic interface. We do not understand why tax act takes several forms to complete, the main of which has more than a hundred questions. We do not understand why we are required to formally confirm moving out of one permanent address to move in to another, as if councils could not communicate with each other without our intervention (not to mention that the necessity to have a permanent address is itself absurd enough.)

could identify with a movement that challenged political authorities who seemed out of touch with the civi-digital society their everyday life constituted. But those authorities were more than out of touch. They were also corrupt.

To charge corruption is fighting words because it has become such a powerful narrative. But this narrative is more typically used by Western elites to identify problems in other places; they generally resist identifying it at home precisely because of how easily charges could spread. But those charges are spreading, especially as the notion of corruption begins its own transformation and sociology tracks that change.

Alena Ledenevais in the forefront of this work. She clarifies the conceptual difficulty here:³⁰

Although the wording varies, most formulas of corruption can be understood as a ‘twist’ of something public into something private, as presented in Table 1 below.

Table 1: The syntax of corruption

	OF		FOR	
Betrayal	Public	Office/duty	Private	Gain
Diversion	Common	Good/trust	Personal	Profit
Misuse/Abuse	Communal	Funds/resources	Individual	Benefit
Manipulation	Administrative	Influence	Unauthorised	Advantage
Exploitation	Institutional	Power	Group	Interests/goals
Bending	Formal	Rules	Informal	Network

There is not a trace in us of that humble acceptance displayed by our parents, who were convinced that administrative issues were of utmost importance and who considered interaction with the state as something to be celebrated. We do not feel that respect, rooted in the distance between the lonely citizen and the majestic heights where the ruling class reside, barely visible through the clouds. Our view of the social structure is different from yours: society is a network, not a hierarchy. We are used to being able to start a dialogue with anyone, be it a professor or a pop star, and we do not need any special qualifications related to social status. The success of the interaction depends solely on whether the content of our message will be regarded as important and worthy of reply. And if, thanks to cooperation, continuous dispute, defending our arguments against critique, we have a feeling that our opinions on many matters are simply better, why would we not expect a serious dialogue with the government?

We do not feel a religious respect for ‘institutions of democracy’ in their current form, we do not believe in their axiomatic role, as do those who see ‘institutions of democracy’ as a monument for and by themselves. We do not need monuments. We need a system that will live up to our expectations, a system that is transparent and proficient. And we have learned that change is possible: that every uncomfortable system can be replaced and is replaced by a new one, one that is more efficient, better suited to our needs, giving more opportunities.

What we value the most is freedom: freedom of speech, freedom of access to information and to culture. We feel that it is thanks to freedom that the Web is what it is, and that it is our duty to protect that freedom. We owe that to next generations, just as much as we owe to protect the environment.

Perhaps we have not yet given it a name, perhaps we are not yet fully aware of it, but I guess what we want is real, genuine democracy. Democracy that, perhaps, is more than is dreamt of in your journalism.

30 A. Ledeneva, *A Critique Of The Global Corruption ‘Paradigm.’*, [in:] *Post-Communism from Within: Social Justice, Mobilization, and Hegemony.*, J. Kubik & A. Linch (eds.), New York: New York University Press, 2013.

These definitions identify corruption as *deviance* from how things should be. It is a move *away* from the public (duties, office, interests) and *toward* the private (gain, profit, benefit). Three important assumptions underpin such definitions: the existence of the public/ private distinction, the relevance of the classic model of corruption, and a normative doctrine. Most definitions of corruption rely on the distinction between public and private, and assume not only that the public and private spheres operate according to distinct sets of rules and norms, but also that it is wrong to mix them. All definitions within this framework assume the involvement of at least three parties in an act of corruption. A corrupt exchange appears to take place between two actors – a client (a giver) and an agent (a taker) – but there is always a third actor in the background (the principal). The principal is usually conceptualized as a rule maker or an organization that embodies the public interest and authorizes the implementation of a set of rules. Even in the analyses of countries where corruption is pervasive and such deviant behavior is perceived as the norm, the analysis invariably stems from the principal-agent model of corruption with its tacit assumptions of the ideal type of relationships between the three parties. Such a *normative view* is implicit in each of the interchangeable formulas of corruption-as-deviance shown in Table 1.

Although Ledeneva focuses in her essay on the postcommunist world, one can readily see how this concern is leaking into the European Union itself. One can consider the terms of the ACTA debate itself.

Although there are profound contradictions underlying the resistance movement, there were also procedural problems motivating the mobilization.³¹ The movement argued that ACTA was conceived beyond the terms of public oversight, and in foradesigned to avoid those who would challenge the particular forms of intellectual property the trade agreement promoted. Underlying the calls for transparency was a clear charge: those negotiating on behalf of publics were beholden more to media elites, often located in America, than they were to their own publics. That might very well be called corruption even if no money trail was available. But charges of corruption don't end there, and indeed, we might consider another case that illustrates the power of hactivism for setting new terms.

Perhaps the exemplary moment occurs around Guttenplag wiki, a website to which more than 100 individuals contributed anonymously to empirically verify the plagiarism then Federal Minister of Defense, Karl-Theodor zu Guttenberg committed in his dissertation.³² But this is just the tip of an iceberg if corruption is refigured and particular instances of corruption are stitched together.

31 One of my students has written an excellent honors thesis exploring the contradictions of this movement. See: O. Petrocco, *Sharing, Stealing and Secrecy: Understanding the Changing Definition of Property and Global Governance through the Anti-Counterfeiting Trade Agreement*, Development Studies, Thesis, Brown University 2013.

32 D. Budde, *All politics: swarm intelligence and subterranean politics in Germany*, 9 October 2012. <http://www.opendemocracy.net/david-budde/all-politics-swarm-intelligence-and-subterranean-politics-in-germany>

I would leave it to those so much better informed politically to recall other instances of dissertations' falsifications and worse abuses of political office for potential gain. That's especially important to do in light of a new force in political life that makes solidarities among the corrupt harder to hide. The global movement toward hactivism is changing the means of public life and our sense of solidarity.

We are beginning to understand far better how the politics and aesthetics of hacking, enabled by the global information infrastructure, change social movements and the very notion of solidarity in a globalizing world.³³ Even while networks like Anonymous clearly act in solidarity with mobilized publics, from the Occupy Movement and the Polish Web-Kids, to those who would challenge sexual violence in a town organized to hide its crime,³⁴ the hackers' very anonymity denies us one of the typical vectors along which publics work to establish trustworthiness, which in turn is itself an important foundation for truthfulness, itself the anchor of respectable solidarity.

At the same time, one of the truths their very action makes apparent is the development of a new kind of surveillance capacity by authorities, limiting the very notion of privacy and freedom that is, itself, critical for solidarity from below.³⁵ Consequently, **one of the most important collective intellectual engagements of our time is to rethink the meaning of hactivism, and to prevent it from being demonized in lexical warfare.**³⁶ Indeed, for those who embrace the value of knowledge as such, this statement, issued in the wake of hactivist Aaron Swartz's prosecution-induced suicide, is telling: "Knowledge is free. The corrupt fear us. The honest support us. The heroic join us. We are Anonymous."³⁷

To mark these transformations and to spell out their implications for solidarity is no simple task, and even a risk given the demonizations around hactivism available. But we cannot overlook the consequence of that kind of anonymous solidarity, and even ask how they might resonate with the Next Left's mission.

Affirming Solidarity and Critical Solidarity

To compare the expressions of solidarity evident in Higgins, the Open Society Foundation, and Anonymous already illustrate the challenge facing the Next Left in its search

33 E. G. Coleman, *Coding Freedom: The Ethics and Aesthetics of Hacking.*, Princeton: Princeton University Press, 2013.

34 For a remarkable discussion of the Steubenville case, see the Democracy Now interview with an Anonymous activist and others on January 7, 2013 <http://dncdn.dvllabs.com/ipod/dn2013-0107.mp4?start=2485>

35 For a clear, and thus disturbing, presentation of this move toward what he calls the cybersecurity industrial complex, see: R. Diebert, *Big Data Meets Big Brother: The Political Economy of Cyber Security.*, Cyber Security Colloquium, October 10, 2012. http://watsoninstitute.org/events_detail.cfm?id=1904

36 P. Ludlow, *What is a Hactivist.*, *New York Times*, Opinionator, January 13, 2013. <http://opinionator.blogs.nytimes.com/2013/01/13/what-is-a-hactivist/>

37 tweet @YourAnonNews 3:00 AM January 28, 2013

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for a new narrative. I would propose that Higgins and OSF offer the ideal combination for solidarity's affirmation in European politics, but risk the concept's very evisceration if it is not attached to greater consequence than electoral shifts. Anonymous's expressions of solidarity offer a critical alternative, clearly mobilized against powers that be, and while not always virtuous much less legal, suggest a reframing of corruption and emancipation. Where does that potential for direct action fit in restoring solidarity in politics? Where does that unambiguous expression of critical solidarity contribute to the affirming solidarity counterposed to austerity's destruction?

I don't have elaborate answers to those questions, but I do think we have the cases with which to consider them. By looking at the articulations of subterranean politics and anti-ACTA mobilizations alongside their kin and descendents, in combination with the potentials for hacktivism's challenge, we certainly will have answers different than those that comfort the actually existing left.

If I understand the project properly, **the Next Left seeks its future less in the mutation of existing formations than in the rearticulation of enduring principles in light of institutional transformations and new modes of political identification and practice. Critical solidarity is that principle, corruption is that antagonism, and hacktivism's practice a new mode of direct action that cannot be ignored.**

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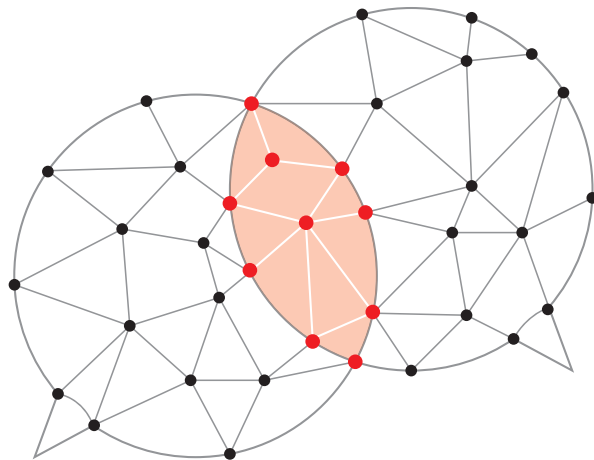
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Ania SKRZYPEK

Standing Tall: Re-connecting with the *Social Question* of Contemporary Times



Key words:**Crisis – TINA – Redefining Politics –
Reconnecting Voters – Contemporary Social Question****Abstract:**

This article forms a contribution to a debate on the crisis of politics. It departs from resenting the “*defeatist endism*”, while trying to search potential conceptual avenues through which an answer to the contemporary predicament could be found. Following that, the deliberations focus on the notion of “TINA” (*There Is No Alternative*) in its two most recent reappearances within the context of political narratives. These are: the 1990s and the dialectics of globalisation, and the post-2008 years with accompanying crisis discourse. The description of this phenomenon is contrasted with the emergence of the social mobilisations, which in parallel cried for finding another that mainstream, neoliberal ways. The question posed is why politics followed a different curve, enabling its own confinement. Following this reflection, the paper looks at lessons and potential solutions in the dimension of *Redefining Politics* and *Reconnecting with Voters*. There the causes of crisis of politics are systematised into 5 categories, each of which is then matched with a proposal how to overcome them. They are considered on the meta-level, as also analysed how specifically these could support social democracy in its renewal processes. The findings map the means and ways to recuperate political integrity, breath live into organisational structures; as also to regain sense of purpose. This can be achieved by defining what the contemporary social question is and also how to providing an answer to it.

*This is the end –
hold your breath and count to ten (...)
Let the sky fall,
we will stand tall,
at the skyfall'
(Adele 2012)*

An impression of certain “*endism*” is hard to resist, while exploring the literature concerning the evolving nature of politics of at least the last two decades. Although already in the 1960s and the 1970s much has been written on the end of ideology² the definite high point of this academic thinking is associated with Francis Fukuyama. His “The End of the History and the Last Man”³ brings a reflection that liberal democracy and liberal economy are in fact their very final stadiums of developments. The civilisation, as we experience and know it, is bound to come its’ end. Beyond that point, there simply can be no alternative. There is no way to progress. And also, unlike in the past, there can be no re-foundation leading to simply another, more accelerated “stage”.

This exceedingly depressive observation could appear to be yet another fatalistic prognosis. It would be easy to believe that it is not that extraordinary, especially that the popularity of the work of F. Fukuyama peaked during the last decade of the previous century. This approach, hence, would enable to catalogue it among the apocalyptic writings reoccurring at the dawn of a certain *époque*. What is more, it would be possible to look at these claims as an example of a linear approach towards the history, where authors put efforts into foretelling when and where history comes to its end. Consequently, a counter reaction would challenge the thinking to prove that in fact the history develops accordingly to a cyclical logic. Following them, the new low point noted herewith would simply be the next turn in a loop. It could be painted as a moment of destruction, necessary to take place before anything profoundly new and distinctively advanced could be constructed⁴.

1 These are the lyrics of the most frequently played song of the winter season 2012 / 2013. Performed by Adele, it became not only a soundtrack of the recent James Bond film, but also a sort of an anthem for the 50th anniversary since the first picture with the world's famous spy was released.

2 see: D. Bell, *The End of Ideology: On the Exhaustion of Political Ideas in the Fifties.*, 1960.

3 See: F. Fukuyama, *The End of the history and the last Man.*, Free Press, New York, 1992.

4 For the theory of cyclical development, please see i.e. “Schumpeter's gale”, [in:] J. Schumpeter, *Capitalism, Socialism and Democracy.*, Taylor & Francis e-library, 2003.

In order not to give in to doomsday scenarios, one would have to however motivate resistance with an *eligible reason*. Remaining hopeful would have to be, in this case, equally importantly to remaining rational. This motivation has to derive from politics. Substantial courage is needed to break out of the negativist confinement can present itself as the factor to make a difference in a broader context. Most regrettably however, this does not seem to be the case so far. Currently, in times of crisis, “*endism*” has paired with the “TINA-attitudes”⁵ in politics; the notion of *There Is No Alternative* seems to have reoccurred and to make things worse, it has defied the tone of the debate and enabled to showcase austerity as the only viable *way out* of the recent and *way to keep away* from the next global crisis.

TINA: an Explanation, a Conciliation, and an Excuse

Though the origins of “TINA” are different, the initial primacy of its logic within respective conversations was noted in the 1990s. Back then, it was mostly used in the relation to the phenomena of globalisation – which process was proclaimed both unavoidable and irreversible. It was to be the ultimate process to shape the future for contemporary societies. Where the opinions distinguished however, was in how far it could be *manageable*. Hence the dispute evolved around the core challenge, *if* and then *in how far* globalisation could be realistically tamed⁶.

The emergence of this challenge proved that *There Is Always Another Option*. Once such a case was made, it was only a matter of time when competitive scenarios started being developed⁷. While politicians dropped painting globalisation as *Armageddon* and began to see certain opportunities, activists and concerned citizens had already mobilised in a somewhat parallel universe. Those who disagreed with the mainstream political discourse, found their refuge in anti- and alter- globalist movements. This opposition got a constructive platform with the creation of the World Social Forum (WSF)⁸, uniting movements and citizens around the belief that *Another World is Possible*.

5 “TINA” is attributed as a slogan to Margaret Thatcher and stands for “There is No Alternative” to – in original sense – liberal economy. http://en.wikipedia.org/wiki/There_is_no_alternative

6 More on “positive”, “negative” and “progressive” globalisation can be found in: Th. Meyer with L. Hinchman, *The Theory of Social Democracy*, Polity Press, Cambridge 2007, pp. 163 – 188.

7 For more on why there is always an alternative – and while claiming to the contrary of that is essentially undemocratic, please see: A. Gusenbauer, *Towards a New Narrative – Reconciling Progress and Emanicipation*, [in:] *Building New Communities. Notes from the Transatlantic Dialogue of Dialogues*, E. Stetter, K. Duffek & A. Skrzypek (eds.), FEPS Next Left Book Series vol. 5, FEPS / Renner Institut / IGLP HLS, Brussels / Vienna / Cambridge 2012, pp. 20 - 27.

8 World Social Forum was first held in Brazil in 2001. It is an *annual meeting of civil society organisations (...) who meet with aspiration to champion of counter-hegemonic globalisation*. See: http://en.wikipedia.org/wiki/World_Social_Forum or www.forumsocialmundial.org.br

These so called 'new social movements' continued to convene meetings and convey messages, remaining on the outskirts of the established politics. Even though social democrats in some countries would have been keen to participate in the platform such as the WSF⁹, it has proven to be relatively difficult. The loose organisation of the movements together with their overall distrust in traditional, established politics made such a profound bond rather a 'mission impossible'. Especially, if on the other side, social democracy would have liked to look at such an exchange through the lenses of their internal organisation. It would have been inclined to strategically ally with these movements, should then they make a part a fundament for a new societal alliance, which social democracy as political force would subsequently be entrusted to lead¹⁰.

The split of the two debates showed gaps not only in terms of discourse, but predominantly in terms of aspiration. Herewith, politicians appeared as regulators arguing for mitigation, while citizens demanded bolder and more ambitious alternatives. The latter one reiterated more clearly a demand of 'putting people first', before the interests of global capital. The resonance of the split in between these two debates can of course be interpreted in many ways. But one of the hypotheses that one can forge is that herewith the key dispute about the future of the world got paradoxically *de-politicised* in the world of politics, while *politicising* the civil dialogue in parallel.

The "TINA-attitude" has re-emerged with the financial, and then economic crisis. It became imprinted in the fabric of the discussions on where the path leading out of the predicament would be. At the beginning, the centre-left had been passionately trying to convince everyone, itself included, that the "first crisis of the neo-liberal globalisation" was taking place. Strangely enough, social democracy had cherished a hope that with such a disaster at hand, no further proof to discredit neo-liberalism would be needed. Leaving aside the absurdity of such a "wishful thinking", it is obvious nowadays that social democracy failed dramatically in terms of pointing the historical finger. Neither the mainstream narrative, nor the prevailing order had been profoundly hindered. Instead, it was politics in general and social democracy in particular that took the blow.

The viability of the social democratic political promise found itself questioned. The crisis augmented doubts in what role (if any) the state is able to play in contemporary global circumstances. The necessary bail-outs of banks made private debts public, while the public resources shrank. It is worth underlining that the private debts in questions had been created to a large extent by irresponsible behaviour, greed and gambling within the financial sector. The scarcity of communal resources was then confronted with the

9 For European progressive standpoint of those times, please see: P. Nyrop Rasmussen, *Europe and a New Global Order. Bridging the Global Divides.*, Report of the Party of European Socialists, Belgium 2003.

10 D. Bailey, *Responding to new patterns of social contestation: the politics of protest management during the global economic crisis.*, Draft paper presented within the FEPS Next Left Working Group in December 2013, forthcoming.

growing needs of changing societies, on which wave also an attack was launched on welfare agenda as the reason for public debts that slipped “out of control”¹¹. The sole project of the welfare state found itself under pressure¹². It was also - falsely- remarked that it failed to cushion the negative impacts of the crisis¹³, as also that it has become anachronistic in many dimensions¹⁴. Consequently, welfare states were judged to have become not sufficiently self-transformative¹⁵ in order to remain a warrant of equal opportunities and social justice in the future. In that context, of both scarcity of resources and inadequacy of the existing settlement, the move to austerity policies was argued for. Centre right and right, but also social democracy returning to government came to a conclusion that, indeed, there is no other way but to cut. The other side of that coin was naturally that such a slashing would have an impact on promises, on prospects and herewith also on politics.

The conclusive observation here would be that in fact **the prior orientation of politics became preoccupied how to be economically (and financially) equitable, gaining primacy over the challenge of remaining socially sustainable. The imbalance between the two orientations meant that the political debate became even more financialised, while the pursuit of determining a contemporary social question moved to the fringes and soon was picked up by mobilisations existing at the fringe of the political world.**

As in the 1990s, when globalisation was portrayed as the main threat, also this time around, not everyone has “fallen for” the TINA argumentation. Refusal to accept it was expressed by those, who started occupying Wall Street – an act that was consequently repeated all over the world. The “*Indignados*” and others came out, profoundly demanding the right to decide upon their own future¹⁶. They called for equality in terms of sharing power, income, wealth and knowledge. And they protested against the deepening of existing and emergence of new societal gaps. As their platform they chose public streets and parks, while clearly putting a demarcation line between their mobilisation and the traditional, well established political parties. It was a-partisanship that seems to mean more in terms of credibility than if their proposals were to be aggregated by one or another political

11 M. Blyth, *Austerity. The History of a Dangerous Idea.*, Oxford University Press 2013, pp. 7-10.

12 See: P. Taylor-Gooby, *The Double Crisis of the Welfare State and what we can do about it.*, Palgrave MacMillan, London 2013, pp. 1 – 25.

13 See: P. Starke, A. Kaasch, F. Van Hooren, *The Welfare State as Crisis Manager. Explaining the Diversity of Policy Responses to the Economic Crisis.*, Palgrave MacMillan 2013, pp. 124 – 172.

14 T. Judt, *Ill fares the land.*, Penguin Books London 2010.

15 On “adaptive capacities of welfare state” please see: A. Hemerijck, *Changing Welfare States.*, Oxford University Press, 2013, pp. 1 – 22.

16 M. Kennedy, *The Next Left and its Social Movements.*, [in :] *Building New Communities. Notes from the Transatlantic Dialogue of Dialogues.*, E. Stetter, K. Duffek & A. Skrzypek (eds.), FEPS Next Left Book Series vol. 5, FEPS / Renner Institut / IGLP HLS, Brussels / Vienna / Cambridge 2012, pp. 98 – 109.

formation. This was a factor in exposing a public perception in which contemporary politics is at best appearing feeble vis-à-vis the overwhelming power of financial capitalism.

Though particularities differ, social democracy failed twice – almost twenty years ago, as also now - to use politically the momentum of social mobilisations. It did not manage to internalise the social question at hand. On the contrary, it let the politicisation of the debate take place outside of the world of politics, without succeeding in bridging between those two more and more parallel universes. It is astonishing, especially that demands carried by them both are in their core matching with the ideological *credo* of the centre left. The interesting query emerging herewith is: **why social democratic movements have been unable to capitalise the context of recent societal mobilisations? Why it failed to bridge between their and its own agendas, to expose the convergence of demands? Why hasn't it yet reframed its mission in a way that would ensure majority in terms of public support, which is of course essential to shape the new century?**

Following these three questions, there is a temptation to make an assessment that despite numerous “renewal” debates taking place since 2008, European social democracy hasn't yet fully overcome its own long-term predicament. The explanatory hypothesis is that there is a correlation between the deepening crisis of politics and certain incapacity of the movement to win over hard political choices. Clearly, the hope that the crisis would serve as a profound argument against neoliberal order, failed. Progressives fell short in terms of rejecting the post-crisis panacea of cuts, which were explained following the “TINA-attitude”. Though initially they had been rhetorically strongly against austerity, while retrieving governmental posts many found themselves applying these very same policies. The comprehension was that the scarcity of resources demands it, and the movement divided fiddling with words to explain what sort of and to what extend austerity was necessary. Again “TINA” brought the conciliation, helping to state that this is the only way to balance finances and fight the public debt. Finally, it would also seem that the same “TINA” offered at least a bit of an excuse. **Social democracy found itself “sandwiched” between weak opinion polls and strong financial markets¹⁷ (as any other traditional political family) felt mostly uncomfortable and insecure in facing more controversial matters. The strategy, at least for the moment, is more the one of “maintain and survive”, than the one of “risk and possibly then re-found”.**

This does not mean that herewith the dialectics of “*endism*” mentioned in the introduction should simply pertain. On the contrary, this essay refuses to give into it, following rather the streams that show more of idealistic curiosity to look what could eventually emerge instead. These observations inspire to make a claim that not only there are alternative paths, but also that they still can serve as an offer of a real chance. For that a certain perspective needs to apply, broadening a horizon of deliberations from a more narrow

17 R. Cuperus for *Renaissance for Europe – A Common Progressive Vision.*, FEPS, Brussels 2013.

focus on the long-term predicament of social democracy to a larger outlook on the state of politics.

There are two angles in which this reflection can take place. The first one focuses on the need to redefine politics in order to restore its sense. Through that also the *raison d'être* of social democracy as a political movement nowadays must be explained. The second one is inseparably related, identifying the ways of re-bonding politics and society. In the other words, it examines possibilities through which social democracy could reconnect with voters, ensuring that it is the answer to the social question of the contemporary times¹⁸.

Redefining Politics

The crisis of politics is described generally through either of the two major prisms¹⁹. The first relates to the popular assumptions that politics “lost its sense of purpose”; it appears rather *drifting* than *directing*. On one hand, it remains distanced and detached from society. On the other, it seems powerless if compared or confronted with global forces of financial capitalism and its agencies²⁰. To make things worse, the previously described “TINA” locks politics in an additional confinement. TINA suggests that with the shrinking scope of partisan activism and declining resources to realise any policy agenda, there is hardly potential or means to realize any profound change. Hence, that there is no way to alter the course of different developments. **In the “TINA” context, political actors are less of advocates for a common cause and architects of desired reforms, but more and more “convenience store keepers” and “emergency plumbing providers”²¹**. With this in mind, it is hardly astonishing that it is hard to spot even the slightest difference by one party or another. It is even more difficult to characterise any shift as particularly specific in terms of a partisan agenda. And this enhances the a-politicisation of politics, which was already deliberated in the previous section.

The second prism focuses rather on the issue of strength of politics. It is assessed through criteria of legitimacy. Hence the force of a public mandate is taken into consideration. The analyses within that scope are usually preoccupied with the issues of popular discontent, declining civil engagement, falling electoral turnout, as also declarations of mistrust in public authorities in general and the government in particular. Herewith, **the other side**

18 See also the work of: W. Merkel, A. Petring, Ch. Henkes & Ch. Egle, *Social Democracy in Power. The capacity to reform.*, Routledge Research in Comparative Studies, New York 2008, p. 21.

19 See classification by P. Norris, *Democratic Deficit. Critical Citizens Revised.*, Cambridge University Press 2001, p. 3

20 C. Crouch, *The Strange Non-Death of Neoliberalism.*, Polity Cambridge 2011.

21 See the debate in the book: O. Cramme, P. Diamond & M. McTernan (eds.), *Progressive Politics after the Crash. Governing from the Left.*, I.B. Tauris London, 2013. Though the book argues that different scenarios are possible, still the spirit of scarcity of resources and tools still remains its preoccupation.

the other side of the “TINA-context” is a paradox: politics is powerless without civic support, which it cannot gain when it is powerless

of the “TINA-context” is a paradox: *politics is powerless without civic support, which it cannot gain when it is powerless*. Following this, it is at least a curious question to ask how much politics is left in the political universe, when the actual aggregation of the political agenda moves from polling stations and parliamentary podiums onto the streets.

Those two prisms described above – regarding politics having lost its sense of purpose and regarding weakening of its powers - are mutually co-dependent and reinforcing each other. But if to remain consequent in terms of perceiving the phenomena as double-folded, the first and herewith initial problem to solve is the obscurity of the image that politics have gained. If to try to systematise the hypothesis, it is possible to arrive to 5 main groups. They involve:

Table 1

Causes, which led to undermining of the sense of politics	
1.	existence of politics as an <i>exempted universe</i> ;
2.	<i>trivialisation</i> of politics;
3.	<i>professionalisation</i> of politics;
4.	<i>mediatisation</i> of politics;
5.	<i>de-ideologisation</i> of politics.

All five require a short justification. First of all, the crisis has exposed what had been suggested by scholars already before: politics evolved in a way that it no longer transcends neither societal nor economic dimensions of human activities. What researchers raise herewith is the issue that politics has been narrowed in people's perception into an issue that animates exclusively politicians, parties and institutions²². There are numerous explanations to it. They start from the question of transparency of political dealing and they finish at visible change that politics could be a key to achieve outside of its own sterile environment.

With politics appearing distant and operating in such an *exempted universe*, it is possible for citizens to respond with statements such as “I am not interested in politics”. **Naturally, if politics presents neither a challenge in terms of working towards the fulfilment of a certain vision nor as an actual elucidation why things take a certain course, a citizen can see taking an interest in it as totally optional.** The increased

22 A. Leftwich, *Redefining Politics. People, Resources and Power.*, Routledge Library Editions, Political Science 2013.

presence of such attitudes is especially grave for social democracy. As a movement it has always depended on a power coming from mass mobilisations. Hence it finds the inability to present itself in a context of a greater social question particularly disabling. Redefining politics progressively would therefore need to mean first and foremost liberating politics from its own self-absorption and putting it in a broader, societal context.

Secondly, the *trivialisation* of politics can have another, quite the opposite effect to the statement of disinterest. It links with the problems such as *professionalization* of politics on one hand, and *mediatisation* of it on the other. They influence the situation in which **politics is no longer seen as an exercise of presenting a vision and assuming leadership, but rather as a particular of congeniality contest of catchy phrases by attractive personalities**. This makes people assume after a while that there is nothing that would differentiate politics from any other conversation, even if to compare it with most trivial ones. Herewith, the difference between policy making and *politicking* becomes blurry. And with that also the “line between the *true* and *false* believes about politics is not clear or bright”²³. Consequently, the popular conclusion drawn by people is that “*they (themselves) know it all*”, comfortably anticipating that they “*understand all that there is*”.

This falls naturally far away from any “modesty in cognitive pretention”. Reacting to that, **politicians tend to believe that voters would respond only to simplified talk, giving up on even trying involving them into more complex, hence more substantial exchanges**. It disables further relations between people and politics, by closing down the dialogue window. For social democracy it presents itself as a dilemma, especially that as a party remains still torn in between the nostalgic image of whom it used to represent and the actual potential electorate of now and the future²⁴. Furthermore, by entering into simplified talks it loses its characteristic as an intellectually challenging, educational movement.

Thirdly, **professionalisation of politics translates for actors involved into a temptation to “play safe”**. Any mistake can cost them dearly, which on individual level would mean a loss of mandate, income and “career perspective”. It makes their decision in terms of what to support and what to reject much more complicated than a simple choice between what is right and what is wrong in the context of their ideology. Paraphrasing here, it is becoming more about what is right and easier, if fact. Hence politicians are very sensitive in terms of polling, basing many of their decisions on forecasts on how public opinion may react to one or another proposal. This is why the “*packaging of politics*” associated with “*political spinning*” plays such an important role.

23 J. Dunn, *The Cunning of Unreason. Making sense of politics.*, HarperCollins Publishers, London 2000, pp. 5–7 and also p. 99.

24 C. de Vries, *New Challenges for Social Democracy – Lessons from the Netherlands.*, [in:] *Next Left: Towards a New Strategy.*, FEPS Next Left Book Series vol. 3, E. Stetter, K. Duffek & A. Skrzypek (eds.), FEPS / Renner Institut, Brussels / Vienna 2011, pp. 30 – 37.

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Next to regular polls, so called “strategic ones” offer here an additional power, namely they enable manipulating the public in some certain ways²⁵. Altogether, they make politicians from “traditional, historical” parties more elastic in political confrontations, and consequently they make established partisan politics less rigorous in terms of demarcation lines between different points of view²⁶. The reluctance to profoundly challenge one another, a certain hesitation in openly expressing fundamental disagreements, as also search for popular issues, make politicians slide among topics and opinions. And such an attitude is hardly an asset in the times of anxieties and fears, as it is far from bringing reassurance and comfort. It reinforces the appearance of politics and its agents as simply weak ones, being “inside” first of all for their own personal gains. Such an image is particularly damaging for social democrats, whose ideological bases relies on respect for public offices and means.

Fourthly, the described above *flexibility* requires a new set of skills, which are needed to cultivate what could be called “free-style” politics. The 24 hours media cycle, the development of internet and with them platforms such as Facebook and Twitter, mean that there is no time to consult the party or reflect collectively on an issue. What counts is a rapid response, a catchy phrasing – preferably within 160 signs²⁷ – and number of re-tweets and hash-tags this communication gained. **Remaining alert, “cool” and hence *mediatic*, are features that count more than an ability to lead lengthy, ideological disputes. It does not mean that the other is being openly labelled as “less relevant”, it just “sells worse”.** The problem that it brings is that among all the catchy, often slightly populist replies it is quite difficult to retrieve fundamental differences among the left and right. It builds on the above described reluctance to open conflicts, enabling more openings for politicians as far as temporary operational strategy is concerned. It enabled consolidating “issues based coalitions” even among political parties that normally have nothing in common with one another, but would need each other’s understanding to a certain degree in order to build even temporary majorities. All this can easily induce certain cynicism also among the potential voters²⁸. And this is what makes them use statements such as “*all politicians are in fact the same*”. This is of course a challenge for movements such as social democracy, which hopes to win post-crisis elections on the notion of “we propose an alternative”. They have to acknowledge that any change of directions is divisive, as it touches upon vested interests of one group versus another. The way to coherently persevere through the storm it can cause is to show the difference in regards to the social question that the proposals would be providing political answers to.

25 For caricature of that, you can see the BBC Comedy Show “In the thick of it” http://en.wikipedia.org/wiki/The_Thick_of_It

26 C. Crouch, *Post-Democracy*, Polity Cambridge, 2004 (2010), pp. 19 – 23.

27 Number of signs available in Twitter.

28 S. Lucarelli, F. Cerutti & V.A. Schmidt (eds.), *Debating Political Identity and Legitimacy in the European Union*, Routledge / Garnet Senes: Europe in the World, New York 2011.

Fifthly, all these developments are discouraging for those, who still seem to be longing for some more grand visions and are not yet that susceptible to story-telling. Indeed, ideologies appear perhaps more and more as relicts from the past, moving together with their terminologies towards dictionaries of anachronisms. It is getting forgotten, that **ideologies as the set of ideas used to provide inspiration and a drive, around which a political action can be organised to either preserve, modify or overthrow the existing system of power.** It has been ideologies that used to give people *a reason to believe in something larger than themselves*. This is why the current times, named by some scholars as era of *'de-ideologised' party politics* seems to be so empty, deprived of hopes, dreams or visions²⁹. In such context, it would be slightly naive to wonder where the societal and also political apathies originate from. This does serve as an explanation for social democrats, why the unbridgeable gap between them and the social movements. While they keep equality as a *core value* around which they build a narrative, the citizens on the streets see it as a *core motivation* to act. This different understanding of the role of ideals is at the heart of why politics seem so static, detached and disengaged.

These above listed five sub-groups of hypothesis explain in general terms why politics appear to have lost its purpose. Summarising: it seems no longer associated with being *a tool to change the world*, partially because of its detachment from both society and economy. It has become complex in content and simplistic in discourse, splitting the *matters that matter* and *matters that it matters to talk about*. It evolved abiding by principles of self-centrism, frequently cynicism and short-termism, due to the fact that it became a career path that once taken by a person, is not exchangeable to any other. Finally, it became a performance art. Each of those has general and particular consequences for social democracy and its eventual renewal agenda. What they show altogether that an endeavour to redefine politics, while and through transforming the movement, must therefore be a complex exercise within which all these different aspects must be taken into consideration.

To begin with, **the progressives must restore their own belief that the "TINA-rule" can be broken.** Herewith, the courage to seek a different quality of politics must be a drive. The motivation should remain the sense of identity coming from a conviction that progressive still abide by their distinctive ideology. Although this means a "return" to the traditional values, a simple reiteration of them will not do the trick. There is a need for their translation into up-to-the-minute, comprehensible policy principles. These should lay fundamentals for credible and coherent policies, which should reflect capacity to make choices and ideological integrity while facing them.

Furthermore, **social democracy must ensure that the objective of modernisation is not about simply fitting to become "trendy" within the brackets of the current**

29 A. Heywood, *Political ideologies. An introduction.*, Palgrave Macmillan, London 2012, 5th edition, pp. 11 & 344.

political systems, but rather to recreate the movement as an answer to the social question of the contemporary times. Its' traditionally communitarian values they should serve, following the proposal for a New Social Deal³⁰, which would pave the way to reintegration of societies and retrieving their governing rule of social justice. The Deal has to become an answer to what sort of a settlement there should be closed nowadays to tame and frame financial capitalism, while ensuring decent living and working conditions for all.

Restoring the sense of progressive ideology will make the social democratic appeal stronger and more capable to break through the monopoly of contemporary neo-liberal narrative. This one shaped itself as a paradigm and has succeeded staying as mainstreaming. It can be overthrown with an alternative one, but formulating one requires both time and also participations of many, including intellectuals in the movement³¹. This indicates a larger challenge, which is that the movement needs to become attractive enough for its current outsiders to either 'get on board' or at least 'get in touch with'. In that spirit it needs a fundamental transformation from a confined and more and more old fashioned party that sporadically only experiments with some democratically empowering tools. There is nothing radical in re-establishing deliberative democracy including primaries, critical thinking and inner party peer-learning. The movement must be a place where things are "moving", namely happening, where it is worth and interesting to be. For that the modesty in appeal on one hand, and the courage of conviction on the other must be retrieved.

Last but not least, **achieving ideological, intellectual and communicational integrity would allow the movement to reappear as more organised, more credible and hence trustworthy.** It would also stretch the horizon of deliberations of its future beyond the current debates contemplating either its prompt death or looking just up to the upcoming elections. Such a reassurance of conviction and consequence in the times of constant, rapid changes may prove to be a very powerful appeal. It would also help transmitting the message that social democrats are politically active in the name of a greater societal cause and not in the name of benefits extended from public budget to their elected representatives.

30 A. Skrzypek, *The Next Social Contract : A New Vision for European Society.*, [in :] *For a New Social Deal.*, E. Stetter, K. Duffek, A. Skrzypek (red.), FEPS Next Left Book Series vol. 5, FEPS / Renner Institut, Brussels / Vienna, 2013, pp. 24 - 59.

31 Scholars claim that once a paradigm gets established, the *scientific community works within it for a time*. See: A. Vincent, *Modern Political Ideologies.*, Blackwell, Chichester 2010, p. 12. Hence the way to overthrow it is through a power of a new paradigm; see also: Th. Sowell, *Intellectuals and Society.*, Basic Books / Perseus Books Group, New York 2009 pp. 10 and following ones.

Reconnecting with Voters

While *Redefining Politics* is a mission of transforming politics by profoundly changing its nature, this endeavour stands a chance to be successful only if politics also regains power. The previous chapter took on the analyses why, looking at the nature of politics, its sense has been lost. It classified 5 main groups of causes, focusing on the transformation that politics has undergone in the last two decades. These deliberations however have been essentially devoted to politics in itself, its internal dynamic and its external appearance. In that sense it resembled perhaps even a bit a laboratory exercise. The underpinning question that one may pose after reading may be: why and for whom it actually matters? Hence in order to answer that and obtain a more complete picture, it is essential to broaden the scope of observations. This section therefore will look at the once transcending nature of politics, trying to retrieve the junctions through which it could eventually *Reconnect with the Voters*.

It is been repeatedly assessed that politics seems more and more pushed into the margins of what used to constitute social lives³². It is undoubtedly true that with the changing and fragmenting societies³³, there is a profound question at hand; in how far politics in general could therefore remain a space where everyone comes together and where opinions are being formulated. It would seem that the societal transformation would perhaps be one part of the story on why it is so difficult to reconnect.

For political parties that is a challenge in particular. Traditionally they have been the ones gathering, formulating and advocating for certain opinions – which role they would assume on behalf of respective groups. With the blurring lines of social divides and atomisation of communities, remaining on a position through which they aspire to exercise prerogatives of political agency is of course questionable. This is especially the case, if one looks at the social mobilisations and their power of appeal, which even if does not last long is still very influential³⁴. Herewith certain issues, such as demand for equality, mobilised and per extension politicised at least parts of the society – while on the other side, politics seem to have remained de-politicised (TINA) and de-socialised (unable to connect). This is not to exaggerate with the power of the mobilisations, but to underline an important feature of theirs. They have been successful in terms of changing

32 See for example: C. De Vries, *Ambivalent Europeans.*, [in:] *FEPS Queries Scientific Magazine*, N°03 (09) / 2012, pp. 78 – 82.

33 On changing and fragmenting societies, see also: R. Putnam, *Bowling Alone. The Collapse and Revival of American Community.*, Simon & Schuster New York 2000.

34 V. A. Schmidt, *From Social Movements and Citizens; to Policies, Processes, and Politics in European Governance: The Need for New „Next Left“ Ideas and Discourse.*, [in :] *Building New Communities. Notes from the Transatlantic Dialogue of Dialogues.*, E. Stetter, K. Duffek & A. Skrzypek (eds.), FEPS Next Left Book Series vol. 5, FEPS / Renner Institut / IGLP HLS, Brussels / Vienna / Cambridge 2012, pp. 120 – 131.

the terms of the debate³⁵, unlike the political parties – which seem more stuck in the world with one, neoliberal dominating and mainstreaming paradigm.

This relates with another detachment, namely the one between politics and economy. **Despite the lessons drawn from the crisis, it is still the case that the primacy of politics³⁶ is more of a nostalgic memory than a reality at present.** Not only there is no real influence on the side of politics that would ensure capacity to frame the conditions on which it works, but also the very slow restarting of economies after 2008 is confining for the world of politics. **This translates into further de-politicisation of the economy as it comes as a consequence of a conviction that available resources are most limited and hence except downsizing different public policies, hardly any other shift is now possible.** The fragility of recovery is emphasised, almost as a shield calling for 'keeping hands off'. It sounds hardly as a way towards standing up and taming the powers of financial capitalism³⁷. **At the same time, this has an impact in terms of financialisation of politics. It means that more and more debates are led accordingly to the logic of balance sheets than in terms of values.** While applying strict financial criteria, there is hardly a column where one could place the social costs of austerity or social benefits in terms of providing equal opportunities for all. And while the sums underneath these calculations remain limited, so do the political debates in which social responsibility became a synonym for austere financial management.

De-socialisation of politics with parallel *financialisation* of it, made its operational arena shrink. Together with that the number of junctions and ways it could transcend either economy or society has been reduced. Though retrieving any of them and constructing new depends on re-establishing the connections between them all, still for the sake of this piece the focus on bridging between politics and society remains prior.

The lack of connecting points between politics and broadly understood society is particularly paradoxical for social democracy. It was founded as a movement that expressed the opposition to an established, existing order. It stood up to speak against the *unfair status quo*. Throughout decades, the focus on fighting against all that was unjust and undemocratic has remained a motivation to consecutively renew the agenda³⁸. The continuous transformation of the environment in which social democracy has been

35 A. Gusenbauer, *Towards a New Narrative – Reconciling Progress and Emancipation.*, [in :] *Building New Communities. Notes from the Transatlantic Dialogue of Dialogues.*, E. Stetter, K. Duffek & A. Skrzypek (eds.), FEPS Next Left Book Series vol. 5, FEPS / Renner Institut / IGLP HLS, Brussels / Vienna / Cambridge 2012, pp. 20 – 27.

36 For the concept of “primacy of politics” please see: Sh. Berman, *The Primacy of Politics: Social Democracy and the Making of Europe’s Twentieth Century.*, Cambridge University Press 2006.

37 See: C. Crouch, *Strange non-death of neoliberalism.*, Polity Cambridge 2011.

38 See: D. Sassoon, *One Hundred Years of Socialism. The West European Left in the Twentieth Century.*, I.B. Tauris, London 2010.

struggling and thriving meant that it was also in a state of a *permanent evolution*³⁹. The reoccurring renewal processes each time enabled social democracy to identify the main social question and embody an answer to it, offering explanation and showing the path to social progress in changing times. Thanks to that, it could grasp political momentums, as also continue attracting different supporters. This preserved social democracy in a position of one of the two main parties in most countries of the Western Europe, allowing it to incessantly exercise influence on politics either from the governmental or from the opposition side was possible.

Hence the last two decades presented themselves as a sequence of turning points for social democracy. It has given into processes that transformed party structures profoundly – shaping them into relatively closed circles⁴⁰. It was affected by all the changes that happened in the world of politics (as described in the previous section) and consequently it faced the dilemma of its own sense of purpose. While looking for its own definition of progressive modernity, it missed however the two momentums of social mobilisations. It failed to connect with its participants, and it did not succeed even in terms of benefitting from the political climate they forged. Instead, it appeared to have been very deeply rooted in the *system*, which is being contested by many voters and subjected to the attacks by populists, radicals, extremists and protest formations. From a formation arguing against unjust status quo, it became integral part of this arrangement.

This leads to a relatively unflattering observation; social democracy has proven unable to grasp the very core nature of those movements. It would be relieved to be in a position to treat them as political players with whom one can enter into a pre- or post- electoral alliance. The *institutionalist* approach seems to have gained here a clear primacy over the political one – as looking at the agenda of both of these movements there has been exceedingly many common issues among them and even traditional social democratic agenda. But these mobilisations' certain organisational ambiguity seems to have made it generally impossible for the progressives to really interact with them or in their proximate context. The same institutional characteristic of social democracy may have made it unappealing or even repulsive to those movements, as it continued to appear a part of what or even embodiment of what they were protesting against.

Following that thought, it would seem that there are two issues at hand. The first one is the actual bridging between politics and society, and the second is particularly for social democracy about finding a new type of organisational approach that would be able to accommodate it. To begin with it is necessary to pose what may appear trivial questions, namely how and where to start. It is not a rhetorical query. **The contemporary**

39 See: D. Sassoon, *Socialism in the twentieth century.*, [in:] *Transitions in social democracy. Cultural and ideological problems of the golden age.*, J. Callaghan & I. Favretto (eds.), Manchester University Press 2006, pp. 16 – 19.

40 C. Crouch, *Post-Democracy.*, Policy Cambridge 2004.

powerlessness of politics makes anything that comes of it as a proposal hardly credible. There seems no longer be a guarantee that it can potentially be realised.

Hence also the attraction of participation and involvement seem to be diminishing. This contributes to lowering turnout in the elections, as also shrinking absolute numbers of votes obtained by the so called “traditional parties”. When the legitimacy is weak, so is the political mandate. It is in fact recoiling. In effect it disabled potential decisive actions, and makes politics deteriorate even further. Breaking out of this loop would require putting an end to these self-fulfilling prophecies, and instead anchoring politics in a certain point of reference. This would have to be most obviously also an aspect to which voters could relate to, finding themselves back on the same page with politics. The hypothesis made in this article is that identifying this junction is synonymous with framing and proposing an answer to the main social question of the contemporary times.

In this one, it is possible also to tackle the 5 main group of causes that led to undermining of the very sense of politics (as mentioned in the previous section), and herewith also incentivised destructive processes leading to the crisis of the traditional political families within the last years (herewith social democracy included). Following this classification, the scheme of challenges would present itself in a following way:

Table 2

Causes, which led to undermining of the sense of politics		Potential solutions that could reinforce politics, while allowing reconnecting with voters.
1.	Existence of politics in exempted universe	Defining the contemporary social question and proposing a political answer to it
2.	Trivialisation of politics	Returning to and reconnecting ideological, programmatic and strategic work
3.	Professionalisation of politics	Finding a formula enabling deliberative, participatory democracy within the parties
4.	Mediatization of politics	Identifying activities that enable socialisation, social education and herewith a re-establishment of inner-organisation culture
5.	De-ideologisation of politics	Modernising the understanding of the core values, while making them the guarantee of the movements political integrity in a long and short term perspective

The above drafted proposal is naturally extremely schematic and requires somewhat deeper explanation. First of all, as reiterated a number of times within this text, the issue of defining the social question is a crucial one. It should derive from a comprehensive explanation of not only the crisis, but also of its aftermath and the logic (if any) that persisted through the post-crisis chaos. Since the predicament came upon societies rapidly, also

subsequent bailouts and banks rescuing plans appeared promptly. While at the same time the austerity and its consequences give the impression of staying rather for good. Except the dictate of cuts as means to prevent the predicament from reoccurring, there is no rationalisation that would bridge between the developments on meta-level and personal experiences⁴¹.

For social democracy it is especially relevant to establish such a connection. It has not managed to nail its explanatory rhetoric of the crisis, but it is not too late to expose the misleading strategies out of it. It has to learn from its know-how as a catch-all party or an issue-based-coalition partners, and bridge among the divided, reconnecting individual exclusion with a common fight in the name of solidarity and equality⁴². Contrary to what many may say, it is not an abstract debate with which people will not relate to. Firstly, it should not be neglected that this is the age of the most informed citizens ever⁴³. Secondly it is the same sense of standing up for a common good that brought the movement together almost two centuries ago. It could not be looking more idealistic then, than what politics can propose now. Social democracy being traditionally a communitarian movement is based on the idea that people get together driven by a feeling that they share not only common problems, but that they can participate in creating a better common destiny⁴⁴. This has not changed. If a broader, unifying cause is re-established, it will present itself as first step towards opening up. And this may become the long term awaited break through, when the other side – namely voters – will feel taken more seriously and hence will respond to the appeal.⁴⁵

Secondly, the focus on the cause will facilitate also overcome trivialisation of politics. With a clear objective, it is easier to systematise the tools and actions taken to achieve that. This would mean that the ideological, programmatic and strategic dimensions of the political work should be brought together into a more coherent, complex whole. There is no evidence that would allow at this point categorically state the reason for the existing divide. Perhaps it is related to the fact that **parties tend to see themselves operating in a continuous campaign modus – in which primacy is given rather to political marketing than to policy formulation**. For social democracy a re-boot in that sense is especially crucial. That would be both in terms of regaining credentials and showing to

41 Scholars argue that "conception of politics" should be about people's own experiences. See: A. Leftwich, *Redefining Politics. People, Resources and Power.*, Routledge Library Editions, Political Science 2013.

42 For more on "Individualism and Collectivism", please see: D. Sassoon, *Socialism in the twentieth century.*, [in:] *Transitions in social democracy. Cultural and ideological problems of the golden age.*, J. Callaghan & I. Favretto (eds.), Manchester University Press 2006, pp. 19 - 22.

43 R. Osborne, *Of the People, By the People. A New History of Democracy.*, The Bodley Head London 2011.

44 For sense of social vision, see: Th. Sowell, *A Conflict of Visions. Ideological Overview of Political Struggles.*, Perseus Books Group, Cambridge MA 2007, p. 7.

45 See the model of political demand and supply sides, as developed by P. Norris, *Democratic Deficit. Critical Citizens Revised.*, Cambridge University Press 2001, p. 7.

have a specific added value, as also in terms of reaching out to partners on the fundament of a solid mandate. Being at its origins a part of larger progressive coalitions, progressives will not find it easy to regain trust of partners until this change of attitude is completed. The relation with them will otherwise always run a risk of being overshadowed by previous disappointments, as also encounter suspicion towards future promises. This is especially the argument of the progressive part of civil society, which is afraid to bond with parties, who might appear to be allying only because of short-term electoral goals.

Thirdly, the way to deal with negative consequences of *professionalization* of politics is through finding a formula that would enable deliberative participatory democracy within the movement and with parties. There are at least three levels in which such enhancing inner party debates can play an important role. To begin with, it opens politics for all, breaking out the restriction to those who chose it as a career path. Next, it enables all to be part of the creation and, thus, feel ownership over the common party agenda. In that sense, it also stands a chance to improve. From being narrowed into formats that allows showing it as “campaign materials”, the agenda can aspire to become more of an underpinning of the political narrative. This is then spread more effectively by party members, who as discussants engage with others and easier play a role of natural *multiplicators*. Literature shows that voting, as also political and civic engagement, they arrive in people’s lives as consequences of remaining within the “web of interlocution”. They derive from an ambition to co-decide, to be part of something larger and historical, and to offer justification perhaps to one’s formulated believes⁴⁶.

Last but not least, it enables citizens believe in the progressive stance to frame jointly a clear set of objectives. If this is then based on members’ priorities more and less on strategic polling, it can become more complex, more pluralistic and hence also more appealing in terms of attracting potential voters. It is also then more tangible in terms of setting the boundaries of the mandate of elected representatives. For social democracy this way of thinking would allow additionally another opening. It would enable the parties to reach out to the group of academics, intellectuals and experts – who may find for themselves an exciting challenge in joining such debates. It is not a way to elitism, but on the contrary towards a forging of new alliances among different societal groups⁴⁷.

Fourthly, *mediatisation* of politics cannot be stopped, but it can be evidently counterbalanced. A way to achieve that is to break out of traditional formula of organising political the activities, and herewith also partisan life. **A new conceptualisation would need to take into account changing ‘culture’, different patterns of engagement of**

46 S. Coleman, *How voters feel*, Cambridge University Press 2013, pp. 35 – 36.

47 To read more on the changing electorates and within which groups the appeal of social democracy has been raising, please see: A. Krouwel, *Party Transformations in European Democracies.*, State University of New York Press 2012, p. 110.

individuals into societal exchanges and interactions⁴⁸. This would allow expanding access to political life in its different formats, by broadening access in comparison to the one offered by camera lenses or tweets in IT-space. For social democracy it is especially relevant, as the aspect of socialisation has been traditionally one of its characteristics. It can through that aspire to bring about more of modernity and hence more of livelihood into its partisan life. It is key in terms of re-establishing a specific culture of togetherness, which can in different ways appeal to others and which would be one of the characteristics of the movement again.

Finally, *de-ideologisation* of politics was possible due to a number of causes, some of which were independent and some of which were provoked by political parties. This does not work for citizens because of many reasons, but the overarching result is that it deprives people from a real democratic choice, when the cleavages among parties are blurred. It also deemphasises the fact that there is an ethical dimension to all decisions politics and economy included. In order to prevent the trend of classifying all the traditional parties as segments of the same system against which protest, populist and extremist movements stand – it is relevant for those parties to retrieve their ideological integrity. Social democracy, which has been quite introvert and much inward looking in the last years, finds itself currently at a turning point. **Return to core values as guiding principles and translating them into modern policy proposals is a path to restore credentials of social democracy⁴⁹. It will then prove to be not only as a movement that can identify the core social question, but also the one that has enough of veracity and courage to answer it by meeting hard political choices.**

To conclude...

This article emerged from a relatively short essay, which merely looked at what are the most common arguments used to back the claim that politics lost its sense of purpose. It was meant to be a concise and easy reading, through which the main points of criticism vis-à-vis contemporary politics would be briefly analysed. This objective was essentially reached in the first stage of deliberations. The original version of this paper was one third of the current length and in that shape was presented at the FEPS Next Left symposium

48 Emergence of the “post-traditional” social order and the expansion of social reflexivity must be tackled, but again within the agenda that shows ways to individual empowerment as an integral part of overall social progress. The emphasis on the relation individual – society must also become the bridge to reconnect the personal experiences with the meta-level developments. *Social reflexivity stands for a concept that relates to interaction between people, who enjoy high level of autonomy within a context of reciprocity and interdependence*. See : A. Heywood, *Political ideologies. An introduction.*, Palgrave Macmillan, London 2012, 5th edition, p. 341.

49 A. Skrzypek, *New Social Deal. The core values for the Next Social Deal.*, [in:] *Progressive Values for the 21st century*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left Book Series vol. 4, FEPS / Renner Institut, Brussels / Vienna, 2011, pp. 50 – 67.

in Barcelona in May 2013.

The panel debate that was devoted to the very same theme was, together with the other threads of the exchange, a strong incentive to revisit the paper. In the course of this process the new chapter looking at the nature of “TINA” (There is No Alternative) was added. Its’ prior finding was that the “defeatist endism” manifested in corresponding literature is also a feature of the current political narrative. It is not only suggesting that there is only one possible path forward (out of crisis and for politics in general), but it became paradoxically a concept of utilitarian value. It has been used by different political forces as an explanation, a conciliation and - though hard to believe - an excuse. The assessment of the influence of “TINA” and the way it infiltrated thinking and acting was exposed especially, while looking at the pleas for an alternative – which the two social mobilisations of the 1990s and the 2000s have made. These broader reflections were then compared with observations regarding social democracy in this period. The finding was that **while having become a part of the currently well established political and partisan systems, social democracy finds itself at odds with alternative social movements. Although this could be explained through, still the question remains why it has not been able to capitalise the momentums of the two global social mobilisations.**

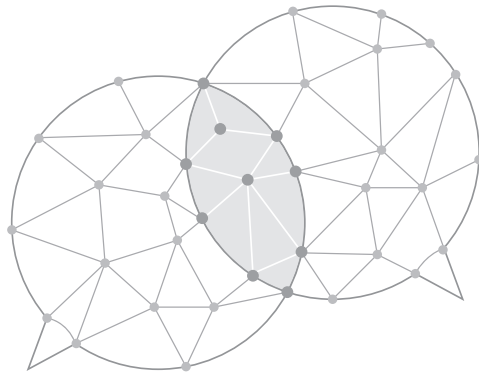
Subsequently to those deliberations, the paper featured a scheme that includes 5 groups of reasons for which politics appears to have lost its sense of purpose. These causes were then paired with the suggestions on how to overcome them, both in terms of politics *sensu largo* – as also in terms of renewing social democracy to make it fit for the contemporary times.

Using different prisms and angles, all led to the reoccurring conclusion that defining the contemporary social question and ways on how to respond to that remains at the heart of the mission of social democracy. Succeeding in the task of *Redefining Politics* is the solution to the vicious cycle of powerless politics and disenchanting citizens. *Reconnecting with the Voters* allows presenting a vision that can engage, mobilise and unite. Only by recuperating its political integrity and organisational livelihood, social democracy will be able to offer a choice and be the one entrusted with making a difference. This is an encouragement for pursuing the mission and persevering through the current crisis – this is the reason to *stand tall* while trying to seek beyond *skyfall* and while reaching out to the new horizons of political imagination.

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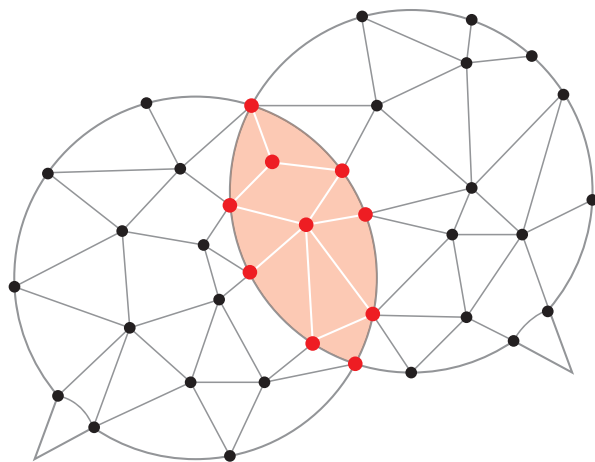


**FRAMING
A NEW
PROGRESSIVE
NARRATIVE**



Oriol BARTOMEUS

The Three Faces of Politics: Morality, Power and Society



Keywords:**Politics – Values – Society – Agreement – Democracy****Abstract:**

Nowadays politics has lost most of its sense. Society has evolved to individualism in the last thirty years, which has been good on the freeing of multiple life choices, but it has carried with it a weakening of the social ties that command the living in community. This trend goes parallel to a diminution of the capacity of politics to build up alternatives to the neoliberal paradigm, which reserves a peripheral status to politics, subordinated to economics. As a consequence, voters view traditional parties as incapable to change their life conditions effectively, and politics as a game that has very little to do with their daily living conditions. The individualization process of society, based on the permanent individual consume, shrinks the social sphere and so the necessity of agreement, which is the core of democratic politics. Restore the sense of politics implies a reconnection with citizens on the basis of empowering politics in order to affect people's lives effectively and rebuild the idea of society as a common cause.

As much of the concepts in social sciences, **politics is a polyhedron, impossible to define completely from a single view.** Politics has to do with values, with moral concepts, but it also has to do with power in its basic definition, with the ability of make other people do what they do not want to do. And also politics is about society, there is not politics in a one man world, politics is about relationships, is about negotiating demands and needs and making agreements.

There would be other aspects of politics more than these three, but I am not intending to do an exhaustive definition about all the implications of the concept. I want to focus in these three to explain why and to what extent politics nowadays has lost part of its very sense.

The Failure of Moral Politics

From the moral point of view, **there are two elements that explain the failure of politics. First, there is the postmodernist idea of the end of “big”, uncontested values.** We have been living through a weakening of the fundamental moral values in society for the last thirty years. This evolution goes parallel with the weakening of the solid structures of the Western society. The social order, born from the bourgeois revolutions, based on solid moral values comes to an end with the ascension of the generations born after Second World War in the hot second half of the sixties. Everything is challenged and with it the idea of good and bad. The industrial “Taylor-style” society, with its social classes, subcultures and hierarchical and stable organization, is silently replaced by a new kind of society, where life styles and even life cycles are multiple. There is no rule to follow. The mobility imposes in all the aspects of individual and social life, and so individual freedom and autonomy appear as the main goal. People look for the liberation of the old structures, which implies the fading away of big uncontested social values, inherited from the nineteenth century.

The second element that helps understand this evolution is the economic crisis in which we are now. The crisis started in 2007, from the moral point of view, has weakened even more the idea of good and bad and the basic chain that links acts and consequences. Social order implies the existence of rules. Not legal rules, but rules that help people to direct their acts. In society is needed to know what would be the consequences of any action you do, so there is a sense of order where acts maybe are not good or bad *per*

se but they have good or bad consequences. If you do this, then you will have that. If you study hard, you will get a better job. If you hurt somebody, you will have a proper punishment. Society is build up on those kinds of relations.

The economic crisis has been (it is been now) an enormous example of anti-pedagogy. The bad ones get the reward; the good ones get the penalty. From a moral point of view this crisis is the worst lesson for a society that was already looking for some big values to follow. If postmodernism meant the end of *Good* and *Bad* as moral paths to follow, the crisis meant the end of the social compass.

And politics has not helped to restore moral in society. I am not saying restore the old values, just restore the minimum sense of correlation between acts and consequences. Politics not only has not helped to that, it has helped the other way around. Take the solutions given from government to the banking crisis, the support to the idea of “too big to fail” to explain the salvation of financial institutions with taxpayers efforts. Maybe it is logical from an economic point of view, but morally it is dynamite. Maybe it works for economics (I am not sure), but definitely it is not fair at all. The bad guys get the reward from those who behaved good. Lesson? It does not matter if you do good or bad, if you are on this side you will pay, if you are on the other, no matter what you have done, you will win.

The very fundamental idea of social democracy and society itself is hurt to death. Somebody could say governing has not much to do with morality, and that is where the question is. Yes, politics has to do with moral values and moral decisions. At one point, the left decided that talking about values was a right issue, understanding “values” as “conservative values”. **We exchange moral for management and we kept only the supreme value of individual autonomy, so of an individualistic idea of freedom.** We forgot to define what was good or bad for social-democrats, because these ideas were particular to every human being. The very idea of society, of common ground, faded away from our political project. I will go back to that.

The Dilemma of Powerless Politics

The substitution of moral by management is at the same time reason and expression of the second face of politics: the power side. **Politics is about power and nowadays we face a powerless politics, which is a contradiction.** For the last 20 or 30 years politics is not the ruling force in shaping social and economic world. The conservative revolution is the last political project for the whole society. As Nietzsche said about philosophy after Plato, all the politics in the last 20 years are just footnotes to tatcherism.

Politics is about power and nowadays we face a powerless politics, which is a contradiction.

←NEXT LEFT→

Does this mean that leftist politics are incapable? Not at all. It means that **politics has become more and more a peripheral element in the power chain**. From the seventies on the idea that politics is an element of great disruption in economics, and the idea that there is an impartial management of economics that must be followed by any government (the *pensée unique*), has put politics in a corner of the power system. Politics is just effective management. Of course there is a margin for differentiation, but it is growing smaller and smaller with time. The distinction between left and right is restricted to moral values: abortion, immigration, gay marriage. The cultural war, as Americans say.

In economics, for the last twenty years, the biggest difference is not between left and right, but between being in office or in the opposition banks. While in opposition, parties from left or right blame the paradigm. When they are in the government, they follow strictly the rule. Again the crisis is the best example of that. The experience of Hollande in France, Rajoy in Spain, Passos Coelho in Portugal, even the last months of socialist governments in Spain and Portugal, show clearly that there is an economic program that must be developed for any government (left or right), despite of what they defend from the opposition.

Divorce between Politics and Society

So, where is politics? What is the capacity for applying a different economic policy? There is not such a thing. There have not been such a thing for the last twenty years. So, what is politics for? For the margin areas that economics left when there is money to spend, which has not been the case for the last five years. If we ask people all over Europe if they think politics can change their lives for a good, I am quite sure a big majority will answer “no”. And part of this is because politics has been losing its traditional tools to change effectively people’s life. All the instruments for effective political control of economy have been thrown away from political control following the neoliberal paradigm of keeping economy to “experts” and not to politicians. So, the failure of powerful politics is not only a question of will but of means.

But politics exists, at least in its institutional face. There are government, there are parliaments and elections, majorities change regularly (more often than before) and it is possible that the exposition of politicians to media is now higher than ever. Politics keeps its regular life as nothing happens. But yes, a major change has occurred: **governments do not perform their political programs but what financial markets say; parliaments do not perform its main role of controlling government; and parties (at least the big ones) do not build up alternatives**. Elections are held, but look at the results all over Europe: traditional parties descend, populist grow. In Spain, polls show a drop in vote intention for PP and PSOE from 55% on June 2011 to 26% on April 2013. The sense

of uselessness of elections is translated in the success of “impossible” alternatives (the most successful the *Movimento Cinco Stelle* by Beppe Grillo in Italy). Citizens are aware of the fact that, despite institutions are the same they were before, their capacity of really changing things is marginal.

Elections are becoming more and more passion, they express discontent without waiting any feedback from them. Take the Beppe Grillo's success in Italy. His voters did not want him to make government; they want to express their tiredness with powerless politics, with politicians that keep on acting as if nothing happens. The sensation among people that politics cannot change things effectively goes together with the sensation that politicians do not serve people, which is a traditional thought in Spain or Italy, but it is been growing and becoming robust in the last five years. The idea was central in the protests of the *indignados* in 2011, who shouted “they do not represent us!” to politicians.

Inadequate Solutions

It seems that politics has two different “solutions” to the situation. From traditional politics, the process of disempowerment has strengthened the process of cartelization, described in the classical work of Katz and Mair¹. Traditional parties have become less and less distinguishable in their recipes until they merge in the answers to the economic crisis. The “There Is No Alternative” and the bad electoral perspectives have closed the bubble of self-reference of institutionalized politics. Even the political language has become one of “experts”, full of concepts and expressions not apprehensible to common people. **The divide between citizens and its representatives is growing bigger and bigger, to an almost possible survival of politics without citizens, or despite of citizens.**

The relation of representatives and voters became similar to that one we have between companies and their clients as the old society of stable social classes fade away. Politics has lived a process of “*marketization*” on the last thirty years, applying the laws of offer and demands to the electoral process. And as companies did, politics has faced two contradictory trends: on one side a more sophisticated client, unfaithful, with constant changes of humor, submitted to a never ending exposure to communication bits, made of images, words, stimuli of all kind. On the other side, a privileged position of politics in the legal frame, with an almost perfect monopoly of representation and a process of institutionalization that made it invulnerable (or so politicians thought) of clients.

The changing of relation between politics and citizens (described too by Katz and Mair) has evolved for the last years in the similar way that the relation between the big utilities companies or banks with their clients. People feel themselves as “muppets”, captive

¹ R. Katz & P. S. Mair, *Changing Models of Party Organization and Party Democracy: the emergence of the cartel party.*, [in:] *Party Politics*, vol. 1 núm. 1., 1995, p. 5-31.

clients in an oligarchic market where the companies (the parties) developed a kind of no aggression agreement between them. The incentives for politics to give an effective answer to the growing demands of citizens are almost zero, for their survival depends more on its legal position and its contacts with the power structure than their effective relation with voters. On the other hand, politics cannot fulfil citizens' demands because they do not have the proper tool to do it.

The "alternative" to traditional, cartelized politics (from extreme left to fascists and from Grillo to the "*indignados*") is promise of automatic responses to the crisis that tries to capture the sympathy of discontent more than building a real, possible alternative to the neoliberal paradigm. Take Grillo and his incapacity to build an achievable programme of government that permit him to create political alliances. Or the "*indignados*" movement, that has been incapable of forming a political organization to play in the electoral arena.

Both the responses of the traditional politics and the alternative ones led to a growing distance between politics and people. This is not weird; it is part of the process of individualization of society. The evolution from a class based society to an individual one has made shrink the sphere of the civic in the last decades. **The "bubblezation" of politics is nothing rare but a common trend in a world defined by the capacity of living by your own rules; a world where everybody apparently chooses his way and does not accept others to decide for him, unless he has invited them to do it.** This is a world with no hierarchy and not stable authorities; a world of actually unfinished freedom to choose between an actually unfinished lot of goods, life styles or experiences.

Bubblezation of Politics

In a world like this the agreement is unnecessary and undesirable. Unnecessary because it is possible (apparently) to live without having to agree with others, just choosing following one's will (a world made out of "likes" and "dislikes" as the truly expression of individual freedom). And it is undesirable from the moment that agree mean restrict your freedom of choose, which is the central point of individual existence.

If agreement is similar to defeat (defeat of your unrestricted individual freedom), it is logical that the sphere of social interaction is reduced to the minimum. It is a trend that goes parallel to technology, and I am not able to conclude if it is technology that allows individualization or is the other way around, growing individualization of human beings pushes the creation of technology to serve this aim. In any case today is more possible than before to live without having to agree with other people in every sphere of life.

Take the way we consume culture and its evolution on the last decades. Until television, culture was consumed in public spaces together with others, in theatres or in cinemas. With

television consumption becoming domestic, private, but still it was a shared experience and it demanded a certain agreement on what to see. The familiar television evolved to the bedroom television, which was individualization of consuming. Then came personal computer, then the laptop, then internet and the possibility of watching any movie at any time. Finally, we have the Smartphone, that allows people to consume in an individual, unrestricted, never-ending way.

Life has become less dependent on others, not only because we can do things without having to deal with our relatives, but also because we can do them when we want where we want. Technology has allowed people to become eternal adolescents, with apparently no restrictions at all. You want it, you have it. Is in this world where having to agree has become the unusual, not the rule, to a point where the agreement is only accepted when there is no other way, so it is seen as a defeat. Why do I have to limit my desire? Why cannot have it all? And now?

Absence of Democratic Agreement

Can anybody be surprised of the way politics are performed nowadays? Democratic politics is based on agreement. First, because parties should build up a project where not a single demand wins hundred per cent. Political projects are an agreement in themselves. Second, because parliamentary politics is basically agreement between opponents. And agreement is more necessary now than ever because fragmentation of opinions give birth to more atomized parliaments, where projects and needs are different and should be taken into account.

But agreement is rare to this world. In part also because the acceleration of life rhythm has made processes difficult to accept. When you have almost everything in just a beep it is difficult to wait for something that could take weeks or even months. Take government formation or any other process politics are involved in. **The pressure put on politics to give immediate and easy solutions to problems more and more complex is another aspect that explains the failure of politics.**

In a society where common ground is shrinking, where individual freedom is the rule, where time flies in seconds more than in days (take any example, from fashion to movies to stock markets) and demands are expected to be solved immediately, politics looks like something out of time, a specie in danger of extinction. And in some ways, it is; at least democratic politics.

The pressure put in politics to give immediate and easy solutions to problems more and more complex is another aspect that explains the failure of politics.

The Path Foreword

What is left to do, then? What can be done, if there is any, to restore the sense of politics? I confess I do not know, but I definitely think there are some aspects that politics must pursue in order to go back where it was.

First and most of all, **politics must be useful to people and not only to politicians.** It is impossible to try to involve people in politics if they do not see that it is worth for something, that it has the power to change effectively their living conditions. **That implies politics must not be afraid of leading, of defining what kind of society and what kind of world do we want.** Politics must go back to define what is good and what is bad, what is acceptable and what is not. Politics has to be moral, not just management, not just deciding on a tiny percent of GDP.

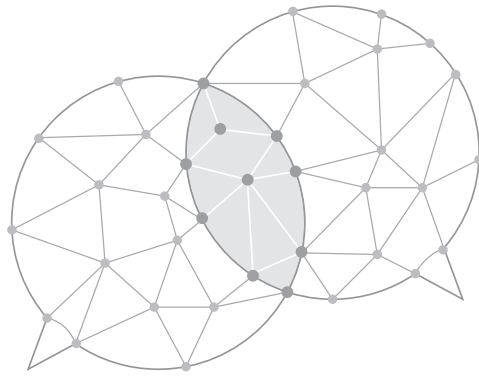
To do that, **politics should be empowered. Politics must have the tools to make its projects reality.** Governments must have the power to govern effectively. And the main point of this empowerment must be rebuilding the connection with citizens, go backwards in the institutionalization and cartelization, break the bubble of self-reference, meet the people again. Politics must understand that citizens are what make politics strong. And citizens are looking for that. Following the polls in Spain, interest in politics has not diminished over the last years, nor it has done the frequency with which people talk about politics (between 10 and 17% more on the last ten years).

Of course, it is difficult; it is tougher than it was before, because we are in a new reality. Even for the new movements is difficult. Look at the "*indignados*", incapables of creating a strong organization, look at Beppe Grillo or the new parties from extreme left or extreme right. People gather around a single issue, and enter and exit organizations with extreme facility.

To conclude, **the three aspects are linked strongly: moral, power and the new society. Only if it is capable of building up an idea of the world, politics will have the necessary connection and the power to be useful to society.** Democratic politics is facing a terrible scenario nowadays. The main part of it, it is been created by the failure of politics in its essential mission, which is to give to people the possibility of choosing between different ideas of what should be the world, and (equal important) deliver it. It is time for politics to come back.

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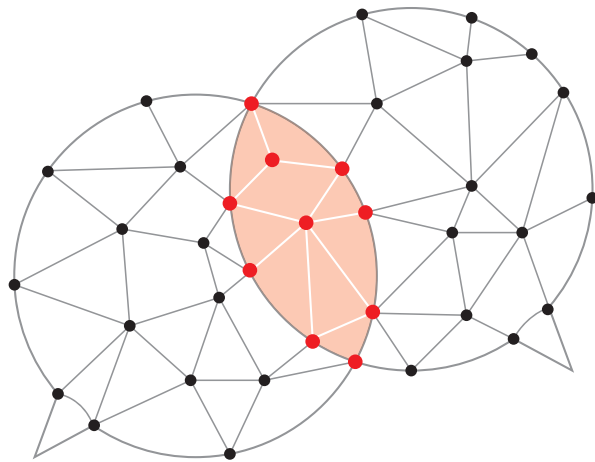


**FRAMING
A NEW
PROGRESSIVE
NARRATIVE**



Rupa HUQ

Restoring Sense of Politics: A UK Perspective



Key words:

UK Politics – Elections – Apathy – Engagement - Disillusionment

Abstract:

Beginning with a sketch of doorstep political encounters in suburban London this piece examines aspects of depoliticisation under the UK's coalition government and in an era of economic downturn. It looks at falling party memberships, voter participation figures and why these phenomena are upon us before concluding with some possible pointers, if not complete solutions, to address the crisis of political faith that seems to be upon us. The piece is written from the perspective of a London Labour Party member.

The Problem before Us

As a loyal Labour party member I dutifully try to make the weekend canvass doorstep sessions that my local branch in west London holds when I can. The locality I live in, Ealing, is a classic “swing” borough. It doesn’t “belong” to either Labour, the Conservatives or the Liberal Democrats. In electoral contests it can literally go either way, therefore cannot be taken for granted and needs engaging with. A bunch of us (usually the keen, younger Labour members) are stalwarts of these canvasses which take the form of regular two hour bursts of activity where we go door-to-door identifying voter preferences and intentions in anticipation of election day when whoever wins will be the party most able to get its supporters to turn out. By listening to the general public you become a receptacle for discontent and/ or the preoccupations of the day. I always learn a lot. At my most recent outing the resident we “knocked up” who stuck most in my mind was a middle aged man who vented his displeasure at Tony Blair. Among his complaints was the Iraq war. Whilst not wishing to summarily dismiss his concerns too nonchalantly I did point out that this was old news and that we now had a new leadership. He rejected this argument telling me that Ed Miliband was “not a leader but a manager”. Another common rejoinder I’ve heard in recent months is the claim that “you’re all the same” referring to the political parties. Such statements seem to point to both a continuation of a sense of politics (opposition to Blair on ideological reasons) and a loss of it (the idea of managerialism and being resigned to the party of office changing colour without much else changing). These conversations are instructive to gauge the political climate of 2013. With the Conservative-led British coalition government continuing its disastrous period in office lurching from crisis to crisis and committing u-turns with gay abandon, the era of Tony Blair now seems to be receding further and further and further away into in the dim and distant past, even if Syria appears to be a modern equivalent of Iraq, an issue which so divided the country a decade earlier. In some senses everything has changed but in others nothing has.

Blair for all his faults - many would rate siding with the Americans in the Iraq conflict as the biggest - was the UK’s last elected centre-left premier, returning Labour to power on a tide of optimism in 1997 after 18 years of political wilderness. Nevertheless accusations of “sell-out” have always dogged the New Labour legacy from the left. It has been alleged that in government the party committed betrayal by refusing to break with various central tenets

of the Thatcher settlement. **If Blair presided over the de-politicisation of Labour to become an enfeebled managerial entity rather than the proud creature of the trade unions that it was formed as, taken to its logical conclusion *depoliticisation* has resulted in the current government comprised of a coalition of two political parties that, before circumstances threw them together, previously had almost nothing in common. This piece seeks to examine whether this is the case, why it might be so and finally seeks to address solutions to the crisis of political faith that seems to be upon us – all from a UK perspective.**

The fortunes of the modern left in Britain have waxed and waned at the ballot box. During my own political coming of age Labour was perennially in opposition. Indeed memories of the disastrous end to the 1974 – 1979 government the “winter of discontent” in which widespread public sector strikes occurred were regularly wheeled out by the Conservatives in election broadcasts to scare voters away and demonstrate Labour’s unfitness to rule. Prior to this the party had also spent most of the 1950s out of office to the point that “fifteen wasted years of Tory rule” was one of their 1964 slogans. By 1997 the electoral pendulum had swung Labour-wards with the first of three successive victories (successive ones being in 2001 and 2005) with comparatively large majorities – the first in three figures. The energy and almost frenetic legislative pace of Blair gave way to the more staid style of Brown. Inevitably it ended though. In 2010 amid accusations that they had grown tired in office and against a background of economic recession, Labour lost power after 13 years in an inconclusive election where voters seemed to be saying “none of the above”. 2009 had seen a climate of disgust at “expensegate” with widespread public revulsion at press leaks detailing the way in which Members of Parliament had claimed either extravagantly large sums of money from the public purse (mortgage payments for houses for which they had already owned) or pettily small ones (Kit Kat chocolate bar, a bath plug). With members of all parties implicated it is difficult to state with certainty what precise effect this had on the results of the following general election but it was politics that suffered. The series of revelations about MP’s financial claims from the public purse probably saw mistrust of official central government systems and politicians at an all-time high and deference in the nation’s leaders as its betters at an all-time low. **As the Barcelona seminar concluded¹ “restoring ethical dimension of politics” is critically important in re-engaging interest. Politics itself now has a bad name.** The height of the expenses scandal proved to be the most difficult moment for Labour doorstep activists. Even us local activist footsoldiers had accusations flung at us of only being interested in politics for pecuniary benefit when it was the Westminster politicians (and not all of them either) who had committed the questionable claims.

¹ A. Skrzypek, *Standing Tall: Reconnecting with the Social Question of the Contemporary Times*, FEPS 2013, p. 9.

Events of the past year have shown mixed results. In mid 2013 a retrenchment of voting attitudes towards the populist right wing was demonstrated in the success of the xenophobic UKIP (UK Independence Party) in local elections across the country and one Westminster by-election. Anxieties about British national identity from Thatcher onwards have been seen in the perceived threat of EU harmonisation, characterised by the popular press as a takeover of Britain by Brussels bureaucrats. While UKIP won no seats from Labour, their score does deserve attention and it would be wrong to simply dismiss them as “loonies” as some in the political mainstream who have no basis for making diagnoses of mental illness have done. Whilst it would also be erroneous to overstate the case for UKIP forming a government: 85% of seats were won by either Tory, Labour or Lib Dem in these county council areas which traditionally have a higher proportion of independents than metropolitan areas, 2013 did mark the first time no major party won a national equivalent vote share of 30+% suggesting a disconnection between the traditional parties and voting public.

General election turnouts in the past 20 years have dropped and then risen again: from a base of 1992 when the figure was 78%, 1997 saw a decrease to 71% before an all-time low in 2001 of 59% which has climbed upwards again to 61% in 2005 and then in 2010 to 65%, an improvement of the nadir of nine years earlier but still a full 13 percentage points down on the surprise win election of John Major in 1992. Perhaps the slowness of the wheels of democracy are at odds with the immediacy of culture we have now come to expect. The French post modern philosopher Baudrillard has argued that we live in accelerated times that the pace of socio-cultural change is inexorably speeding up. People can register their dislike of any government proposal swiftly and publicly through petitions at the number 10 Downing Street website with people signing up at the click of mouse – one calling for the welfare minister Iain Duncan Smith to live on a claimant’s benefit rate of £53 a week had amassed 476, 069 at the time of writing. Facebook allows users to “like” causes or join groups. Set against this the idea of putting an X in a box every 4 or 5 years seems to have limited appeal. The “pick and choose” way of participating in petition-signing requires considerably less commitment than signing up to an entire programme of a political party for a number of years in unpredictable times.

The consequences of a time-poor population faced with multiple pressures appears to have been a steady decline in number of people signed up as paid members of the political parties. An Observer report recently² went as far as to attest “the end may be nigh for our beleaguered and diminished party system.” In the same piece it was claimed that less than 1% of the British population are members of any political party and polling from the Hansard Society found only 42% of Britons were interested in politics/ Figures given were for Labour, from a peak of a million members now just 190,000 and an undisclosed Tory total - the party will not reveal its figures but we do know that it was nearly three million

2 J. Conman, *Party politics is slowly dying. So what will take its place?*, [in:] The Observer 8/9/13

in the 1950s and is probably lower than Labour's hence the candidate selection by open primary where non members can participate. According to Conman³ "parties ... have become steadily more corporate, stage-managed and hierarchical are no longer reaching a target audience which has upped sticks and left to do something more interesting." Mass movement organisations tend to be apolitical e.g. The Royal Society for the Protection of Birds (RSPB) has more than a million members and The conservation group National Trust in excess of four million. Single causes can still attract support but these are more on an ad hoc basis rather than signing up for a totalising project. The Observer cites the campaigning site 38 Degrees, an online campaigning site encouraging people to sign up to e-petitions in a movement termed "clicktivism". In earlier times people would nail their colours to the mast by wearing badges. Today they can go on government petition websites or even "like" groups on Facebook. The business of politics needs to be more instantaneous than waiting for the five yearly cycle of voting in elections which is painfully slow for the twitter generation. As was stated at the Barcelona symposium the velocity of change⁴ "makes politics look flat, simplistic and unable to grasp the fabric of the complex developments".

So what's left of the left? Perhaps it was only inevitable that the sunny youthful optimism of New Labour circa 1997 would fade. Before long the government strayed into areas that had hitherto not been seen as left territory. Longstanding fear of what lay beyond Britain's borders was abruptly interrupted by a series of flashpoint events which jolted Labour's relaxed attitude to multiculturalism, raising question of citizenship and providing the right-wing press a new enemy within: British-born Muslims. Climaxing in the London 7/7 bombings of 2005, public debate on the need to specifically instil a sense of national heritage, culture, tradition and institutions into society began with the official reports into the "disturbances" (official terminology) or "riots" (common parlance) of 2001. These were a series of acts of violence perpetrated by young men of Pakistani and Bangladeshi origin in three economically depressed former northern English milltowns: Bradford, Burnley and Oldham⁵ in part provoked by the far right. The Cattle report⁶ an official enquiry into the events received popular press attention for its controversial warning against what it called the "parallel lives" inhabited by minority and majority populations in the communities in which the violence occurred. The report built on and effectively speeded up the earlier Crick report with its recommendation to entrench citizenship more explicitly into the national institutional framework from the school curriculum upwards. Advice was issued on prioritising the English language for those of immigrant backgrounds and the requirement

3 Ibidem.

4 A. Skrzypek, Op. Cit., 2013.

5 R. Huq, *Urban Unrest in Northern England 2001: rhetoric and reality behind the 'race riots'*, [in:] *Learning From Violence: the youth dimension*, A. Lentin (ed.), Strasbourg: Council of Europe 2003, pp. 42 – 52.

6 T. Cattle, *Community Cohesion: A Report of the Independent Review.*, Team London: Home Office 2001.

for new settlers to have a more detailed knowledge of Britain's institutions, traditions and heritage in return for legal leave to remain by way of a citizenship test. The first town hall ceremonies conferring citizenship on those who pass the examination requirement (answering questions on British structures/traditions) and take the oath of allegiance took place in 2004. Citizenship then represents a new concept in an old country that is being looked on in part as a solution to the malaise that at its most extreme resulted in home grown terrorism from perpetrators born and raised in UK soil and also at giving a sense of belonging to migrants without taking this for granted. The riots of August 2011 also had a multiple reasons to explain their unfolding including the spoils of consumer capitalism as looting seemed to predominate more than any political motive after the initial protest at the police killing a black man subsided.

Apathy, Downturn and Diversity

It has been claimed that more young people voted in the television eviction took place on the popular programme *Big Brother* the same week as the 2001 General Election than in the electoral contest itself. Compulsory voting such as the system currently operational in Australia is often mooted at moments of despair in response to declining UK electoral turnouts yet this seems illiberal and heavy-handed as a solution as well as being difficult to implement. Weekend voting rather than the Thursday contests that always take place in the UK would be a wise way forward. It has also been claimed that polling stations in supermarkets may also be more attractive to the time-poor who also feel squeezed in negotiating the pressures of everyday life. A survey for Experian showed that 57% of respondents felt that there were not enough hours in the day. Given such constraints the prospect of registering a vote in an election where all the candidates are interchangeable and there is very little difference between the programmes on offer might fall off the bottom of the "to do" list of many voters. Placing limits on the "payroll vote" in parliament i.e. those who depend on government largesse for their positions would also make the system look less corrupt and self-serving. It would also be an idea to swiftly order a recall-vote for any MP found guilty of say expenses misuse or anything else objection forcing a by-elections. Labour policy review chair Jon Cruddas MP has floated the idea of opting to give a voluntary donation (suggested at £3) to the party voted for to pay for local organisers derived from government funds – a limited initiative state funding for political parties. A future government should have the courage to introduce independent audit of manifesto promises for those elected with the sanction of party leaders by being personally fined if they don't keep them.

Circumstances between the Blair years and now have also altered. The economic climate has markedly worsened. Most importantly while there were 40 quarters of uninterrupted economic growth under Blair at a time it seemed that this upward trajectory

would continue forever since 2008 we have had to live with a backdrop of recession. As was clear from the Barcelona event this has coloured everything since. Fiscal belt tightening and austerity in the UK is being advocated by both sides of the debate, the main argument being about the speed and scale of the public service cuts to come with the coalition prepared to cur further and faster than Labour. The government's own economic plans however seem to be misfiring; in particular they have borrowed some £245 billion than originally anticipated. Another issue that is raised on the doorsteps is the cluster of topics including rising prices, the cost of living and making ends meet. Along with jobs and growth, these are the bread and butter issues that make up what Bill Clinton called "the economy stupid". This is likely to be the number one issue in the next general election. While there is not a sustained economic recovery underway in the UK, as is the case at the time of writing, Labour can rightly claim that the country is heading in the wrong direction. Rising prices are outstripping wage increases. The economy is flatlining as Labour finance spokesman, the shadow chancellor Ed Balls likes to illustrate with a hand-gesture to illustrate a horizontal trajectory, taunting George Osborne with it in the House of Commons. Nearly one million young people out of work is hardly an economic indicator for the government to be proud of. Yet at the same time if the Conservatives manage to persuade the public that the economic shambles they preside is not of their doing on the last Labour government's legacy this could deliver them political advantage. If a recovery is effected by the date of the 2015 election this could also potentially deliver the Conservatives victory.

In the UK society undoubtedly changes faster than official statistics can. The Official Census is a decennial exercise in data collection with gathers demographic change in relation to household composition. Teaching undergraduates British society in the past decade I've had to be reliant on the 2001 data, only this academic year have figures that were gathered 24 months previously been released. Most notable from the 2011 Census - although unsurprisingly to anyone living in London – is the evidence presented that Britain's ethnic diversity has continued apace. This includes white EU migration which caused the "Mrs Duffy incident" of the 2010 General Election The Parekh report published by the race relations think tank the Runnymede Trust made wide-ranging conclusions about Britain's contemporary multi-cultural character and combating continuing racism. The report's passage on hyphenated identities:

More and more people have multiple identities- they are Welsh Europeans, Pakistani Yorkshirewomen, Glasgoweigan Muslims, English Jews and black British... Britain's potential to become a community of communities is not something to shy away from – its people should celebrate it.⁷

⁷ B. Parekh, *The Future of Multi-ethnic Britain.*, London: Runnymede Trust with Profile Books 2000, pp.10.

has similarities with the much-quoted passage of sociologist Stuart Hall⁸:

Identities are never unified and, in late modern times, increasingly fragmented and fractured, never singular but multiply constructed across different often intersecting and antagonistic discourses, practices and possibilities.

Strategies to attract voters need to recognise the complexity of contemporary lives. Class has changed dramatically. Thatcher's breed of "popular capitalism" whether we like it or not managed to win over voters in one-time Labour areas with the lure of cut-price shares in public utilities and option for tenants to purchase social housing at knock-down prices. **Labour needs to formulate some distinctive "popular socialism" policies rather than simply taking a reactive role, even if the coalition does seem in part to be doing the opposition's work with its non-functioning plans for economic recovery.** Housing is an area that needs intervention, more stock of different tenures including cooperative solutions could be a popular area.

It's been dramatically claimed that we live with a demographic ticking time bomb: certainly schools are having to expand to deal with a rising birthrate when a generation ago they were closing their doors. There is also an adult social care crisis threatening to rear its head as people live longer. The care industry is one where almost no indigenous UK citizens are prepared to work in. Like fruit-picking or cleaning it has become performed by some of the UK's newest arrivals: Eastern Europeans and Somalis often at zero hours contracts never paid above the minimum wage. Ed Milliband talks of the "squeezed middle", the middle classes who are suffering the effects of recessionary times. The same can apply in terms of the lifecycle. Many of the electorate are parents to their own offspring worrying about paying university fees for example but also have caring responsibilities to their own parents which in an ageing society brings a whole new set of challenges. Other families are reconstituted with remarriage and some are outside the traditional family set-up altogether. A confirmed bachelor friend of mine recently told me he was sick of political parties always pitching their message to "hard-working families". "I'm not a hard-working family", he told me indignantly and he's a Labour councillor to boot. The Census has also shown an expansion of single person households who too need addressing in policy terms.

Blair was helped to victory by gaining a majority of women's votes. Ed Miliband's One Nation Labour needs to not lose sight of this vital demographic. There is evidence that women are the most affected by collation cuts. Caroline Flint, a minister in the last Labour government has claimed that women now are not necessarily on the breadline but turning to discount stores: "Price-conscious, financially insecure, struggling with rising food costs

8 S. Hall, *New ethnicities*, [in:] *Critical Dialogues in Cultural Studies*, D. Morley, & Ch. Kuan-Hsing, S. Hall (eds.), London and New York: Routledge, p.4.

and soaring energy bills, Aldi Mum is an unashamed bargain-hunter who stocks up on the basics at the supermarket but opts for Aldi for the Parma ham and prosecco...So the challenge for Labour is different from the one in 1997. Fifteen years ago, the concern we had to address was that people wanted to get on in life.... Today, people are struggling, but think no political party understands what life is like for them, let alone knows how to improve things."⁹ The recent death of Thatcher highlighted how women in many senses have not advanced enough. More should be done to enable women with children including single mothers get elected. We have a narrow political class that tends to replicate itself. It was identified in Barcelona that⁹ "*professionalization of politics brought about a new kind of homo politicus, who is more strategic and opinion polls driven than vision or values motivated*". Yet political parties themselves are in crisis.

While Blair has been criticised for dispensing with ideology in politics he did change the way politics was practiced, borrowing much from the US. The idea of spin, spads, focus groups and rapid rebuttal were all newly introduced into politics by his governments as was a professionalisation of the political classes. Blair had once practiced law and presumably defended people in the courts but the current three political leaders have in the words of Nigel Farage the UKIP leader "never done a days work in their lives", a phrase that resonates with the electorate who see politicians a resolutely out of touch with reality. All the three leaders are now too young to have voted for Thatcher's early governments: we seem to value youth over experience when it would be wise to have a mix of both qualities. We need more representatives who look like "us", in all "our" diversity. The sociologist of religion Grace Davie has written how conventional churches have declined as alternative spiritual movements have experienced a rise as the totalising credo of a whole religion may be too much for a generation used to sampling diversity calling this "believing without belonging". Many of Labour's traditional vote-blocks (e.g. the trade unions that the party was once a creature of) are breaking down making old categories less easy to take for granted and necessitating the forging of new alliances as the "community organiser" school of thought dictates. Indeed it looks like Labour's historic union ties are at present in the process of being severed. This must be recognised by the left: opposition to eg library closures locally all over the UK as a result of coalition cuts can be political and harnessed into Labour votes.

Conclusion

Political movements taking advantage of cynicism and mistrust thrive where there is a vacuum due to the political establishment being seen unresponsive to concerns with a resulting climate of disenchantment ripe for exploitation. The

⁹ A. Skrzypek, Op. Cit., 2013.

Political movements taking advantage of cynicism and mistrust thrive where there is a vacuum due to the political establishment being seen unresponsive to concerns with a resulting climate of disenchantment ripe for exploitation.

weekend doorstepping in order to discover voter preferences as long practiced the Labour party must continue but it seems increasingly old fashioned when political consumers seem to be swayed by single issues rather than willing to commit to a whole party programme. It is only those Labour party members unencumbered by other life commitments (job, family etc) who can turn up for these sessions in any case. Other methods need to supplement this and the Labour party has recognised this by enlisting the services of US strategist Amie Graaf known for community organising. In the early 2000s beneficiaries of an anti-politics sentiment were the far-right BNP (British National Party) in areas such as pockets of northern England and the East London borough of Barking and Dagenham. In May 2013, less well-reported than the advance of UKIP was the defeat of the BNP from their one-time stronghold of Burnley in Lancashire where they lost their last seat where they were not only defeated but finished last there. At times extremist Islamicist groups

have grown up in conditions where charismatic preachers have sought to play on people's grievances. The Labour government's counter-terrorist Preventing Violent Extremism initiative was established with this particularly in mind and has not been significantly cut by the Conservative-led coalition now in power. With UK voting mechanisms however it is not likely fringe parties will ever make it into government. In the US the tea party movement have caused consternation among liberals and have a foothold in the legislature through Republicans in Congress who they have infiltrated. Closer to home in Europe we seem to have a seen a recent rise of populist anti-politics movements from the comedian Beppe Grillo in Italy to harder-edged rightwingers such as the Danish People's Party, the French Front National, the People's Party of Denmark, Fidesz in Hungary, the SVP in Switzerland and the FPÖ who have all been touched upon by Anthony Painter's excellent recent "Democracy Under Stress" report for Policy Network¹⁰. The mainstream needs to robustly respond to the factors that have given rise to their growth and not simply ape the siren voices that make their claims.

Much remains to be seen. June 2014 will local elections in my home patch and all over London. It will also see the first national test of public opinion of both the Conservative-Liberal Democrat coalition and Ed Miliband's Labour leadership at the polls. We must wait until 2015 for the General Election which all Labour members are hoping will change the complexion of the government. Back in the present moment UKIP continues to command headlines in the UK after their electoral gains of last week. You would be forgiven for

¹⁰ Report by Policy Network, London, 2013.

thinking that the blokey and self styled libertarian party leader Nigel Farage was the nation's Prime Minister. Certainly UKIP is a significant movement in the UK party system, eclipsing the 15% the Green Party got in the 1989 European elections when the British first-past-the-post system ensured that they still had no MEPs elected despite getting the highest Green vote in Europe. Yet UKIP have to date however made less of a mark than the 1980s breakaway movement from Labour the SDP that was formed to break the mould of British politics but ended in failure. UKIP's policies are really not much to do with the mechanics of the European Union, this is a convenient cover with other matters such as immigration at large. Their policies are straight from fairyland as they know they will never form a government; which is what we used to say of the Liberal Democrats before they jumped into bed with the Conservatives to form the government and rip up almost everything they had ever once believed in. Let's face it if we're advocating restoring a sense of politics it'd be a start of we could expunge the *nonsense* of politics that seems to prevail now in the UK.

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**FRAMING
A NEW
PROGRESS
NARRATIVE**

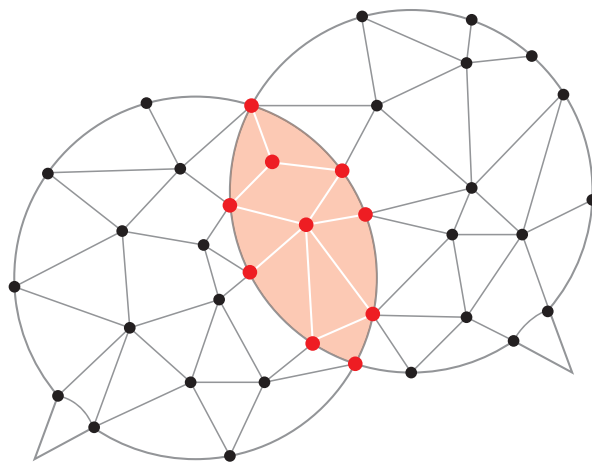
Defining Modern Progressivism

SIVE



Mark ELCHARDUS & Monika SIE DHIAN HO

Towards a Post-Liberal Narrative



Keywords:**Social Democracy – Individualisation – New Cleavages – Core Values****Abstract:**

The future of social democracy is often conceived against the backdrop of a societal diagnosis which sees contemporary societies as strongly individualised, fragmented and liquified, and in which a communitarian appeal has become utterly impossible. In this chapter we question this diagnosis. Indeed, one cannot but be struck by the hardening of social cleavages and by the success of communitarian movements that appeal to a sense of national and religious community. Rather than appearing liquified, our society seems to be characterized by a hardening of social structure and a closure of many channels of social mobility. Contemporary societies do not appear as fragmented but rather as divided, among others between the native population and recent immigrants, and increasingly between the less and more highly educated. The faulty diagnosis is responsible for the estrangement of a large part of the social democratic constituency and the failure to reach new constituencies. This chapter reports on an exercise by the Wiardi Beckman Stichting to link the daily concerns of the people to a renewal of the social democratic project. It was observed that four values link the most pressing aspirations of contemporary people to the social democratic tradition: basic security, decent work, enhancement, and bonding.

The objective of this edited volume is to discuss a series of challenging questions aimed at trailblazing, as well as a diagnosis of the state of society, which, it is suggested, should serve as the background against which those questions must be addressed and eventually answered. We think it is quite important to clearly distinguish the two: the questions and the diagnosis. Some degree of agreement about the diagnosis is necessary to discuss the questions in an intelligible way, without too great a risk of misunderstanding.

The Viscous Society and the Footloose Left

Let us first phrase the questions that were put forward by the editors, then explicitly formulate the societal diagnosis embedded in the way those questions are formulated. Further in this chapter we will address that societal diagnosis and, on that basis, also address the questions.

The questions raised concern the role of ideology in times of story-telling, the role of “traditional” social democratic values in such a shared story, and the possible content of a shared progressive story - comprising a progressive understanding of financial capitalism and striking a balance between idealism and pragmatism. It is hoped that answering those questions will suggest criteria on the basis of which one can select partners for a broad, progressive, left alliance for change.

Those questions are raised against the backdrop of a diagnosis of societal changes, which is presented as both the rationale for raising the questions and the conditions that have to be taken into account when answering those questions. That diagnosis is the by now very familiar one of an individualised, fragmented society, in which a communitarian appeal has become impossible, and the social structures are liquified to the extent that social and political cleavages blur and weaken. In short: the viscous society and the footloose left.

Various aspects of that kind of societal diagnosis have been exposed in a number of very popular books, prominent among them Giddens' *Modernity and Self-Identity*¹, Beck's *Risk Society*² and Bauman's *Liquid Modernity*³. The ideological shift of social democracy towards the so called Third Way has been presented as a political adaptation or accommodation of these societal changes⁴. After almost a quarter of a century, the

1 A. Giddens, *Modernity and self-identity: Self and society in the late modern age.*, Cambridge, Polity Press, 1991.

2 U. Beck, *Risk society: Towards a new modernity.*, London: Sage 1992.

3 Z. Bauman, *Liquid modernity.*, Cambridge: Polity Press 2000.

4 A. Giddens, Op. Cit.

time has come to question the empirical validity of this still extremely popular and influential diagnosis of the state of society. There is ample reason to do so. Even when only looking at Western and European societies, to which this diagnosis is supposed to primarily apply, one cannot but be struck by the success of communitarian movements appealing to a sense of national and in the case of minorities religious community. Even though some cleavages might have weakened, others seem to have hardened. This is the case of social cleavages like the one between the less and the highly educated, and of the more specifically political cleavages like the so called authoritarian/libertarian or “new” or socio-cultural cleavage, which go a long way towards explaining the rise of the radical right and of various populist parties, and the loss and demise of various social democratic parties.

In contrast to what the proposed societal diagnosis suggests, it seems, at first sight at least, plausible to explain the main political developments of the past quarter century by the vitality of communitarian and nationalist feelings, by the hardening of social cleavages and the rise to prominence of new political cleavages, by a hardening of the social structures - closing rather than opening avenues for social mobility - by the emergence of great social distances between the educational classes and between the established populations and new comers, and by the homogenisation of society, the increasing subjection of different societal spheres – economy, societal community and politics – to governance and management models that are primarily driven by financial motives. What we want to do in the first part of this paper is to look more closely at the plausibility of this thesis. If it has empirical validity, then it is very likely that the weaknesses and failures of the left over the last quarter century are due, at least in part, to its operating on the basis of a societal diagnoses that to the people making and experiencing society, more closely involved in the nitty-gritty of daily life, looked increasingly out of touch and aloof.

In the next sections we question the central aspects of the thesis of the viscous society: the high degree of individualization and the emergence of a society of choice and a politics of life style, and the weakening of social and political cleavages.

Individualism without individualisation

A lot of confusion surrounds the concepts of individualism and individualisation.

The first is an “ism” referring to an ideology or belief. Even though there are many definitions of what individualism is, there is also broad agreement that it refers to the belief in the possibility and desirability of individual freedom and autonomy, based on respect for the individual person and his or her identity. Individualisation in contrast, refers to a process and a condition, to the extent the ideal of individualism is realised. While there is little doubt that our culture is characterised by a very high level of individualism, the extent of individualization is hotly debated. A clear and rather unambiguous indicator of individualisation is the

extent to which the way people think, feel and act can be predicted on the basis of their position in society (occupation, level of education, sex, religion, age...). A high degree of individualization would imply a low level of predictability and a process of individualisation would imply a degree of predictability that decreases over time. Research reveals surprisingly high levels of predictability of attitudes and tastes^{5, 6, 7, 8, 9, 10, 11, 12, 13, 14}. Even tastes, often considered as very personal and idiosyncratic turn out to be very predictable on the basis of standard sociological background variables^{15, 16, 17, 18, 19, 20, 21, 22, 23, 24}. **There are almost no solid empirical analyses documenting the rise of individualisation**

5 R. Andersen, M. Yang & A. Heath, *Class Politics and Political Context in Britain, 1964-1997. Have voters Become More Individualized.*, [in:] *European Sociology Review*, 22, 2006, pp. 215-228.

6 Mcallister et. al., 2001;

7 R. Andersen & A. Heath, *Class Matters: The persisting Effects of Contextual Social Class on Individual Voting Behavior in Britain 1964-97.*, [in:] *European Sociological Review*, 18, 2002, pp. 125-138.

8 A. Derks, *Educational stratification and welfare attitudes in six european countries.*, Espanet conference., University of Fribourg, Switzerland 2005.

9 M. Elchardus & K. Pelleriaux, *De polis verdeeld. Hoe de kiezers links en rechts herdefiniëren.*, [in:] *De (on)redelijke kiezer. Onderzoek naar de politieke opvattingen van vlamingen. Verkiezingen van 21 mei 1995.*, M. Swyn-gedouw, J. Billiet, A. Carton & R. Beerten (eds.), Leuven / Amersfoort, Acco 1998, pp. 183-210.

10 R. Eisinga, J. Lammers & P. Scheepers, *Het electoraat van extreem-rechts in Nederland, contemporaine geschiedschrijving vanuit een sociologisch perspectief.*, Groningen, Nederland: Documentatiecentrum Nederlandse Politieke Partijen, 1994.

11 R. Andersen & J. Evans, *Is Three a crowd? Values, Cleavages an Party choice in France 1988-1995.*, *Working paper.*, Oxford, UK: University of Oxford, Department of Sociology, CREST 2002.

12 J. Van Der Waal, P. Achterberg & D. Houtman, *Class is not dead - it has been buried alive: Class voting and cultural voting in postwar western societies (1956-1990).*, [in:] *Politics & Society*, 35(3), 2002, pp. 403-426.

13 M. Elchardus, *In praise of rigidity: On temporal and cultural flexibility.*, [in:] *Information sur les Sciences Sociales*, 33(3), 1994, pp. 459-477.

14 P. Achterberg & D. Houtman, *Ideologically illogical? Why do the lower-educated dutch display so little value coherence?*, [in:] *Social Forces*, 87 (3), 2009, pp. 1649-1670.

15 G. Tillekens & J. Mulder, *The four dimensions of popular music- mapping the continental drift of pop and rock music preferences.* [in:] *Making Music, Making Meaning.*, 13th Biennial Conference of the International Association for the Study of Popular Music (IASPM), Rome 2005.

16 F. Van Wel & D. Van der Gauwe, *Smaken verschillen. Jongeren over muziek, boeken en films.*, [in:] *Come-nius*, 40, 1990, pp.543-554.

17 F. Stevens & M. Elchardus, *De speelplaats als cultureel centrum. Eindrapport van het PBO-project 97/16/115 'Beeldvorming en leefwereld van jongeren.*, Brussel: Vrije Universiteit Brussel, Vakgroep Sociologie, Onderzoeks-groep TOR 2001.

18 K. van Eijck, *Social differentiation in musical taste patterns.*, [in:] *Social Forces*, 79 (3), 2001 pp. 1163-1184.

19 E. Hakanen & A. Wells, *Music preferenceand taste cultures among adolescents.*, [in:] *Popular Music and Society*, 17 (1), 1993, pp. 55-69.

20 M. Elchardus et al., *Zonder maskers. Een actueel portret van jongeren en hun leraren.*, Gent: Globe 1999;

21 D. A. Stevens, *New evidence on the timing of early life course transitions: The United States 1900 to 1980.*, [in:] *Journal of Family History*, 15(2), 2001, pp. 163-178.

22 K. van Eijck & B. Bargeman, *The Changing Impact of Social Background on Life Style.*, [in:] *Poetics*, 32, 2004, pp. 439-61.

23 T. W. Chan & J. H. Goldthorpe, *Social Stratification of Cultural Participation: Theatre and Cinema, the Visual Arts and Reading.*, ISA Research Committee 28 on Social Stratification and Mobility, Oslo 2005; T.W. Chan & J. H. Goldthorpe, *Social Stratification and Cultural Consumption: Music in England.*, *European Sociological Review*, 23 / 2007, pp. 1-19.

24 for an overview of evidence, M. Elchardus, *Self-control as social control. The emergence of symbolic society.*, [in:] *Poetics*, 37(2), 2009, pp. 146-161.

and certainly the proponents of that thesis present none. An analysis based on data for the Netherlands reveals that between 1970 and 2000 the attitudes of the Dutch have become much more predictable over time²⁵. **Our society is in fact characterised by a high level of individualism, and a low level of individualisation.** This, of course, does not imply that people are “forced” to adapt certain opinions, attitudes and tastes or forced to make certain choices, but that there are strong influences shaping their attitudes, tastes and behaviour, and that these are still closely related to the familiar collective identifiers such as level of education, occupation, sex, age, religion... The new, so called technologies of surveillance moreover make completely new forms of influence possible, based on the precise targeting of the individual, on information about the traces the individual has left behind (by the use of gps, mobile phone, internet, credit cards etc.) because of former choices and actions, and on the use of a wide array of means of communication.

The thesis of individualisation should be rejected as empirically untenable. Our society is rather characterised by the strange combination of high levels of individualism and low (and possibly even declining) levels of individualisation. This has, among others, two important implications. The first is that there is a need for a politics of emancipation (a politics of life chances), rather than a politics of life style (a politics of self-actualisation²⁶), because the aspirations for substantive freedom generated by individualism still need to be realised.

It is necessary to give people more control over the forces that shape their lives, their attitudes, opinions and tastes. And this means that people have to gain collective control, not only over economic conditions, but over the cultural factors – media, advertising... - that in the contemporary world shape their opinions, tastes and lives. **The second implication is the need for reticence with regard to the politics of personal responsabilisation which are now introduced in many areas and particularly in welfare arrangements.** This is, no doubt, done in order to lessen moral hazard and alleviate the financial burden of the welfare state, but it is based on the assumption that people act very autonomously and hence should be held responsible for their choices. An important example is the discussion about either differential contributions to health insurance or differential refunding from health insurance, based on life style elements such as smoking, the use of

It is necessary to give people more control over the forces that shape their lives, their attitudes, opinions and tastes.

25 P. De Beer, *Individualisering zit tussen de oren.*, [in:] *Kiezen voor de kudde.*, J.W. Duyvendak & M. Hurenkamp (eds.), Amsterdam: Van Gennep 2004, pp. 18-37.

26 A. Giddens, *Modernity and self-identity: Self and society in the late modern age.*, Cambridge, Polity Press 1991.

alcohol, the extent of exercise, weight etc.²⁷ The standard practice in European welfare states today is differential contribution based on income. Some propose to differentiate according to risk and life style. Given the weak degree of individualization, social democrats should be very reticent with regard to such measures. If the purpose is to increase the probability of healthy living (and in that way to decrease the financial burden on obligatory health insurance), why not forbid advertisements for unhealthy products, increase taxes on such products and make their access more difficult. The belief in a far fetched individualization of society seems to have convinced some social democrats that the resort to individual financial incentives is better than the use of the steering capacity of collective decisions. This policy shift should be critically analyzed in the light of the lack of individualization.

Hardening Social Structures and the Closing of Society

One of the dramatic examples of collective identifiers that influence the way people feel, think and live, is the educational level (and the kind of education they receive). At the end of the 1950s, Lipset already drew attention to working class authoritarianism²⁸, which upon reanalysis turned out to be not so much related to occupation as to level of education²⁹. In the middle of the sixties Almond and Verba³⁰ summarised their findings, writing that: '*The uneducated man or the man with limited education is a different political actor from the man who has achieved a higher level of education*'. Some years later, in the 1970s Converse comes to a similar conclusion: '*Education is everywhere the universal solvent, and the relationship is always in the same direction. The higher the education, the greater the "good" values of the variable*³¹'. For more than half a century social scientists have been signalling the great impact of the level and kind of education on peoples lives, on the way they think, feel, live and die. Authors who have looked at recent evidence of this influence reach sweeping conclusions. Gesthuizen³² describes the educational system as 'the nervous system of contemporary society'. Bovens suggests replacing the concept of representative democracy by 'diploma democracy'³³ and

27 M. ten Have, *Leefstijldifferentiatie in de zorgverzekering. Een overzicht van ethische argumenten. Signalering Ethiek en Gezondheid.*, Centrum Ethiek en Gezondheid, Den Haag 2013.

28 S. M. Lipset, *Democracy and working-class authoritarianism.*, [in:] *American Sociological Review*, 24(4) / 1959, pp. 482-501

29 E. G. Grabb, *Working-Class Authoritarianism and Tolerance of Outgroups: A Reassessment.*, [in:] *Public Opinion Quarterly*, 43 / 1979, pp. 36-47.

30 G. A. Almond & S. Verba, *The civic culture. Political attitudes and democracy in five nations.*, Princeton: Princeton University Press 1965, p. 379.

31 P. E. Converse, *Change in the American electorate.*, [in:] *The human meaning of social change.*, A. Campbell & P. E. Converse (eds.), New York: Russell Sage 1972, pp. 324.

32 M. Gesthuizen, *The life-course of the low-educated in the Netherlands. Social and economic risks.*, Radboud Universiteit Nijmegen, Nijmegen 2004, p. 154.

33 M. Bovens, *De diplomademocratie. Over de spanning tussen meritocratie en democratie.* [in:] *Beleid en Maatschappij*, 33(4) / 2006, pp. 205-218.

according to Tolsma and Wolbers³⁴ educational inequalities and differences now form the main societal cleavage. Many authors conclude that **educational differences have become a more important source of inequalities and of differences in ways of thinking, feeling and life style than occupational status and the socioeconomic position of the family of origin**^{35, 36, 37, 38, 39, 40, 41}.

The social distance between the educational classes is becoming very wide, mobility between them is low, and it is in fact technically more correct to speak of estates than of classes.

Very revealing in that respect is the high degree of homogamy by level of education. Educational homogamy is higher than homogamy by social background^{42, 43}. This also affects the possibility for social mobility through educational achievement because it leads, on the one hand, to families with two highly educated parents in which ample resources are present that aid the educational careers of the children and, on the other hand, families in which such resources are scarce and lacking. Most Western societies are at present characterized by rather low levels of educational mobility.

A social democratic narrative should not address the fluidity or liquidity of social structures, but their hardening, the closing of society and the thwarting of the ambitions of the young people born into families with little resources to support them during their school careers. **Opening society, motivating ambition and creating the opportunity to realise ambition and dreams should be a priority.**

The social distance between the educational classes is becoming very wide, mobility between them is low, and it is in fact technically more correct to speak of estates than of classes.

34 J. Tolsma & M. H. J. Wolbers, *Naar een open samenleving? Recente ontwikkelingen in sociale stijging en daling in Nederland*, Raad voor Wetenschappelijke Ontwikkeling, Den Haag 2010, p. 82.

35 N. D. Glenn, *The trend in differences in attitudes and behavior by educational level.*, [in:] *Sociology of Education*, 39(3), 1966, pp. 255-275.

36 N. D. Glenn, *Massification versus differentiation: some trend data from national surveys.*, [in:] *Social Forces*, 46(2), 1967, pp. 172-180.

37 N. D. Glenn, *Recent trends in intercategory differences in attitudes.*, [in:] *Social Forces*, 52(3), 1974, pp. 395-401.

38 N. D. Glenn & J. P. Alston, *Distances among occupational categories.*, [in:] *American Sociological Review*, 33(3), 1968, pp. 365-382.

39 J. A. Davis, *Achievement variables and class cultures: family, schooling, job and forty-nine dependent variables in the cumulative GSS.*, [in:] *American Sociological Review*, 47(5), 1982, pp. 569-586.

40 M. R. Jackman & M. J. Muha *Education and intergroup attitudes: moral enlightenment, superficial democratic commitment, or ideological refinement?*, [in:] *American Sociological Review*, 49(6), 1984, pp. 751-769.

41 H. Van de Werfhorst & N.D. De Graaf, *The sources of political orientations in post-industrial society: social class and education revisited.*, [in:] *The British Journal of Sociology*, 55(2), 2004, pp. 211-235.

42 H. Domanski & D. Przybysz, *Educational homogamy in 22 European countries.*, [in:] *European Societies*, 9(4), 2007, pp. 496-526.

43 H. – P. Blossfeld & S. Buchholz, *Increasing resource inequality among families in modern societies: the mechanisms of growing educational homogamy, changes in the division of work in the family and the decline of the male breadwinner model.*, [in:] *Journal of Comparative Family Studies*, 40(4) / 2009, pp. 603-616.

(Re)emerging Political Cleavages

The hardening of social structures is also visible in the rise of new political cleavages, new alignments of attitudes around which various forms of organisations - from pressure groups to political parties - emerge that translate those alignments of attitudes and opinions into more enduring cleavages⁴⁴. **The thesis that the decline of class based voting^{45, 46, 47, 48, 49, 50} could be explained by an encompassing destructureation of the 'old politics'^{51, 52} has been replaced by the empirically confirmed thesis of the rise of a new cleavage^{53, 54, 55, 56}.** This cleavage is distinct from the 'old' left/right or socio-economic one that is centered around issues of equality, allocation and the role of the state. This new (or reemerged) cleavage concerns issues such as the consequences of growing diversity, fear of crime, the call for law and order, the critique of putatively corrupt politics, the alleged

44 The term cleavage, often used in sociology to denote the new dimension, is controversial. In political science, since the work of S. Bartolini & P. Mair, *Identity, competition, and electoral availability. The stabilisation of European electorates 1885-1985.*, Cambridge: Cambridge University Press 1990, pp. 215, the term refers to a multi-layered concept that entails: *an empirical element, which identifies the empirical referent of the concept, and which we can define in social-structural terms; a normative element, that is the set of values and beliefs which provides a sense of identity and role to the empirical element, and which reflect the self-consciousness of the social group(s) involved; and an organizational/behavioral element, that is the set of individual interactions, institutions, and organizations, such as political parties, which develop as part of the cleavage.* The extent to which the latter is the case for the new alignment is contested (eg. Kriesi *et al.*, 2008 vs. Van der Brug & Van Spanje, 2010) yet we believe that numerous extreme right wing and populist parties have emerged that justify the use of the term cleavage.

45 J. H. Goldthorpe *et al.*, *The Affluent Worker in the Class Structure.*, Cambridge: Cambridge University Press 1969.

46 D. Gallie, *Search of a New Working Class: Automation and Social Integration within Capitalist Enterprise.*, Cambridge: Cambridge University Press 1978.

47 R. Inglehart, *The Changing Structure of Political Cleavages in Western Society.*, [in:] *Electoral Changes in Advanced Industrial Democracies*, R. J. Dalton, S. C. Flanagan & P.c.A. Beck (eds.), Princeton: Princeton University Press 1984, pp. 25-69.

48 R. J. Dalton, *Citizen Politics in Western Democracies.*, Chatham: Chatham House 1988.

49 M. Minkenberg & R. Inglehart, *Neoconservatism and Value Change in the USA: Tendencies in the Mass Public of a Postindustrial Society.*, [in:] *Contemporary Political Culture, Politics in a Postmodern Age*, J.R. Gibbins (ed.), London: Sage 1989, pp. 81-109.

50 M. Minkenberg, *The New Right in Germany. The transformation of conservatism and the extreme right.*, [in:] *European Journal of Political Research*, 22(1), 1992, pp. 55-81.

51 J. R. Gibbins, *Contemporary Political Culture: an Introduction.*, [in:] *Contemporary Political Culture, Politics in a Postmodern Age* J.R. Gibbins (ed.), London: Sage 1989, p. 18.

52 B. Reimer, *Postmodern Structures of Feeling: Values and Lifestyles in the Postmodern Age*, [in:] *Contemporary Political Culture, Politics in a Postmodern Age*, J.R. Gibbins (ed.), London: Sage 1989, p. 123.

53 G.A. Evans, A. F. Heath & M. Lalljee, *Measuring left-right and libertarian-authoritarian values in the British electorate.*, [in:] *The British Journal of Sociology*, 47(1), 1996, pp. 93-112.

54 G. A. Evans & A. Heath, *The measurement of left-right and libertarian-authoritarian values: a comparison of balanced and unbalanced scales*, [in:] *Quality and Quantity* 29(2), 1995, pp. 191-206.

55 R. Stubager, *Education effects on authoritarian-libertarian values: a question of socialization*, [in:] *The British Journal of Sociology*, 59(2), 2008, pp. 327-350; and R. Stubager, *Education-based group identity and consciousness in the authoritarian-libertarian value conflict.*, [in:] *European Journal of Political Research*, 48(2), 2009; pp. 204-233.

56 M. Elchardus & B. Spruyt, *The contemporary contradictions of egalitarianism: an empirical analysis of the relationship between the old and the new left/right alignments.*, [in:] *European Political Science Review*, 4, 2 /2012, pp. 217-239.

loss of values and norms.... issues about how a community is and should be organised^{57, 58}. Qualitative research has shown that respondents combine the different attitudes salient for this cleavage into a quite coherent narrative⁵⁹ that shows marked similarities with the ways of thinking about man and society that inspired fascist ideology. It shows affinities with social-Darwinism and, more generally, with what Sorokin⁶⁰ has described as the sociological versions of the idea of the struggle for existence. Central to that way of thinking is the idea that life is a struggle, oriented by the pursuit of self interest. In applications of that idea, the struggle often pits “us” against “them”, for instance, our own people against foreigners. That struggle should, according to this discourse, not be tempered by (pampering) social security provisions, precisely because it is good (military, economically and/or genetically) that the strongest should win. Us and them, locked in conflict, are often, but not always, defined in terms of a racial, cultural or national identity. The label “new” alignment obviously does not do justice to the long pedigree of these ideas. We are rather confronted with the reemergence of a way of thinking and speaking that belongs to the tradition of the Counter-Enlightenment and is a stable part of modern European political culture since the 18th century⁶¹. Precisely this cultural continuity increases the likelihood that such an alignment of conceptions can stabilise, determine people’s view of man and society, and eventually give rise to a full blown stable cleavage. It is obvious that this kind of thinking about man and society has much more affinities with liberalism than with social democracy. This, together with the neglect by social democratic parties of wide spread worries about the growing diversity, the alleged rise of crime and corruption, the loss of values and the disintegration of community, has been a major reason of the disaffection of a large part of the traditional social democratic electorate which was attracted by the new radical right and the emerging populist parties. It is very unlikely social democracy can survive as a significant political force if it does not succeed in winning back the electorate that left it because of a dissatisfaction with the way in which it dealt with the problems raised by growing diversity, the increased need for security (probably related to the ageing of the population) and the sense of loss of values. It is extremely unlikely that the expectations raised by those worries can be met with a narrative and a politics based on the view that society is liquidified and men and women individualized. Central issues on the contrary, are what binds a community and which values guide political forces.

57 G. A. Evans & A. Heath, *The measurement of left-right and libertarian-authoritarian values: a comparison of balanced and unbalanced scales*, [in:] *Quality and Quantity* 29(2), 1995, pp. 191-206.

58 R. Stubager, *Education effects on authoritarian-libertarian values: a question of socialization*, [in:] *The British Journal of Sociology*, 59(2), 2008, pp. 327-350; and R. Stubager, *Education-based group identity and consciousness in the authoritarian-libertarian value conflict*, [in:] *European Journal of Political Research*, 48(2), 2009; pp. 204-233.

59 M. Elchardus et al., *Voorspelbaar ongeluk. Over letsels die werkloosheid nalaat bij mannen en hun kinderen.*, Brussel: VUBpress 1996.

60 P. A. Sorokin, *Contemporary Sociological Theories, Through the First Quarter of the Twentieth Century*, New York: Harper and Row 1928, pp. 309-356.

61 Z. Sternhell, *Les anti-Lumières. Une tradition du XVII^e siècle à la guerre froide.*, Paris, Gallimard 2006.

Not so much Fragmented as Divided

There is of course, in a sense, a fragmentation of society, but it is not a fragmentation that lessens the likelihood of communitarian reactions. On the contrary the growing diversity has created cleavages, most prominently along the lines of religion between Muslims and non-Muslims.

In its 2012 report the Dutch Central Bureau of Statistics shows that the diversity of the Dutch population still increases, mainly because of immigration (based on family reunion) from Morocco, Turkey and Surinam and of labour immigration from other EU-countries, mainly Poland. As far as education, labour market participation and income are concerned, the immigrants and their descendants are still at a disadvantage, even though there is progress from one generation to the next. For a long time policy makers and social scientists have assumed that as groups come to resemble each other more in their socioeconomic position, their opinions and attitudes and life styles are also likely to converge. That however is not happening, neither with some of the minority groups, nor between the less and highly educated. While the socioeconomic position of the less and highly educated are less unequal in the advanced European welfare states (the Scandinavian countries, the Netherlands, Germany) than in the less modernised European societies (Bulgaria, Poland...) the differences in opinions and views about how society should be organised are much greater in the former than in the latter countries⁶². The same holds for the difference between Muslims and non-Muslims within Dutch society. A decrease of socioeconomic differences does not lead to a decrease of differences in attitudes and social distance. A report by the Dutch Social Cultural Planning Bureau shows that 40% of the people from Moroccan and Turkish origin that live in the Netherlands never speak Dutch with their partner, and 30% never with the children. About 30% never meets people of Dutch origin, 40% never receives a visit of Dutch friends. These figures are not necessarily alarming in themselves but they indicate the existence of a great social distance and this translates itself in a feeling of estrangement. Only about 7% of the people of Moroccan and Turkish origin living in the Netherlands feels "Dutch" and this feeling of not belonging to the society where one lives is accompanied by great and sensitive differences in opinion. While overwhelming majorities of the Dutch (between 75 and 85%) are in favour of legislation allowing same sex marriage, abortion and euthanasia, such rights are rejected by majorities of the people of Moroccan and Turkish origin. In order to be considered relevant a new left narrative cannot ignore this divide, these feeling of estrangement and the profound differences on extremely sensitive issues. And such a narrative cannot be based on the thesis that collective identities have vanished and only individual self-identity remains. Precisely the presences of these cultural differences and

62 M. Elchardus, *Onderwijs als nieuwe sociale scheidslijn*, [in:] *Essaybundel: De sociale klasse voorbij. Over scheidslijnen in de samenleving*. Ministerie van Binnenlandse Zaken en Koningsrelaties, Den Haag 2012.

the feeling of estrangement to which they have given rise, have heightened the sense of collective identity, of being Dutch or French or English or Moroccan or Turkish or Muslim.

From Individual Options to a Shared Life Course with Common Challenges

One of the domains that are very important in the daily life of people and on which the thesis of individualization/destructuration/fragmentation/etc. has been very lavishly applied is the life course. Beginning in the 1990s several authors thought they witnessed a far reaching destructuration of the life course^{63, 64, 65, 66}. They advanced the thesis that the timing, duration and sequence of the different life stages were becoming very flexible so that the life course in fact ceased to be an ordered sequence of life's stages to become a set of statuses into which people would increasingly enter and exit in an almost random in any case very idiosyncratic way. This thesis was rendered with the phrase that a standard biography was being replaced by an optional biography^{67, 68, 69}. This emphasis on the new optional character of the life course is indicative of the belief that the quest for individual variation and autonomy was the motivating, cultural force behind this change^{70, 71, 72, 73, 74}. While the thesis quickly gained prominence, the evidence on which it was based was at best flimsy. Indications of the individualisation and destandardisation of the life course were often derived from qualitative research, with the risk that existing but infrequent behaviour is

63 A. O'Rand, *The cumulative stratification of the life course.*, [in:] *Handbook of ageing and the social sciences*, L.H. Binstock & L.K. George (eds.), New York: Academic Press 1995, pp. 188-207.

64 J. E. Scheepens, *Van leeftijdgrenzen naar maatwerk. Wet en regelgeving als markeringen van de biografie*. Utrecht, Nederland: Landelijk Bureau Leeftijdscriminatie 1999.

65 V. M. Marshall, *Older workers and Socio-economic Transformation. Into the Millenium of the Older Adult: Releasing Potentials and Erasing Prejudices*, Singapore 2001.

66 M. J. Shanahan, *Pathways to adulthood: Variability and mechanisms in life course perspective.*, [in:] *Annual Review of Sociology*, 26 /2000, pp. 667-692.

67 M. Du Bois-Reymond, *Jongeren op weg naar volwassenheid.*, Groningen: Wolters-Noordhoff 1992; J. P. de Jong Gierveld, *Waarden en normen, en sociaal-economische determinanten achter leefvormkeuzes van mensen die na de leeftijd van 50 jaar een nieuwe partnerrelatie aangaan.*, Paper presented at Martkdag Sociologie 2001, Antwerpen 2001.

68 J. E. Scheepens, *Van leeftijdgrenzen naar maatwerk. Wet en regelgeving als markeringen van de biografie*. Utrecht, Nederland: Landelijk Bureau Leeftijdscriminatie 1999.

69 J. P. de Jong Gierveld, Op; Cit. 2001.

70 A. Furlong & F. Cartmel, *Young people and social change. Individualization and risk in late modernity.*, Buckingham: Open University Press 1997.

71 M. du Bois-Reymond & J. de Jong Gierveld, *Van een standaardlevensloop-model naar een geïndividualiseerde keuzebiografie.*, [in:] *Volwassen worden. Generaties toen en nu: transities in de levensloop.*, M. du Bois-Reymond & J. de Jong Gierveld (eds.), Houten/Zaventem: Bohn Stafleer Van Loghum 1993.

72 M. du Bois-Reymond, *I don't want to commit myself yet: young people's life concepts.*, [in:] *Journal of Youth Studies*, 1(1), 1998, pp. 63-79.

73 U. Beck & E. Beck-Gernsheim, *Individualization and 'precarious freedoms': perspectives and controversies of a subject-oriented sociology.*, [in:] *Detraditionalization. Critical Reflections on Authority and Identity*, P. Heelas, S. Lash & P. Morris (eds.), Oxford, UK: Blackwell 2002.

74 E. Peters et al., *Individualisering en de jeugdfase.*, *Sociologische Gids* XL, (2), 1993, pp. 92-110.

unduly generalised⁷⁵. When some of the common assumptions of the thesis are tested in quantitative research, one has to conclude that the timing and sequence of the transitions leading from youth to adulthood (finishing school, finding a job, living with a partner, acquiring a house, having children...) is in fact surprisingly fixed and common in a given population^{76,77}. People have a clear conception of what a standard life course looks like and most of them normatively adhere to such a life course. The reversal of the standard sequence occurs, but is exceptional^{78, 79, 80}. While these findings indicate that the life course is still strongly standardised, the rare longitudinal evidence shows increased structuration up to the 1960s and the 1970s of the 20th century and when the individual options seem to increase the people concerned make more conventional choices, maintaining a rather standardised life course⁸¹. The same holds for the occupational career. Most people prefer a fixed career, the same job and if possible the same employer for long stretches of time. And this preference increases as people acquired some labour market experience. The preference for flexible occupational careers seem to be largely restricted to people with no or very little labour market experience and family attachments.

The destructurement of the life course appears to be largely fiction and the desire for such a life course and a flexible career seems to be largely restricted to people who have not yet embarked on an adult life course and career. There is no compelling reason to take those people as a reference point for a social democratic narrative addressing the life questions of people.

Towards a Post-Liberal Narrative

The first condition to sensibly reflect upon a new narrative is to have a correct diagnosis of the state of society, correct in the sense that there is a fair degree of correspondence between the diagnosis used to elaborate a narrative and policies on the one hand, the daily experience of people on the other. The diagnoses of individualization and destructurement which has inspired so much of the recent social democratic narrative and guided so much

75 S. Duncan & D. Smith, *Individualisation versus the geography of 'new' families.*, [in:] *21st Century Society*, 1,2, 2006, pp. 168-189.

76 M. Elchardus & W. Smits, *The Persistence of the Standardized Life Cycle.*, *Time and Society*, 15, 2006, pp. 303-326.

77 M. Elchardus, C. Rombauts, W. Smits, *Explaining Tanguy. Residential dependence in Belgium, a test of the destructurement and security theses.*, Paper presented at the 8th Annual Conference of the European Sociological Association, 3rd - 6th September 2007 Glasgow 2007.

78 I. Glorieux et al., *Moeder wanneer werken wij? Arbeidsmarktconclusies uit het Vlaams Tijdsbestedingsonderzoek.*, Leuven: Garant 2004.

79 K. Breedveld, *The Double myth of Flexibilization: trends in Scattered Work Hours and Differences in Time.*, [in:] *Work, Free Time and Consumption: New Strategies for Daily Life.*, Tilburg University 1996.

80 M. Aymard et al., *Introduction.*, [in:] *Food and Foodways*, 6, 1996, pp. 161-185.

81 D. A. Stevens, *New evidence on the timing of early life course transitions: The United States 1900 to 1980.*, [in:] *Journal of Family History*, 15(2), 1990, pp. 163-178.

of its liberal policies, seems unrealistic. It is likely that the estrangement of part of the traditional electorate is due to this lack of realism, to the chasm between a view of society which might resonate with the exceptional experience of a small segment of professionals but appears as utterly strange to the majority of the population. The reigning diagnosis is so unrealistic that its persuasiveness must have special reasons. It seems that an abstract, theoretical and liberal view of man as an autonomous, unconnected individual has been legitimated by presenting it as if it had been realised. Empirical evidence exposes this as empirically invalid and compels us to return to a social democratic view of man, which seems closer to the reality in which most people live. To return to the inspiration of a Frédéric Le Play, the 19th century French sociologist who went to live with, talk to and study the attitudes and interactions of workers in Europe⁸², or to the work of the 19th century Dutch parliamentary research commission that interviewed workers in factories in three regions in The Netherlands⁸³. They wanted to talk to real people, not abstractions of people, because they believed real people are shaped by the social, economic and cultural conditions under which they are born, grow up, work, found families and raise children. **The first requirement to build a plausible left narrative is a radical break with the liberal ideology of individualism and a return to a social democratic vision of substantive individual freedom: emancipation, creating the opportunity to realize ambitions and dreams, opening society, and provide people with control over the conditions and influences that shape their life.**

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Reinventing Politics

One of the mistakes of social democracy over the past quarter century has been to pay insufficient attention to empirical evidence, to not listen enough to the people they are supposed to represent. Time has passed since political parties had their own newspapers, that many people were a member of all kind of associations close to political parties. In those times considerable contact could take place between citizens and political parties,

82 F. Le Play, *Ouvriers européens. Études sur les travaux, la vie domestique et la condition morale des populations ouvrières de l'Europe*, précédée d'un exposé de la méthode d'observations par F. Le Play, Tours, Alfred Mame et fils, 1855, 2e éd., vol. 6.

83 J. Giele, *Een kwaad leven. De arbeidsenquête van 1887.*, (3 vol.), republished 1981.

even though people were not very interested in politics. Membership of political parties and of associations close to them, has declined over the last couple of decades, and communication between citizens and political parties is more and more channeled through the mass media and now the new media. As a consequence, citizens and politics are alienated from each other.

Due to political impotence and political alienation, we are inadequately positioned to offer a counterbalance to the hard economic, bureaucratic and societal developments or to the established powers. People have forgotten how together they can clench a fist and change the course of things in a direction that does more justice to their shared values. As a consequence, there is a danger that we will lose sight of a number of core values that are close to our heart and at the core of the social democratic tradition. The prevailing feeling is that things are deteriorating and that, realistically, nothing can be done about it. And in fact, people today expect very little from politics. People consider politics as part of the problem, rather than as the solution to their problems.

Social democratic parties, in particular, should pay serious attention to this situation. Traditionally they embody the idea that one can improve one's situation through cooperation and collective action. They are the parties that offered different generations and millions of people a grip on life and on the future by organizing solidarity between individuals. Acting with trade unions, they provided a crowbar enabling people to free themselves from socioeconomic insecurities, by forming countervailing powers and collectively exercising influence on societal developments.

What is of essence is that we regain the grip on life that the social democrats were able to offer to previous generations. And politicians must make that feasible, it is there *raison d'être*. In the period linking the 20th and 21st century, we are once again going through a critical transition. **There is question of a new modernisation spurt, and of a new phase of capitalism, which together causes changes comparable to those experienced in the early years of socialism. Huge transformations are underway in the economy, in the state and in interpersonal relationships, and these will have far-reaching consequences for how our core values can be realised. Counterweight is necessary.**

Counterweight presumes that social democratic politics will return to what they ought to be, namely a means in people's hands, by way of which they can direct their own lives, shape their futures and safeguard the quality of their lives and societies. This has been the objective of the 'Of Value' project of the Wiardi Beckman Foundation, that started in 2010 and resulted in the manifesto 'Of Value'. *Social-democracy for the 21st century*⁸⁴, and the adoption of a resolution 'What is of value' at the Dutch Labour Party (PvdA) Congress,

84 M. Sie Dhian Ho, *Van waarde. Sociaal-democratie voor de 21^e eeuw*, Amsterdam: Van Genneep 2013.

in May 2013, containing the political implications of this project for the PvdA political programme.

Of foremost importance to the reinvention of politics is the creation of a better link between what people value in their daily lives, on the one hand, and the societal vision and political ideals carried by social democratic parties on the other. Secondly, the frustrations and the discontent of the people must be linked to evidence based insights into the ways the core values are affected by societal developments and the changes these cause in social relationships. And thirdly, it is vital that, in the pursuit of those goals we gain insight in how strategically thought-out actions can realize the core values. In short, social democracy must permanently galvanise a debate about three questions:

- *What is of value?*
- *In what way are those values threatened and where will new energy come from?*
- *What should we do?*

Social democratic parties and in particular their think tanks have an important responsibility when it comes to permanently feeding this 'civic talk', an expression used by the American sociologist Nina Eliasoph. Only through such a public discussion – an ongoing process of making common values explicit, analyzing how they are under pressure, and formulating plans to bring the attainment of these values closer – can political parties play a role in bringing the 'general interest' closer.

To this end, the *'Of Value'* project has followed two tracks. Firstly, we interviewed numerous individuals from all over the Netherlands and from a range of occupational groups. Their ambitions, their worries, the impediments they encounter, their helpers and their expectations with regards to politics were all on the agenda in these discussions. The interviews have been published together with the manifesto⁸⁵. Working in this way, we hope to enshrine our political program in the grievances and dreams of people we wish to represent. It turned out that four classical social democratic values resonated strongly in these interviews: basic security, decent work, enhancement, and bonding.

Secondly, we brought together a group of academics from different disciplines. They studied how great transformations in, respectively, the economy, the state, and people's interpersonal relationships affect basic security, decent work, enhancement, and bonding. They did this by answering the three *'Of Value'* questions in respect of each theme on the basis of their own and available research: What is *'Of Value'*? In what way is that under pressure? And what should we do? A selection of their work appeared together with the manifesto in the edited volume *'Tegenwicht'* [Counterweight]⁸⁶.

85 M. Hurenkamp & M. Sie Dhian Ho, *Vooruit! De verborgen politiek van het dagelijks leven.*, Amsterdam: Van Genneep 2013.

86 M. Hurenkamp, A. Nierop & M. Sie Dhian Ho, *Tegenwicht. Waarom waarden er toe doen.*, Amsterdam: Van Genneep 2013.

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The manifesto *'Of Value'* combines these two research tracks in a social democratic ideology. This brings us to the question for this session 'what is the role of ideology in times of stories telling?'. We think that role is to place the hopes and fears expressed in the real life stories within a broader, critical analysis of societal developments, to link them to traditional social democratic values and political ideals, and to a political program for social democracy; to translate the moral involvement you feel when you read the individual stories, into a mandate for the social democratic movement. Ideology connects personal problems to public issues and a political strategy to do something about it. **Social democratic ideology places the aspirations of people into a perspective on what is of value, how that is under pressure, and what is to be done, and makes it credible that the social democratic movement can actually do that.**

The role of the traditional social democratic values (basic security, decent work, enhancement, and bonding) in *'Of Value'* is that they have been translated, modernized into the 21st century context on the basis of the real life stories and the academic analyses. Deep economic crises are moments of political truth. In the aftermath of both the Great Depression of the 1930s and the second oil crisis in the 1970s, the character of the social and economic order in the Western world changed fundamentally. Four years after the collapse of the American investment bank Lehman Brothers, it is evident we have a deep economic crisis of comparable proportions to those of the 1930s and 1980s. Are we, in the aftermath of the global credit crisis and after three decades of giving free rein to liberalisation and deregulation of markets, about to witness yet another significant change in our economic and social order? It is crucial that in this moment of political truth we remain true to our values and base our politics on these values.

The Possible Content of a Shared Progressive Story

Freedom, and the collective achievement of the conditions under which everybody can be free, is the central social democratic value. Therefore the starting point of a shared progressive story should not be individualisation, but the tension between the high level of individualism and the low degree of individualisation characteristic of our culture and society. That tension very clearly and prominently emerged from the interviews. People lack a sense of grip on their lives, control over their lives. They express the desire for emancipation from the conditions and influences that make it impossible for them to lead the life they want to lead. They do of course express that desire from the vantage point of their daily lives and their individual aspirations. And that is the vantage point a social democratic story should take as a starting point: basic security in one's life, decent work to make a living, the opportunity to make the best of one's talents and capacities, the possibility to form those bonds and social relationship that make it possible to enhance

life. In the *'Of Value'* manifesto we analysed how the four values are under pressure due to economic, state-related and interpersonal dynamics, and what we should – in that context – be doing. The ensuing course points both socioeconomically and socioculturally in a post-liberal direction.

If we take stock of the political programme emanating from the analysis of the four values, we would – socioeconomically speaking – appear to be advocating a market-economy in which the sphere of money is limited and the costs as well as the risks of increasing competition are no longer one-sidedly transferred to the workers; a market economy where there is a better balance between the flexibility of employees and flexibility for employees, and where companies or workplaces function better as communities. Productive entrepreneurship is highly valued, making money with money far less so. The financial sector will once again have to be of service to the real economy, and the utility function of large financial institutions safeguarded. Everyone deserves to be paid a living wage. Exchanging best practices between the Netherlands, Germany and the Scandinavian countries in respect of social, industrial and sustainability policies will contribute to the development of a modern Rhenish model, with a stable, sustainable and socially-minded economy. A strong welfare state will enable people to cope with both old and new risks and, where necessary, offer protection. However, such a social investment state will only succeed in a different Europe; one in which social rights are no longer subordinate to economic freedoms, and in which a social investment pact helps ensure that Member States not only have to comply with budgetary norms, but also with social standards. And on an international level, conditions will have to be set for national states to conduct social and democratic policies and maintain strong welfare states, by bringing an end to hyperglobalisation and by introducing elements of a new Bretton Woods system.

From a sociocultural perspective, the conclusion is that social democrats should abandon their reservations in respect of bonding and community spirit; social democracy should apply this principle if it is to become post-liberal in that area. It must dare to break away from the belief in individualism, as individualism can be paralytic. As our societal diagnosis has illustrated, it is no longer sufficient to give people control over the materiality of their lives, their material conditions by way of socioeconomic policies. There is increasingly a need to give people control over the cultural forces of media and advertising that often shape their lives in ways that are experienced as a lack of control over one's own life. This is in many respects a new and tough challenge for social democracy. **Solidarity is power. These words embody the social democratic mandate in a democratic, socially fair and comprehensible way.** Social democrats approach society as a community with a shared future, a common social ideal focusing on the attainment of what we deem of value. When striving for that future ideal, the ongoing challenge will be to bring and keep everything together, by mitigating the dividing lines

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between those well and those less well educated, and between cultural groups. Social democrats act on the understanding that we need collective arrangements in order to have individual freedom and develop opportunities. The word arrangements refers to the complex relationships in which collectivities are realised in the 21st century; in the form of a new welfare state; in the form of social networks and social resilience; in the form of companies and workplaces as communities; and in the form of the international cooperation necessary to create the conditions for this civilisation ideal within the Netherlands and Europe.

Politically the demand is: a greater say. The mandate is to democratise various social sectors using the motto: *No exercise of power without accountability and no larger concentrations of power than are essential to carry out the required tasks.*

The gap between policy reality and social reality can be reduced by allowing citizens and civil society to participate in the shaping of government policy. This will also help ensure that the institutions that service the people continue to focus on the needs of the people instead of the logic of their managers. Finally, a representative democracy deserves strengthening and new zeal; because locally, nationally and on a European level councils and parliaments need to regain ground from the executive power and exercise their controlling and indicative functions better and more visibly.

Defending what is of value implies that the market will be corrected, that a break must be made from liberal individualism that isolates people and hampers freedom, and that the aim must be to create a type of politics that listens, brings people together, mobilises them and gives them a hold on their lives. In short: **socioeconomically to the left, socioculturally towards bonding, and politically towards giving people a greater say. We should pursue this direction by forming a broader alliance with societal and political partners that have come to the same societal diagnosis and with whom we share values and a vision of how these values can be realised.**

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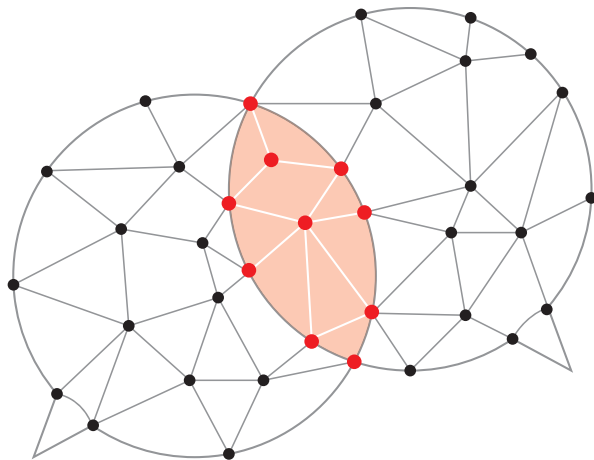
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Yiannis Z. DROSSOS

Portraits of the “*Progressiste*” as Depictions of the Progressive Paradigm

videmus nunc per speculum et in aenigmate



Keywords:

**American Left and Leftist tradition – Southern European Left –
Greek Left – Greek crisis**

Abstract:

The Left is composed not only by her ideas and policies, but also by the multitude of her so-called “anonymous heroes” –the individuals that through the paradigm of their personal course in the Left incarnate the Left no less than her other fundamental components, such as dogmas, sets of ideas or political projects. Looking *through a mirror and in enigma*, the text attempts to describe, in comparison, praise and critique two such profiles: the profile of the American Leftist activist, as emerging through characteristic texts of two subversive intellectuals of the American Academia and the profile of a Southern European activist, as emerging for the author’s own knowledge and experiences mainly from his country.

The emblematic personalities, praiseworthy or notoriously emblematic, of the Left have become part of the fabric the Left is made of. Words like “Lenin” or “Alliende”, “Mao”, “Willy Brandt”, “Ho Chi Minch”, “Ché Guevara” or probably “Malcolm X” are not just bearers of the historical memory regarding the individuals they correspond to; they come along with a political-ideological aura, they trigger meanings far beyond the particular histories of the politically active subjects they once had been.

The Left is composed also by the multitude of its’ so-called “anonymous heroes.” Not really anonymous - everybody has a name - but they are practically unknown outside the circumstance, the circle and the moment of their political activity, they may be individually unidentified. Still, **the unknown militants of the Left, by their personalities, the ways of their life or their death, incarnate the Left no less than her other fundamental components, such as dogmas, sets of ideas, political projects, the epochs of rise and decline of the leftist ideas, the ascent and descent of the Communist régimes, the conduct and the perspectives of the Social Democracy, the dynamics and limits of the progressive grass root movements, the strategic embarrassment of the Left in view of the rapidly progressing globalisation.**

One can never be sure about the profile of the paradigmatic leftist militant in and after the actual years of change and perplexity. Looking *through a mirror and in enigma*, I will attempt to describe such profiles. I will be based on my personal experience out of the cultural, political and social surroundings I grew up and I live in, on my hopefully indicative experiences from the USA and on some speculations about things to come. The actual crisis affects my description substantially. Not just as an element of the environment where I will put my pictures, but for serious theoretical reasons. If a missing alternative, a missing idea world, a missing agent and a missing crisis are indeed the four grounds for the disorientation of the Left (as eloquently put in a Roberto Unger’s elaborate approach¹) then the forth ground for our disorientation – the lack of a crisis - has disappeared, or, at least, is fading away. A crisis, thanks God! Let’s reorient ourselves. But who are we?

1 R. Mangabeira Unger, *What should the Left propose?* Verso, London-New York, 2005, 12, pp. 18-19.

I am the Spirit that always denies...

The archetypal model of the Greek leftist activist is shaped by and deduced from the legacy of the World War II and our Civil War (1946-1949). The master figure is the Resistance fighter: a patriotic and a socialistic comrade in arms. The key persona is the partisan of the National People's Liberation Army, a preponderantly Communist guerrilla army, much like (although not identical to) the Chinese People's Liberation Army of the wartime. Their fight was for national liberation from the Nazi and Fascist occupants and, in parallel, to establish the People's Republic. The bitter Civil War followed our Liberation has brought an important evolution of the figure: it became now the Communist detainee in the concentration camps during of the Civil War and its aftermath. The word "Gulag" is generally and notoriously known, and rightly so. Shamefully the word "Makronissos", a place of systematic torture for dozens of thousands of Communist "inmates" with the purpose to break down their moral and personality remains generally unknown outside of Greece. Then comes the figure of the courageous defender of the honor of Party in front of the military courts of the victorious "Free World" condemning him or her to death. A famous in my country sketch by Pablo Picasso, reproducing the photograph of a prisoner in the military courtroom draws the lines of such a personality: an unshaved (but not bearded) man around in his late thirties is holding a carnation in front of his smiling eyes. The Man with the Carnation was executed in March 1952. His name was Nikos Beloyiannis. It is also the name of a Hungarian village, created by and for the Communist political refugees of the Civil War and still existing, under the same name.

Life went on and so did the leftist profile. It now took the form of the demonstrator on the streets of Athens in the early sixties, fighting for democratic liberties. It took also the form of the less rigid but not less tough peace and disarmament activist (in line with Bertrand Russell's peace movement of the early sixties): Grigoris Lambrakis, an MP, assassinated in Thessaloniki on May 1963 by *parastatals* operating under the guidance and the auspices of the police. In the film "Z" by Kostas Gavras many people have caught a glimpse of the story.

In 1967 a military junta was imposed. Thirty three years later, in 1999, President Clinton, during his one day visit in Greece, in his official allocution in presence of our President of the Republic, pronounced words of apology for the US involvement and support of the junta. A political disaster for the Left, the junta was also a source of a weird kind of psychological uplift for many leftists. Yes, for the sake of the Cause "[...] I take pleasure in infirmities, in reproaches, in necessities, in persecutions [...]: or when I am weak, then I am strong."² The leftist militants were given the chance, once again, to prove that the Left might have been strategically unsuccessful, but them, *le peuple de la Gauche*, could handle the defeat

² Paul, Corinthians II, 12, 10

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with adamant strength, the power of their will and a high sense of dignity. Once again we defended the honor of the Party (and of the Left in general) by resisting the junta, by not yielding to the intimidating demands of the junta either in their notorious concentration camps, in their chambers of torture or before their military courts. In the last two years of the junta a new appearance of the master figure emerged: it was the activist student, well organized by the best standards of the Communist tradition. These leftist student activists were prepared to risk (and loose) their freedom, as well as his or her life, as it happened for several dozens of them in the night between November 16th and November 17th, 1973, when the tanks of the régime put a bloody end to the occupation of the Polytechnic School of Athens organized by leftist students.

A noisy happiness reigned or 35 years long after the collapse of the junta in 1974 and until the outbreak of recent crisis in 2009. We kept our fighting spirit, adapted to the normalcy of the new era, of course. This time the typical leftist appeared as a rather loud frontrunner, mimicking modes, voices and tunes of the Great Ones of the glorious pasts. Much more prosaic in form and content, this activism has been consumed in a process of constant demands (usually with some moderate success, but not much heroism) for even more social benefits such as salary raises, job positions in the public sector, early pensions and many other forms. To undertake a serious responsibility for establishing political and economic structures and functions corresponding to wide masses' social aspirations and struggle for more "consuming power" and better distribution of the incomes, however loud in our rhetoric, was ultimately out of our scope.

* * *

The crisis took the Left by an unworthy for a Left worthy of her name surprise. Notwithstanding that the austerity measures were not imposed by military means or by abolition of the democratic institutions, and independently on whether and how far they were useful or just unavoidable, the austerity measures were brutal. Their brutality proved a very convenient situation for the rejuvenation of the profile of the leftist militant and for its adaptation, after about 35 years of militancy stagnation, to meet the fascination of the new challenges. An enemy, a real enemy, at last!

Oddly, the situation proved more complicated for the leftist militants. On the one hand new capital priorities emerged from the crisis: restoring a tolerable fiscal stability; restarting the economy by the productive activation of the human and material potential of the country; restructuring the state; eliminating the corruption and the partisan trade-off as constitutive element of the political system; redeeming the public interest as contrasted to whimsical egoisms and over-liberalistic sub-interests, and all these while preserving the democratic form of government. Such were now the generally admitted as bitterly and urgently needed fundamental political tasks. Yet, on the other hand, due to the lack of any

real existing leftist programmatic alternatives, these tasks were (and still are) undertaken on the basis of an articulated, down to the smallest detail, political project, analytically epitomised in the policies provided by a series of “Memoranda of Understanding” with the key-holders to our bankruptcy. The Memoranda are implemented under the strict control of the creditors’ representatives, the “troika”. The Memoranda impose a predatory ultra neo-liberal policy, a rude austerity, partially also malicious and harshly punitive, but also a long list of structural reforms, mainly with regard to the organisation and functioning of the administrative state apparatuses³. This, unfortunately, was the only real existing practically implementable political project – not the only *possible*, but the only available.

Under such condition two new facets of leftist model-figures appeared. The one is based on a mixture of the traditional post-communist type of leftist and the ‘indignado’, the angry one. Denying everything and denouncing everyone this figure longs for yesterday and calls it future. Eager to protest on the streets at first instance, always ready for any strike or other form of civil disobedience, he or she denounces the government as Quislings, prompt and willing collaborators and servants of the occupants (i.e. the troika), and in this, this type of leftist militant often advances a form of neo-patriotism, hardly discernible from the traditional nationalism of the populist Right, denies or undermines any structural reform effort whatsoever, discards Merkel as a modern Nazi, cherishes Chavez and the Chavistas (cunningly forgetting their petrol based blunt populism), questions Europe, capitalises on every real political shortcoming of the government or personal insufficiency of the political personnel and on the real anger, anxiousness and despair spread by the crisis all over the society, propagandises something that usually looks more like a metaphysical promise and less like a political project. Oscillating between an *infantile disorder*⁴ (the adolescent stance, fed by the anger, the anxiety and the despair) and the effort to acquire statecraft and practical political wisdom (the grown up stance, fed by the elevated, but not yet at clear governmental scale electoral results) these angry and serious figures lose gradually their once remarkably high sense of humour, when out eat in taverns and choose a rather casual dressing.

Next comes the portrait of the “responsible Left”. In its extreme appearance, this neo-socialist figure discovers, in happy flabbergast, an intellectual revolution in the form of the enthusiastic endorse of values that once upon a time used to belong to the ideological opponents. This figure discovers the values of private initiative and fair competition (underestimating or even forgetting the heavy involvement –almost

3 More about these measures in: Yiannis Z. Drossos, *Yesterday*, (Presentation at the *European Legal Project: New Approaches*, organized by IGLP at Harvard Law School, April 13, 2011), in www.constitutionalism.gr and (in an earlier version of the same subject), *The sovereignty of the Debt, the Sovereigns over the Debts and some Reflections on Law*, IGLP Working paper series, 2011/#7

4 W.I. Lenin, *Left-wing Communism. An Infantile Disorder* (1920), [in:] *Lenin, Collected Works*, Volume 31, p. 17–118, Moscow 1964, transl. by Julius Katzer.

inseparability- of the Greek private sector with the state and the political élites and their interdependence), distrusts as source of corruption and stagnation anything called “social”; moves easily from political liberalism to the economic liberalism; undervalues or even belittles the brutality of the austerity measures; cherishes the Germans as industrious; discards Chavez and the Chavistas as picturesque; likes the smell of the people’s votes; despises the scent of their sweat; is devoted to the implementation of the Memoranda policy, which, when in public or official audience, represents as necessary evils, while when in private circles or even in intimate moments, welcomes them as Gods good blessings and just punishments. “Realism” is for this figure a value by itself, but, apart from tangible results with regard to macro-economic figures, without much sensibility for the directions that the realism of the day may lead to. This figure has a rather high level of cynicism, when out eats in restaurants and chooses dark grey or blue suits, usually with a bright coloured tie over a mauve-cyclamen stripped shirt.

A less fanatically “innovative” facet in the same brand still adopts several elements of the traditional leftist rhetoric, such as more sensibility for preserving social benefits and *aquis*, a rather polemic language than a technocratic one (the tough measures voted by this Left in Parliament are being defended as a matter of superior necessity, not of choice) shows more sensibility towards democratic process and clear liberalism towards the flood of foreign immigrants, underlines the seriousness and responsibility of the Left for the whole of the society. Dressed less formally, with rather scarce moments of humor, these people use to eat sandwiches or delivery in their offices, or a hasty meal in eateries nearby.

* * *

These are, in very rough lines, the profiles of the Greek leftist militants appeared in the last about seventy years. With the exception of the all too recent “neo-socialist” type, which is a personage gradually departing from the traditional leftist ideologies anyway, “*the tradition of all dead generations [weighed] like a nightmare on [their] brains.*” In particular in changing times and epochs of crisis Greek leftist militants “*anxiously conjure up the spirits of the past to their service, borrowing from them names, battle slogans, and costumes*”, as well as “*emotions and illusions*” and present their activity “*in time-honored disguise and borrowed language. [...] In like manner, the beginner who has learned a new language always translates it back into his mother tongue.*”⁵

The *schwankende Gestalten*, the wavering forms⁶ of the National Resistance and the remembrance of their epopee is always the most prestigious jewel of the Greek Left. It

5 References from K. Marx, *The Eighteenth Brumaire of Louis Bonaparte* (1852). Transl. by Saul K. Padover (Chapters 1 &7) and Progress Publishers (Chapters 2-6), Moscow, 1937. Transcription/Markup: Zodiac and Brian Baggins for Marx/Engels Internet Archive 1995, 1999. Proofed and corrected by Alek Blain, 2006, Mark Harris, 2010, 5.

6 “*schwankende Gestalten*”, Goethe, Faust, I, Dedication [Prologue]

is heavy, it is still shining, not just over the Left and it is not deprived of some political usefulness as well. To call up the dead of these epochs meets the activist's psychological need to surpass the triviality of the moment. However, no matter how the "*the awakening of the dead*" served the purpose "*of glorifying the new struggles*", and "*magnifying the given task in the imagination*" and not a purpose "*of parodying the old*"⁷, the un-heroic triviality of many aspects of the present social condition only too often extracts the archetypical leftist prototype from the tragedy that shaped it and brings it to feature at a farce.

There is, nevertheless, a type of archetypical leftist activist, who was *never* admitted as a paradigmatic hero of the Greek Left. An epitome of this personage is found in the fictional character of a novel of the Soviet thirties, famous at that time: *How the Steel was Tempered*, by Nikolai Ostrovsky⁸. The main figure, Pavel Korchagin, a quintessence positive hero, gave everything in the war battles for the Revolution, and, afterwards, he gave also everything in the peace battles for the reconstruction of the fatherland, for his country's and people's economy, wealth and prosperity. His undeniable heroism was not limited in the deconstruction of the enemy, but extended to the construction of the society after the military defeat of the enemy. The novel leaves no space for doubt that it was about his *socialist* country that Korchagin fought his struggles in the fields of reconstruction. But it should not be underestimated either that his labors of peacetime were aiming to *actual*, present lives of real people in a real country, in great and immediate need of economic restructuring and development⁹.

I wonder: is the bankruptcy and devastation of an industrial facility somewhere in Greece *only* the end of the capitalist exploitation in that facility? Does this loss of jobs and misery *always* lead to the great progressive social change? Is it not *also* the elimination of an important component of the material basis for progress? Is it not also the end of the jobs of hundreds, or thousands of working people and the beginning of misery for their families? Usually, at least in my country, the family members of the owners and top managers of the bankrupt capitalist businesses do not suffer, because, timely enough, the assets of the business have been turned into their private wealth. The collapse of the facility may affect the extent of the savings of the entrepreneur's family, but it's not their lives that will collapse. Therefore not only the fair distribution of the wealth produced in there, but also the persistence of the facility *is* an issue the Left cannot overlook without yielding to illusions and ceding strategic social, political and ideological space to the most ferocious neo-liberalism.

7 References from: Marx, *The Eighteenth Brumaire of Louis Bonaparte*, 5, 6.

8 N. Ostrovsky, *How the Steel Was Tempered*, transl. R. Prokofieva, Central Books Ltd. London, 1973.

9 I thankfully note that my friend *Yiannis Meimaroglou*, a former leading member of the pro-soviet Communist Youth and Party in the seventies and eighties indicate has indicated to me that Korchagin has always been presented as a the master model of devotion and self-sacrifice, but, as he finally admitted, in the circumstance of capitalist domination, for the construction of the Party, not of the country.

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In the legacy of another Southern European Left, a different figure of an indisputably red star rose, Palmiro Togliatti. For all what he did or omitted, Togliatti, one in the inner circle of Stalin himself, did seriously and constructively participate in the formation of the post-Fascist Italy. He did this knowing that Italy would remain politically a bourgeois democracy, socially a capitalist economy and geo-strategically a part of the anti-communist West. With the possible exception of Ilias Iliou, a leading, but not decisively influential politician of the post war era, the Togliatti type was never among the emblematic profiles of my country's Left.

* * *

The successive profiles of the Greek Left in the last about seventy years seem to advocate for Roberto Unger's assessment that the lack of crisis is a reason for the disorientation of the Left. This assessment and poses a further and much more important question: is the Left at ideological and political ease, is it "oriented" only in times of crises? Is she only the salt to salt the world and not a promise of the world? Is she doomed to be the medicine – useful only in times of illness- or is she the form (or: a form) of health?

So much for the native.

The Ecstatic Moment of Finding Other Risk Takers, Making Plans, Arguing All Night Long about What to Do, Doing Something¹⁰...

I have first encountered the figure of the American global *progressiste* in the hospitable gardens of Harvard, Cambridge, U.S.A., in the early nineties. This was through the school of the Critical Legal Studies, and, significantly, also through the personalities substantiating that movement.

I came across only to the profile of the American activist only indirectly: apart from Clinton's first election nothing more revolutionary occurred in the United States of America during my six months at Cambridge, the autumn of 1992. I met activists but – with the exception of some really subversive moments of teaching in the classroom - not much activism; not of the type I knew. Nevertheless, it was a novel and thrilling experience for the more or less typical product of the 'classic' leftist tradition of my marginal Southern Europe origin that I am.

¹⁰ Phrase taken from D. Kennedy, *Legal Education and the Reproduction of Hierarchy. A Polemic against the System*, New York – London, 2004, [A critical edition (with an Introduction and Afterword by the Author) of a pamphlet, initially published in Cambridge, 1983], [=Duncan Kennedy, *Legal Education*]

The American experience offers an idea about the profile of a leftist activist in the absence of a relatively stable leftist political current, mass movement or other structure within the society. As observed by Duncan Kennedy, “*When the war in Vietnam was over, the cultural dimension was all that remained, and it quickly turned into ‘me decade’ narcissism. The civil rights movement followed by uprising of the urban black masses won temporary concessions. When the threat of black violence had been crushed by state force or receded in exhaustion, white society went back to its business, and the black community split into a deteriorating underclass and co-opted bourgeoisie.*”

¹¹ In such condition, “*if you are an activist, you choose your ideas of activity based on your identity.*”¹²

Activism, any activism, is also a matter of identity. In the American case I’m discussing here, it seems that –with the exception of exceptional moments- it becomes more a matter of personal ethical stance of the activist and less the outcome of his or her political or, more generally, social condition. The leftist intellectual becomes a leftist activist because his or her need to resist against the type of evils of the world the Left is programmatically fighting to eliminate. This attitude “*turns into activity, that becomes a habit, and pretty soon it’s like the habit of exercise and you feel bored and unused when you aren’t for someone somehow. The spiritual dimension of resistance is nonetheless positive. It is about the ecstatic moment of finding other risk takers, making plans, arguing all night long about what to do, doing something.*”¹³

What is to be done? Lenin’s famous aporia about the *burning questions of our movement* ¹⁴ is still there. One American answer, very genuine one, is offered by the profiles emerging from the critical theorists’ paradigms. The first is about the global activist.

I was acquainted with the stereotype of a *global* – in the sense of taking care and action for the good of the whole humanity – activist before. The profile I knew was the soviet styled, not necessarily affiliated - militant of the international movement, solid in doctrine, with deep certainties and, as a rule, personally involved in political action and usually either persecuted by the reactionary government on his or her country or sort of apparatchik in the socialist government of his or her country.

The profile of the American global activist was quite different. More intellectual, with a personal and professional life less affected by the miseries of this vain world than other comrades’ lives, but not less genuine in his or her devotion for a progressive, even subversive and definitively emancipation as a cause.

¹¹ D. Kennedy, *Radical Intellectuals in American Culture and Politics, or My Talk at the Gramsci Institute*, 1 Re-thinking Marxism (1988), [=Duncan Kennedy, *Talk at the Gramsci Institute*], 104

¹² D. Kennedy, *Legal Education*, 7.

¹³ D. Kennedy, *Legal Education*, 7

¹⁴ W.I. Lenin, *What is to be done? Burning Questions of Our Movement*, Collected Works, Moscow 1961, Vol. 5., 347-530, also in <http://www.marxists.org/archive/lenin/works/1901/witbd/>

David Kennedy's *Spring Break* and *Autumn Weekend* illustrate my first encounter with this activist as an individual person and as part of an activist community.¹⁵

In the *Spring Break*, the activist is identified as an American “*human rights worker*”, member of a small group conducting a fact finding visit, some time in (the Orwellian) year 1984 in the, remote, “*dangerous, exotic, exiting*”¹⁶ Uruguay, a military dictatorship at that time. Their mission was to investigate about the conditions of detention and the physical and legal treatment of a small number of political prisoners. They actually met three of four detainees, witnessed the deprivation of their freedom, heard their stories of their torture and the régime's reasons for their detention, met the press and the American authorities in Uruguay and reported back to the institutions that had sent them. Undoubtedly a noble mission, and the text accounts it honestly. The enquiry is described in full detail, but more useful to outline the figure of the activist is the exhaustive following up and revealing of the activists' emotions and psychological process through the successive moments of the mission. A unique insight of the activist's inner world is generously given: a “*nagging doubt*” on whether he had anything to offer, on “*what right; did he have to do this to ‘them’*”, on whether the distant Uruguay was so different that he might become “*an agent of ‘cultural imperialism’*”, or not so different, after all (otherwise he wouldn't be invited)¹⁷; a loss of interest in the prisoner's case because “*her personal story [was] too intimate and shocking to relate to*”; a fascination “*by the strings around [the prisoner's] wrists*.”¹⁸ As candidly admitted, it was somebody else's condition that substantiated the activist's task: “*Ana*” the prisoner they first met “*gave our mission significance and meaning*.”¹⁹ Prepared to leave, the activist “*felt corrupt, as if we had deceived the Uruguayans for our own professional and personal reasons. The true price of constituting Uruguay as foreign and exotic was [...] to be paid upon my return, as I became once more foreign to them, disconnected and out of touch*.”²⁰ What if Ana was not imprisoned and Uruguay not a brutal dictatorship?

Twenty years later, it is *Autumn* and it is *Weekend*, yet the general picture is not really altered. The activist is member of a stable and activist community. The *Autumn Weekends* tell how an activist community constitutes in Lisbon a platform for solidarity to the massacred people of East Timor. In place of a small number of individual activists

15 D. Kennedy, *Spring Break: The Activist Individual*, [in:] *The Dark Sides of Virtue*, 2004, 37 [initially in *Texas Law Review* 63 (1985)] *Autumn Weekend: The Activist Community*, in *The Dark Sides of Virtue*, 85 [initially published in an extended version as: *Autumn Weekends: An Essay on Law and Everyday Life*, ed. by Austin Sarat and Thomas R. Kearns (1993) 191]. A profile of the humanitarian activist, a person indulged in a *humanitarian effort to rebuilt society* [*The Dark Sides of Virtue*, xviii] is clearly discernible in other David Kennedy's texts as well, such as *The International Human Rights Movement: Part of the Problem?* in *The Dark Sides of Virtue*, 3. However I find *Spring Break* and *Autumn Weekends* much more characteristic.

16 D. Kennedy, *Spring Break*, 41

17 D. Kennedy, *Spring Break*, 41

18 D. Kennedy, *Spring Break* 54

19 D. Kennedy, *Spring Break*, 52

20 D. Kennedy, *Spring Break*, p.79.

for protest and solidarity *on the spot* there is now a whole conclave activated for the establishment of a structured institution *for the spot*. As long as somebody is suffering in some spot, the 'spot' seems irrelevant. The techniques for a platform for East Timor are apt to serve West Sahara as well, are they not? In the *Autumn Weekends* elements of lassitude are visible in the activist's figure, a kind of fatigue that, if driven to the limits, might end up with a kind of bitterness and cynicism: "At lunch, smoking by the tennis court, drinking with age cohorts, national cohorts, private-in groups, we recognized with a wink or a chortle that our public idealism could not be supported by the realism of our common projects. We entered the zone of flirtation [...]. If we could bring law to bear on Timor together, wouldn't we also sleep with one another? [...] Indeed, who would sleep with whom, who would befriend whom, who would promote, hire, help, whom? Who would reveal their loneliness, exasperation, sexual orientation? How can laughter in Lisbon be defended when people are being slaughtered in Timor?"²¹

In the *Spring Break* the activist is profiled as an emotional person, feeling 'foreign' before and after the mission, aware the distance separating him from the suffering. In the *Autumn Weekend* the activist comes out as a component of a more or less bureaucratic structure – a humanitarian apparatchik? - always alert and in readiness between the outbreak of one reason for solidarity (to East Timor) and the emergence of another (to West Sahara). The activists in these cases are not and will never become Uruguayans in prison, nor Timorese or Saharans under massacre. They may not even endorse the political views of them; they cannot substitute neither them nor any other individual or group worthy of solidarity such as the oppressed, the hungry or the unemployed. However, all along the moments between 'before' and 'after' the moments the activists' humanitarian deeds, they are there for the Cause, their engagement is there, at the disposal of those who need and can use it. From the point of view of the needy, this matters more than the essentially irrelevant activists' feelings, emotions, personal motives, projects or individual features.

* * *

The global humanitarian activist is not the only figure of progressive radical activist the superpower can offer; there is also the mainly domestically active radical militant. A portrait of such activist is the one of the radical intellectual. As reliably observed, "the tale of the left intelligentsia in America is a sad one quickly told." Since the American leftist intellectuals have "little or no access to cultural consciousness of the masses" and "little or no hope of participating in the exercise of state power", what remains can only be "collections of left niches" and "radical social critics (mainly in the universities)"²². The tale might be sad and quickly told, but it is worth telling; after all, an opinion or a stance

21 D. Kennedy, *Spring Break*, p. 101.

22 D. Kennedy, *Talk at the Gramsci Institute*, pp. 104 – 105

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in a world center becomes easily a world opinion or stance, apart and on top of its merits, already because of its origin. With the possible exception of Las Vegas, nothing that happens in America stays in America.

Conceiving itself as the “*theory’ part of a mass movement of the left*”, American radical Left offers “*thought*” in the aspiration that it “*will find agents to put [it] into practice if it is theoretically sound*”²³. This is best done by “*organisation around ideas*”, not in the sense of propagation of an ideology, but in “*developing a practice of left study, left literature and left debate about philosophy, social theory, and public policy that would give professional, technical and managerial workers the sense of participating in a left community*”.²⁴ Organisation around ideas takes place mostly in the universities and their academia. It is not limited just in advancing radical ideas; it calls also for “*taking humanism seriously within a formally liberal but actually repressive workplace*” in the aspiration that “*The next step is the formation of left minorities and the exercise of some real power in office politics as opposed to current situation of radical grumbling at the fringe.*”²⁵

It calls for great courage and for a deep sense of belief, mission and duty to dedicate a mind and a life in creating subversive niches and kernels of critical consciousness while the social surroundings are worse than hostile: they are indifferent. The courage turns into an exemplary heroism once it is realised that such subversive niches and kernels in places like Harvard, which, in an environment of isolation from broader masses “*sometimes seem like decolonised Polo and Tennis clubs in Kuala Lumpur.*”²⁶

Sisyphian or utopian, this type of activist shows no element of emptiness or vanity. I can imagine his or her profile in the form of a rather austere, but not unworldly figure. It is not the figure of the philosopher King (since there is no hope for an American leftist intellectual militant/worker to come to power), neither the figure of the “*wielder of the lightning of philosophy to the virgin soil of the proletariat*” (since the American working “*class seems obviously ill-adapted to the role of ‘virgin soil’*” for such wielders).²⁷ I can imagine such an activist strategically armed with intellectual power and tactically equipped with sensitivity, deeply learned, wise and witty, cruel in thoughts, warm in deeds, critical courageous intellectual ally of all well-intended people in the homeland and abroad.

23 D. Kennedy, *Talk at the Gramsci Institute*, p. 124.

24 D. Kennedy, *Legal Education*, pp. 117,118.

25 D. Kennedy, *Talk at the Gramsci Institute*, p. 126.

26 D. Kennedy, *Talk at the Gramsci Institute*, p. 118.

27 D. Kennedy, *Talk at the Gramsci Institute*, pp. 107, 121.

A shibboleth of all good things and aspirations

Today, probably more than ever, *"We are all basically in the same boat, at this moment of history, and no one has a good idea where we're going."*²⁸ So what is Left for tomorrow? Paraphrasing Marx, in the century ahead, the social revolution – or, modestly: the prevalence in praxis of the driving ideas of the Left – *"cannot take its poetry form past but only form the future"* and *"cannot begin with itself before it has stripped away all superstition about the past"* therefore, the coming years *"must let the dead bury their dead in order to arrive at its own content."*²⁹

I cannot speculate on the forthcoming poetry that will shape the future Left activist's profiles because I cannot speculate on the content of our shibboleth for all good things and intentions. I curiously observe the facebook as organizer of mass movements under authoritarian régimes (as reported, for example, with regard to Tahrir square), or the Anonymous and the *"politics and aesthetics of hacking, enabled by the global information infrastructure"*³⁰ and I see this technology bringing the figure of the e-activist to the profiles of the past. Piotr Czerski's vision³¹ is indicative: the Web Kids *"grew up with the Internet and on the Internet"*, they *"do not use the Internet, [they] live in the Internet and along it."* Participation in cultural life is most valuable to them: *"global culture is the fundamental building block of our identity, more important for defining ourselves than traditions, historical narratives, social status, ancestry, or even language that we use. [...] [C]ulture is becoming simultaneously global and individual."* They hold that *"money [has] stopped being paper notes and became a string of numbers on the screen, paying has become a somewhat symbolic act of exchange that is supposed to benefit both parties"* and that *"the sales goals of corporations are of no interest to [them] whatsoever."* They are *"increasingly annoyed"* by the state's *"archaic interface."* They dismiss the *"humble acceptance"* and the *"utmost importance"* displayed by their parents with regard to *"administrative issues."* They *"do not feel that respect, rooted in the distance between the lonely citizen and the majestic heights where the ruling class reside [...]."* In their view *"society is a network, not a hierarchy."* They *"do not feel a religious respect for 'institutions of democracy' in their current form, [they] do not believe in their axiomatic role, as do those who see 'institutions of democracy' as a monument for and by themselves."* They solemnly proclaim: *"We do not need monuments. We need a system that will live up to our expectations, a system that is transparent and proficient. And we have learned that change is possible [...]. What*

28 D. Kenney, *Talk at the Gramsci Institute*, p. 109.

29 Marx, *The Eighteenth Brumaire of Louis Bonaparte*, p. 6.

30 M. D. Kennedy, *From Affirmative to Critical Solidarity in Politics*, in the materials distributed for the *Next Left: Framing a New Narrative* meeting in Barcelona, May 10-11, 2013, p. 131.

31 P. Czerski, *My, dzieci sieci* ("We, the Web Kids"), transl. by Marta Szreder, February 12, 2012, <http://pastebin.com/OxXV8k7k>. In thankful appreciation to Michel Kennedy *From Affirmative to Critical Solidarity in Politics*, 128, footnote 63 for bringing this most remarkable text to a wider attention.

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we value the most is freedom: freedom of speech, freedom of access to information and to culture. Perhaps we have not yet given it a name, perhaps we are not yet fully aware of it, but I guess what we want is real, genuine democracy."

Their faces will be young, their intelligence high, their feeling of speed probably much more sensitive than their feeling of depth, their clairvoyance will be high, and so will be their ability to sort out the important and discard the useless.

All ingredients are there, in Czerski's e-manifesto: a *weltanschauung*, a statement of values, an element of utopia, a demand, an appeal, a nucleus for further political and economic assumptions, the chastity of innocence, a network of mutually sympathetic people from different contexts³² sharing all these. Is there any, remote or close, analogy with the wild entrance of coal, steel, railroad and spinning mill in the pre-capitalist world? Will the e-community constitute a new *bearer of universal interests of society*³³, substantial enough to influence with ideas, politics and activism the centers of world political and economic power?

I can imagine among the features of a next leftist militant the ability to use *the global information infrastructure*³⁴ in order to organise around individual issues of global relevance, to participate directly and with no time or space limits in a realm of shared (hopefully progressive) values and ideas, to create new political realities. Their faces will be young, their intelligence high, their feeling of speed probably much more sensitive than their feeling of depth, their clairvoyance will be high, and so will be their ability to sort out the important and discard the useless.

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³² Paraphrasing Duncan Kennedy, *Talk at the Gramsci Institute*, p. 122

³³ Utilizing an Unger's expression, Unger, p. 17.

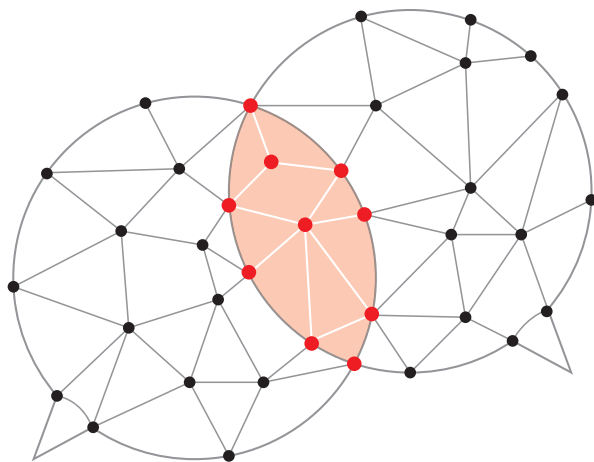
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Modern Progressive Policy: Why It Can't Stop At National Borders



Key words:

**Global Fairness – Global Governance – International Cooperation –
Providing Global Public Goods – Smart Sovereignty**

Abstract:

The main point set forth in this paper is that, if progressive policy today wants to be effective nationally, it must include, as a core component, a policy and strategy of effective – and to this end, fair – international cooperation on global, border-transgressing challenges. Fairness must shape policymaking at national and international levels. The paper outlines a number of policy reforms that could be taken towards this end, most importantly the forging of global consensus on a notion of ‘smart’ sovereignty, i.e. an exercise of sovereignty that recognises that in the present world of deepening interdependence among countries fair and effective international cooperation are often the best way of meeting national policy goals.

Introduction

This paper discusses the potential for national policymakers today to promote more sustainable growth and well-being for their local constituencies. Put differently, the paper will examine how national policymakers can deliver on promises such as to enhance the availability of decent and well-paying jobs, ensure the viability of social-security schemes, fight against new and resurgent diseases, foster financial stability, and promote peace and security. Moreover, how can they begin to resolve the global warming crisis, not to mention the rising specter of land, water and energy shortages that could ravage life in tomorrow's world of 9 billion people?

The analysis of these questions will proceed in three steps.

Section I of the paper will highlight select characteristics of the present policymaking realities and identify the governance challenges they pose. The key point to emerge is that more and more policy goals now require greater political willingness to engage in effective and, to this end, fair international cooperation.

Section II will discuss why policymakers, including progressive ones, have so far hesitated to initiate requisite reforms, with the result that today's world and, with it, life in many national jurisdictions has become increasingly crisis-ridden. The analysis suggests that while there are, no doubt, several factors underlying this hesitant response pattern, the main cause appears to be the 'sovereignty paradox': States, notably their governments, are holding on to conventional strategies of realising sovereignty, which make them shy away from international cooperation. But, in policy areas that are marked by interdependence, in which fair and effective international cooperation would be the best way to resolve problems and meet national interests, such behaviour undermines rather than strengthens their policymaking capacity.

Section III will then explore how we could escape from the policy trap in which the world seems caught at present. It proposes, as a possible way out, the forging of global consensus on a notion of 'smart sovereignty'. Operating under the assumption that any major retreat from globalisation is not only infeasible but also undesirable, all nations would gain, i.e. be better able to recapture or maintain their policymaking sovereignty, if they were to agree to exercise their sovereignty in a manner fully respectful of the sovereignty of other nations. Section III also points to ways in which the notion of smart sovereignty could be made operational.

The main conclusion emerging from the discussion is that in today's world the effectiveness and credibility of progressive policy depends, more so than ever before, on its not stopping at national borders but allowing and enabling policymaking to catch up with the *globalness* of today's policy challenges and, in doing so, recognising that other nations and other people, too, increasingly aspire to enhanced well-being and fairness.

In more detail, the argument is as follows.¹

1. Rendering National Progressive Policy More Effective: Engaging in Fair International Cooperation

Studies on current global trends tend to highlight the following change processes:

- (1) the growing importance of global, border-transgressing public goods and the resultant deepening policy interdependence among countries;
- (2) the rising specter of natural resource scarcities;
- (3) the power shifts among states, as well as those between state and non-state actors;
- (4) the ever-starker contrast between, on the one hand, the thickening global framework of shared norms, including norms of equality and equity and, on the other hand, persisting economic, social and political inequity, nationally and internationally.

Please consult the Box 1 below:

Box 1: Introducing Public Goods and Global Public Goods

Standard economic theory distinguishes between two main categories of goods: private goods and public goods.

Private goods are goods that can be parcelled out and made excludable, so that clear property rights can be attached to them.

Public goods, by contrast, are goods that are non-excludable, meaning that the goods' effects (benefits or costs) are shared by everyone.

If a good is non-excludable and non-rival in consumption so that one person's use of the good or one person's being affected by it does not diminish its availability to others, the good is said to be purely public. Examples are peace and security. If a good has only one of these characteristics, it is impurely public. The atmosphere, for example, is non-excludable but rival in consumption, because unrestricted pollution can change its gas composition and contribute to global warming. Patented pharmaceutical knowledge illustrates a non-rival good, whose use has, at least for a limited period of time, been made excludable. So it, too, falls into the category of an impure public good.

¹ The present paper draws on I. Kaul, *Meeting Global Challenges. Assessing Governance Readiness.*, [in:] *Hertie School of Governance: The Governance Report 2013*, Oxford University Press: Oxford 2013, pp. 33-58.

The public effects of a good can be of different geographic – local, national, regional or worldwide – reach; and they can span across one generation or several generations.

Global public goods are goods, whose benefits or costs are of nearly universal reach or potentially affecting anyone anywhere. Together with regional public goods they constitute the category of transnational public goods.

It is important to emphasise that, in the present context, the term ‘good’ has no value connotation. It is used as a short form for the goods or products as well as services and conditions that exist in the public domain.

Also, in most cases, *publicness* and *privateness* are not innate properties of a good, but the result of social or political choice. Therefore, it is important to distinguish between the potential and de facto *publicness* of a good. For example, land can be freely accessible to everyone; or it can be fenced in, be made excludable.

Globalness is a special form of *publicness*; and in most cases, it, too, results from a policy choice, e.g. a decision to promote free trade or financial liberalisation. Thus, while some global public goods are naturally global and public, such as sunlight, many others are human-made, including the international communication and transportation systems or the goods of communicable disease control, financial stability or peace and security.

Source: This box draws on I. Kaul & R. U. Mendoza, *Advancing the Concept of Public Goods*, [in:] *Providing Global Public Goods; Managing Globalization*, I. Kaul, P. Conceição, K. Le Gouveln, R. U. Mendoza (eds.), Oxford University Press: New York 2003, pp. 78-111. The interested reader may also wish to consult: S. Barrett, *Why Cooperate? The Incentive to Supply Global Public Goods*, Oxford University Press, New York 2007.; and T. Sandler, *Global Collective Action*, Cambridge University Press, Cambridge 2004.

As shown in Annex 1, Table 1 - if addressed without willingness to engage in fair international cooperation, these trends might lead us into what some analysts² have called a *zero-sum world*: global rivalry among states, as well as among firms, setting off ruinous competition and a race to the bottom that could exacerbate existing risks and, ultimately, make all worse off, rich and poor. A few actors, nations and firms, might derive some short-term gains from such competitiveness, e.g. access to the last drops of oil or water. But the problems as such will remain unresolved and continue to roam the global public domain, driving the world further and further away from the goal that we claim to be aspiring to – more sustainable and inclusive growth and development.

2 See for example: G. Rachman, *Zero-Sum World. Politics, Power and Prosperity After the Crash*, Atlantic Books, London 2010.

If we want to avoid heading into a *zero-sum world*, effective international cooperation is a must, given today's economic openness and the growing importance of global public goods. If policymakers want to provide a global public good like climate change mitigation or international financial stability to their constituencies at home, they must now engage in cross-border cooperation. The reason is that a number of global public goods result from a summation process, meaning that relevant policy measures, must be undertaken in many, if not most countries.

However, in order to be effective, international cooperation must make sense to all concerned parties: It must be perceived fair and legitimate.

In previous decades, due to the then prevailing power relations, it was often possible to enforce international cooperation through various forms of power politics. Yet, as more and more states are enjoying strengthened economic and political power, such strategies are meeting with growing concern and resistance. Countries like the BRICS states³ and the many other emerging-market economies that are following on their heels are now expecting to have a say in matters that concern them, not least because national constituencies are increasingly holding them accountable⁴.

Thus, **willingness to engage in fair and effective international cooperation is no longer just a policy choice that one can or cannot make. It is in one's own enlightened self-interest, at least in the growing number of issue areas that are marked by policy interdependence.** Because, wherever we live, whether we are rich or poor, our well-being depends on a consumption basket that contains private goods and public goods, including global public goods like financial stability, peace and security, or mitigation of climate change. If such critical global public goods were missing from the basket, we might be in trouble. And therefore, **as global public goods require international cooperation, effective and fair cooperation is now in our enlightened self-interest.**

As global public goods require international cooperation, effective and fair cooperation is now in our enlightened self-interest.

2. Identifying the Missing Link of Today's Progressive Narrative: A Notion of 'Smart Sovereignty'

Awareness of interdependence has certainly been growing in recent decades; and the presence of global challenges has unleashed a flurry of response activities. Nevertheless, the list of unmet global challenges is lengthening.

³ The BRICS group of states includes Brazil, Russia, India, China and South Africa.

⁴ See: also UNDP, *Human Development Report 2013. The Rise of the Global South: Human Progress in a Diverse World.*, UNDP, New York 2013.

As the World Economic Forum's report *Global Risks 2012*⁵ and other analyses note, especially at a time when multilateralism and concerted state action are needed most, states appear to be particularly weak and reluctant to undertake the necessary policy reform steps. Examples are the waning resolve of the G20 Member States to promote global regulation of international financial markets and the slow progress in addressing global climate change.⁶

States, notably their governments, tend to justify their reluctance to cooperate by arguing that they want to guard national policymaking sovereignty, thereby giving rise to the sovereignty paradox: the harder they try to hold on to the conventional notion of sovereignty that makes them shy away from international cooperation, the more they fail to resolve today's growing number of transnational challenges, losing, bit by bit, the sovereignty that they sought to retain.

So, how to escape from this policy trap?

3. Making the Exercise of Smart Sovereignty a Lynchpin of National Progressive Policy

If a major retreat from globalization is considered to be an infeasible and undesirable option, a more promising alternative would be, if all nations agreed that, at least in policy areas marked by interdependence, they will exercise their sovereignty so that it would be fully respectful of the sovereignty of other nations, i.e. in a way that is globally responsible and, at the same time, smart, because by adhering to the norm of smart sovereignty states will reinforce the norm and, thus, improve the likelihood that others too will abide by it. This will, in turn, improve nations' own prospect of not being 'attacked' by spill-ins from abroad.⁷ Further, please see Box 2:

5 World Economic Forum, *Global Risks Report.*, World Economic Forum, Geneva 2012.

6 For assessments of the current state of global governance in select issue areas, see, among others, for the area of climate, environment, energy, finance and health, respectively: H. van Asselt & Z. Fariborz *Connect The Dots: Managing The Fragmentation of Global Climate Governance.*, *Earth Systems Governance Working Paper*, No. 25 2012. Available at <http://www.earthsystemsgovernance.org/sites/default/files/publications/images/ESG-WP/>; N. Simon, *International Environmental Governance for the 21st Century. Challenges, Reform Processes and Options for Action on the Way to Rio 2012.*, German Institute for International Security Affairs, Berlin 2011; N. K. Dubash & A. Florini, *Mapping Global Energy Governance*, [in:] *Global Policy 2*, Special Issue *Global Energy Governance 2011*, pp. 6-18.; A. Elson, *International Financial Architecture. A Report Card.*, [in:] *World Economics* 13 (2) 2012, pp. 155 – 170; and N. Véron, *Financial Reform after the Crisis: An Early Assessment.*, Washington, D.C., Peterson Institute for International Economics, Working Paper 12-2 /2012; and I. Kickbusch & D. Gleicher, *Governance for Health in the 21st Century.*, WHO Regional Office for Europe: Copenhagen 2012.

7 It should be noted that the notion of smart and responsible sovereignty presented here differs from the notion of sovereignty as responsibility set forth, for example, in: Deng et al., *Sovereignty as Responsibility. Conflict Management in Africa.*, The Brookings Institution: Washington, D.C. 1996; ICISS, *The Responsibility to Protect: Report of the International Commission on Intervention and State Sovereignty.*, International Development Institute: Ottawa 2001; and B. Jones et al., *Power and Responsibility: Building International Order in an Era of Transnational Threats.*, Brookings Institution Press: Washington, D.C. 2009. Sovereignty as responsibility refers only to

Box 2: Responsible Sovereignty – A Collective Approach to Safeguarding National Policymaking Capacity

International cooperation is often seen as undermining states' policymaking sovereignty. No doubt, it often does; and therefore, governments frequently shy away from a global, concerted policy response, even in issue areas that involve transnational challenges which no single nation can effectively and efficiently address alone. In the absence of a cooperative approach, global challenges will linger unresolved, potentially making all parties worse off.

Thus, when confronting challenges that entail policy interdependence, it is in the enlightened self-interest of all concerned states to offer fair and mutually beneficial cooperation. This, of course, requires mutual confidence and trust. Accordingly, there must be a shared commitment among states to act responsibly, both towards their own country – protecting against negative spill-ins from abroad – and towards other states, because non-cooperation could undermine their welfare and well-being, too.

In other words, exercising responsible sovereignty means pursuing national interests in a way that is fully respectful of the sovereignty of other nations and, to that end, oriented toward the maintenance of global balances and planetary environmental boundaries.

Just as states' commitment to the norm of collective security strengthens the inviolability of national territorial borders, a commitment to exercising their policymaking sovereignty in a mutually respectful and responsible manner could, in areas of policy interdependence, be the best way to secure their national policymaking capacity.

Forging global consensus on a notion of smart sovereignty could clear the path for states to strengthen their willingness to cooperate and to do so in a fair and effective way – provided they feel assured that other nations, too, will abide by this norm.

Therefore, as the United Nations (UN) has granted states their legal equality and sovereignty, it would only be appropriate, if it were also the UN that would now, in the light of today's changed policymaking realities, encourage states to commit to such a mutually respectful – globally responsible and nationally smart – exercise of sovereignty.

the duty of states towards their citizens, especially their duty to ensure respect for basic human rights. If a state fails to adequately perform this duty, the international community is said to have a responsibility to intervene, also known as the responsibility to protect (R2P). See, on the latter point, especially ICISS, *The Responsibility to Protect: Report of the International Commission on Intervention and State Sovereignty*, International Development Institute: Ottawa 2001. The issue of sovereignty as responsibility is mainly being discussed in respect to developing nations.

In contrast, the notion of smart and responsible sovereignty applies to all countries and refers to states duty towards their citizens, as well as to their duty, towards other states and the world as a whole.

Concerned UN Member States could, for example, request that the UN Secretary-General convene a high-level commission on this topic and include the item for discussion in the agenda of the UN General Assembly.

Concurrently, a number of exploratory activities could be launched, inside and outside the UN, including studies to define the concept of smart sovereignty in more detail or cost/benefit analyses to work out the economics of various global issues. Moreover, worldwide consultation processes could be organized. A most essential preparatory step towards building political support for the concept would, of course, be to advance on the issue of more participatory decision-making on global challenges so that all concerned would have an effective voice on the matters that concern them.

As Annex Table 1 shows, the list of possible exploratory and preparatory measures is long; but many measures are immediately implementable. In fact, studies on related topics have begun to emerge; and relevant new policy approaches and instruments have also been already been tested. So far, however, only a few of these initiatives have moved from the realm of exploration into the policy mainstream.

The reason for this lack of policy breakthrough is again that many of the new measures have been viewed from the perspective of the conventional notion of sovereignty and have, consequently, not been able to attract policymakers' interest. However, again and again, one could see that non-cooperation curtails rather than guards national policymaking sovereignty. The latest stark reminder of that have been the 2008 international financial crises and its aftermath. And if corrective action on mitigating climate change continues to be hesitant, we might face an even starker reminder – a 4°C global warming⁸. Meeting the costs of such crises tends to lead to high sovereign debt and fiscal constraints, limiting the scope for progressive policies and weakening the power of states.

Therefore, forging global consensus on the notion of *smart sovereignty* is critical and urgent. ***Smart sovereignty* would introduce a new policy and governance paradigm and allow policymakers to make sense of measures that they now reject out of fear of losing national policymaking sovereignty.**

Conclusion: Formulating a Progressive Global Agenda in Nations' Enlightened Self-Interest

The present paper has examined how it could be possible for national policymakers today to promote more sustainable growth and well-being for their national constituencies. The analysis has shown that avenues to do so exist, provided national policymakers

8 PIK, *Turn Down the Heat: Why a 4°C Warmer World Must be Avoided.*, World Bank: Washington, D.C. 2012.

increase their willingness and preparedness to engage in effective and, to this end, fair international cooperation, notably in issue areas marked by interdependence.

Yet, because states often hold on to a conventional notion of sovereignty, they shy away from international cooperation out of fear that it may entail a loss of national policy making sovereignty. As a result, the list of unresolved global challenges is lengthening, absorbing more and more policy attention and resources that could otherwise be available for fostering a progressive agenda.

Therefore, it is important to recognise that today, more so than ever before, credible progressive policy cannot stop at national borders. **Realising progressive goals requires the pursuit of an active global agenda, at the heart of which would need to be the notion of *smart sovereignty***, i.e. an exercise of sovereignty based on the recognition that, in policy areas of interdependence, fair international cooperation is the best – the smartest – strategy for meeting national interests effectively and efficiently. At the same time, smart sovereignty would also be responsible sovereignty, as other nations might also gain from it – from the international cooperation efforts and the enhanced provisioning of global public goods it would engender.

Realizing progressive goals requires the pursuit of an active global agenda, at the heart of which would need to be the notion of smart sovereignty

Therefore, **progressive policy today cannot stop at national borders: it must pursue an active global agenda – first and foremost the forging of a global consensus on the notion of *smart sovereignty*.**

Annex 1, Table 1:

The Growing Political Demand for Global Fairness: Identifying the Driving Forces and the Implications for National Policymaking

The driving forces: changes in the global policymaking realities	The implications for national policymaking
<p>1-Growing importance of global public goods (GPGs) and resultant deepening policy interdependence among countries, including:</p> <ul style="list-style-type: none"> ➤ Deepening consumption interdependence, and ➤ Deepening provision interdependence 	<p>Implication: No nation, however powerful, can unilaterally provide a desired GPG efficiently and effectively</p> <p>Policy response options:</p> <p>A* 1: Continuing pursuit of conventional strategies, including insistence on a strict notion of sovereignty and non-cooperation</p> <p>A 2: Fostering effective international cooperation (IC), i.e. IC that is based on fair decision-making and fair outcomes</p>
<p>2-Specter of rising natural-resource scarcities, incl. in the areas of water, land, oil and access to the atmosphere</p>	<p>Implication: Conventional growth and development strategies need to be urgently re-oriented</p> <p>Policy response options:</p> <p>A 1: Initiating a global race to ensure national access to the last resources, based on 0-sum thinking</p> <p>A 2: Initiating an 'upward' race by fostering R&D on innovative technologies and, bearing in mind the nonrival nature of knowledge and technology, fostering global PPPs, technology transfer – while maintaining effective incentives for the inventors</p>
Current processes of change in the global policymaking realities	Implications for national policymaking
<p>3-Global power shifts</p> <ul style="list-style-type: none"> ➤ Among states ➤ Between state and nonstate actors 	<p>Implication: More de facto equality among states</p> <p>Policy response options:</p> <p>A 1: Increasing rivalry and risk of ruinous competitiveness</p> <p>A 2: IC among states to enhance the institutional embedding of markets, incl. regulation to curb volatility and provision of strengthened support for labor rights, social security and environmental standards</p>
<p>4-Growing global uptake of norms like those of democracy, participation and inclusive development – standing in ever-starker contrast to persisting inequity, nationally and internationally</p>	<p>Implication: Risk of growing social unrest</p> <p>Policy response options:</p> <p>A 1: Letting current trends continue, risking a fraying of the social fabric</p> <p>A 2: Better balancing of markets and states, incl. through measures such as taxation and defining a life of human decency, through global norm and standard setting in order to foster a global level-playing field for markets and states</p>
<p>5-More and more people with multiple identities, including global identities</p>	<p>Implication: People's/citizen's preferences stand in contrast to those of policymakers that are often still very much nationally focused</p> <p>Policy response options:</p> <p>A 1: Political fatigue, including democracy fatigue</p> <p>A 2: More pro-active national policy support, including that of governments, for addressing global concerns in an effective and, therefore, fair manner</p>

**A: Possible policy-response alternative, with A1 representing an undesirable – yet, currently often practiced – policy response and A2 the more desirable response option*

Annex 2, Table 2**Promoting Smart Sovereignty: Proposals for Progressive Global Agenda**

Action Proposals	Relevance of the Proposed Reform
<p>I Promoting the norm of smart sovereignty</p> <ul style="list-style-type: none"> ➤ Placing the issue on the agenda of the UNGA ➤ Requesting the UNSG to establish a high-level commission on the topic ➤ Prepare draft resolution 	<p>Fostering the institutionalization of the norm in order to enhance its credibility and assure states that of their mutual commitment to and compliance with smart sovereignty</p>
<p>II Other preparatory and support initiatives</p> <p>Studies on:</p> <ul style="list-style-type: none"> ➤ The future global division of labor ➤ The economics of global challenges 	<p>Past experience has shown that international agreements happen more easily when states already actually do what is to be agreed upon</p> <p>To anticipate shifts in the global economy that may occur as the world population grows and more countries join the ranks of emerging markets Global, regional and country-specific cost/benefit analyses (even analyses of a 'rough' type) could provide states with guidance on possibilities for win-win bargains that could speed up international negotiations</p>

Interventions on concrete global issues, including:

- Financing the Green Climate Fund
- Creating pooled financing mechanism for the diseases of the poor
- Enhanced TRIPs flexibility in areas of global health, climate and energy
- Strengthening international external shock facilities
- Exploring how to meet the longer-term financing commitments of the international community in such areas as life-long treatment of HIV/AIDS patients or the maintenance of international seed-banks
- Promoting international norms and standards relating to labor rights
- Fostering global regulation of financial and commodity markets
- Promoting international agreement on the desirability of anti-cyclical fiscal policy
- Living up to the long-standing foreign aid/ODA commitments in order to support the creation of a basic development floor in poor developing countries, notably failed and failing states – rather than investing in military expenditures

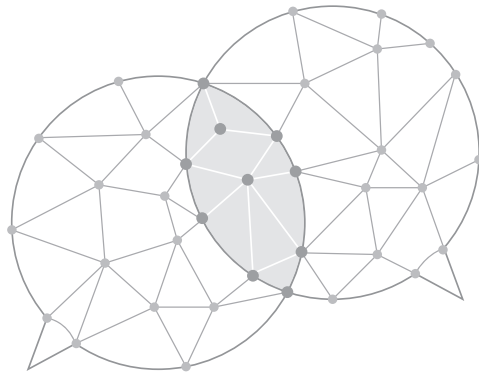
To prevent the now unresolved global challenges from taking on more serious and costly forms of underprovision and preventing their further inter-linking and forming ever-more precarious risk-clusters.

Tapping available new, additional sources of financing for IC, notably those that no state could tap alone

An often studied desirable and feasible 'prime candidate' would be a currency transaction levy – levied as a user fee on 'stable, less crisis-prone globalization', to be paid by financial institutions but to be passed on so that all would pay for the levy, in line with their involvement in globalization

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**FRAMING
A NEW
PROGRESSIVE
NARRATIVE**

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A NEW
PROGRESS
NARRATIVE**



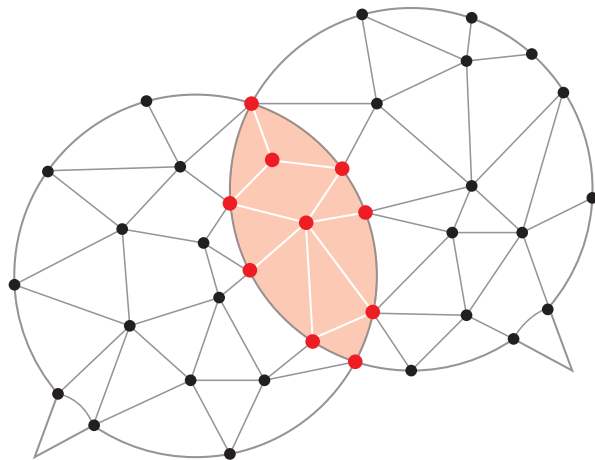
**Stimulating Growth,
Creating Jobs and Providing
Welfare**

SIVE



Paolo GUERRIERI

Rebuilding Europe's Growth Capability. Macroeconomic Policies and Institutional Reforms in the Euro Area



Key words:

**Internal deflation – Unemployment – Growth – Internal Market
– Institutional Reforms**

Abstract:

The problem of unemployment in general and youth unemployment in particular has become a major emergency for Europe. The recent recognition in Brussels that a further softening of budget-cutting targets is required to address the crisis of a euro area facing record unemployment and two recessions in the last four years are certainly not enough. If Europe really wants to deal with the emergency of rapidly rising unemployment, particularly among young people, a profound change of economic policy followed so far is needed. In particular structural reform of the Eurozone's institutional arrangements will have a great impact. It is therefore vital to strengthen democratic and representative mechanisms of Europe.

Unemployment is the Real Emergency for Europe

Five years after the outbreak of the Great Financial Crisis, the economic prospects of the Euro area show an improvement after more than six quarters of contraction. It could be a significant reversal of the trend, but will not be enough for a real recovery from the crisis. For that you need a profound change in the economic policies followed so far, together with a revival of economic and political integration. It is a change that should be implemented as soon as possible.

The relentless rise in unemployment, particularly youth unemployment, in most Euro member countries over the last three years is one of the most dramatic consequences of the protracted crisis in the euro area. At this stage a quarter of young Europeans have no job and is facing daunting prospects, to say the least, with reference to the possibility of finding a new job. The problem of unemployment in general and youth unemployment in particular together with the measures to deal with it has thus become a major emergency for Europe.

This paper point out that **the real contribution that Europe can make to the fight against unemployment including the youth today is actually linked to the revival of the growth process.** In the context of a prolonged overall stagnation in the euro no incentive to the labour market will be sufficient in the absence of a sustained economic recovery. This goes today - as we argue below - for profound changes to the austerity policies adopted so far and that are at the root of the ongoing crisis that is penalising the whole of the European economies since many years.

Actually we are living in a period of relative financial calm. The fact is that the European Central Bank's (ECB's) outright monetary transactions (OMT) program has had a very positive impact on bond yields without any countries going through the steps necessary to request it. In addition the unconventional monetary policies of the Fed and Japan's central banks have given policymakers additional time. But the ECB's intervention cannot single-handedly solve this crisis, and the OMT is only an attempt to build a bridge for policy makers to have the space to do their part in ending the crisis.

This paper shows that we are facing a crisis that was and remains complex, stemming from structural reasons associated with factors related to the malfunction of the European Monetary Union (EMU), which is a process that remained in half. The Eurozone (EZ) real problems lay in its excessive macroeconomic account imbalances; a banking sector

that was unified during the years before the crisis but national after the crisis; and slow and unsustainable growth, particularly in the southern Europe. After three years, these problems have yet to be fully addressed.

The recent recognition in Brussels that a further softening of budget-cutting targets is required to reflect the economic reality of a euro area facing record unemployment. And two recessions in the last four years are certainly not enough. Despite recent improvements in confidence and growth, one should be cautious about the growth prospects of the EZ over the next two or three years and expect near-stagnation even in the more optimistic scenario. It is a scenario in which the euro remains the primary source of constraints and sacrifices, as well as food further hostility and disintegration in Europe.

This paper points out that **an alternative scenario is actually configurable, based on a mix of policies that are more balanced and able to boost growth and integration of the European economies.** To prove it the paper proceeds

in the following sequence. There is first a brief discussion of a rather optimistic dominant view in Europe about the crisis since it says that the policies so far adopted are positively working. The reality is that the cure is not working, and there is no hope that it will. The paper shows two reasons: The first is the self-defeating impact of austerity on growth when interest rates are close to zero; the second is the presence of a still unresolved banking crisis and an associate credit crunch in the euro area as a whole.

In this perspective it is very likely that the Eurozone will face a prolonged Japan-style slump and will not return to significant economic growth for at least the next decade. In this kind of scenario one could see two main risks. The first is that likely not this year but beyond, the restructurings of public, and possibly also private, stocks of debts will become unavoidable in many Eurozone countries. The second is that societies may lose patience in the meantime so that the risk of populist revolts against EU-driven policies will increase and become permanent.

The core argument of the paper is that **if Europe really wants to deal with the emergency of rapidly rising unemployment, particularly among young people, a profound change of economic policy followed so far is needed. The categorical imperative for Europe is to return to growth because only growth can allow peripheral countries to**

if Europe really wants to deal with the emergency of rapidly rising unemployment, particularly among young people, a profound change of economic policy followed so far is needed. The categorical imperative for Europe is to return to growth because only growth can allow peripheral countries to implement a fiscal consolidation and gradual unemployment reduction plan that is sustainable and effective at the same time.



implement a fiscal consolidation and gradual unemployment reduction plan that is sustainable and effective at the same time. A growth strategy must combine more symmetrical macroeconomic fiscal adjustment and investments with microeconomic policy measures aimed at encouraging structural reforms and productivity increases (to narrow competitive gaps across Member States). That requires actions on multiple fronts: financial, fiscal and economic integration. In particular structural reform of the Eurozone's institutional arrangements will have a great impact. It is therefore vital to strengthen democratic and representative mechanisms. All these steps are obviously complex and difficult to be taken but absolutely necessary to change the EZ economic policy in order to move in the direction of boosting growth and creating jobs.

The Optimistic Dominant View in the Euro area

As we all know the euro area registered the second recessionary phase in the last 4 years and for 2014 the expectations are for a very modest recovery (+0,7%) not being able to modify the increasing unemployment trend. The reality is that much of the periphery of European Union is in depression. The loss of output in Italy since the beginning of the crisis is greater than it was in the 1930's. Spain Greece's youth unemployment rate now exceeds 50%, and Greece's is around 60%.

The other very disappointing outcome shown by data is that the gap between prospering North and struggling Southern euro members countries persists and is consolidating. We have unemployment rates close to or above 5% in Austria, Germany, and the Netherlands in 2013, but above 25% in Greece and Spain and roughly 15% in Ireland and Portugal.

Current account imbalances are further confirming the consolidation of the deep economic and social divide that has emerged within the Eurozone in the first 10 years. The introduction of the euro spurred the emergence of enormous macroeconomic imbalances that were unsustainable, and that the Eurozone has proved institutionally ill-equipped to tackle. Unless the economies of Europe are brought into better balance, the region could get stuck in a low-growth pattern that could make the debt crisis harder to resolve and threaten the future of the entire EMU.

In effect, because of trade and financial spillovers across Member States, large macroeconomic imbalances may also hinder the functioning of EMU and weigh on confidence in the euro. Even more so since despite the accommodative monetary policy stance by ECB large cross-country disparities in lending conditions indicate that monetary-policy transmission and financial intermediation is still severely fragmented and distorted in some Member States. Cross-border interbank flows are still largely constrained, and the euro money market remains fragmented owing to concerns about the intertwined sovereign and counterparty credit risks.

In spite of these trends certainly not reassuring there is in Europe a rather optimistic dominant view and it says that the policies so far adopted are positively working. According to this view austerity plus structural reforms are improving competitiveness and confidence, leading to stronger growth, a rebalancing of trade between European countries and sustainable public finances. But in order to fully produce the expected results these policies – they say - would only need more time and a more flexible application at country level. So France and Spain were among those given extra time to meet their fiscal deficit-reduction programs.

This view is consistent with the conventional (notably German) reading of the crisis: it was not the product of the flaws of the Eurozone system itself, but of misbehavior of individual countries within the region in terms of fiscal laxity and irresponsibility. Therefore the adjustment should be entirely one-sided and centered on the highly indebted countries. Fiscal austerity measures have thus been introduced and diffused everywhere in the EZ from Greece's unique fiscal problems to countries such as Spain and Ireland which have banking and not fiscal crises. The belief is that these countries should restrain from excessive spending enough to restore credibility, bring down interest rates and restart economic growth. In effect the optimistic reading states that the economic performances of high debt countries has started to improve, and an effective adjustment process is under way.

I am afraid, however, that the shift in policy in the euro area is more apparent than real and amounts to little more than a tactical retreat to respond to the backlash against austerity. Rather than being abandoned, austerity in this way will simply be prolonged. And that will not be sufficient to modify the present negative trends in Europe.

The Internal Deflation Will Not Work

It is true that in the last two years some improvements and real adjustments have been taking place in the EZ. But if we look more carefully to the on-going euro area (and EU) rebalancing, firstly in quantitative terms the external adjustment in current account deficits is not yet sufficient to ensure sustainable and sound internal and external debt positions. Secondly rebalancing has so far mainly been the result of adjustment in the deficit – countries and a large part of this improvement reflects internal devaluations and collapsing domestic demand, which has plummeted in all high indebted countries (more in Greece and Ireland, less in Italy, Spain and Portugal).

Developments in the Member States with large current account surplus has so far contributed only marginally to the rebalancing of the euro area. And this asymmetry has produced a deflationary bias in the EZ as a whole. That was granted unfortunately. There are contracting effects for the EZ as a whole deriving from such an asymmetric approach.

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Slowdowns in one country will reduce demand for the exports in others. It is true that this asymmetry does fit the official policy that stated that this adjustment should be entirely one-sided and spending must fall in the debtor countries, with no offsetting expansionary policy in the creditors countries. It is also true, however, that growth has suffered and recession-stagnation trends has hit all peripheral countries and the whole euro area as well.

It is very well known that to address euro intra-area imbalances requires two things. First, it requires a real depreciation on the part of the debtors and a real appreciation on the part of the creditors - that is, wages and prices in the deficit countries must fall relative to those in Germany. Secondly, it requires a redistribution of spending, with the debtors spending less, while the creditors spend more. As to the first adjustment, the competitive gap and the excess of private and sovereign debts requires, first of all, fiscal adjustments (austerity) and structural reforms in the highly indebted peripheral countries. But given the very low growth and inflation of the Eurozone at the aggregate level, it is very risky that real exchange-rate adjustment will take place mainly through deflation in the deficit countries, which is both very difficult and has the effect of raising their debt burden relative to GDP. Even the International Monetary Fund (IMF) has publicly the impact on growth of cutting the deficit. **Excessive fiscal adjustment and deflation can thus ultimately be self-defeating and make the reforms to improve the southern European countries' competitiveness impossible to implement. To be carried out and effective, these adjustment processes in the periphery need enough time and adequate macroeconomic context at the European level.**

That's why the second adjustment mechanism (symmetric burdens of adjustment) is crucial as well. Countries with current imbalances will have to demonstrate how they intend to close them, with the onus being as much on those running trade surpluses as on those with deficits. In effect, the pace of fiscal adjustment and policy in the North has major implications for the southern European countries. The more Germany and the North expand overall spending, the less difficult it is for the South to carry out the necessary adjustment and close the competitiveness gap. Germany and the rest of Europe have much to gain from a rebalancing of their surplus economies. Furthermore, since the required adjustments need time to work through, the Eurozone as a whole requires sufficient liquidity to support the adjustment process, and this must be provided to the area as a whole at the ECB and/or European stability mechanism levels Efsf- EMS. It is true that no successful rebalancing can take place without a sustained implementation of budgetary adjustments and structural reforms at peripheral country level. It is also evident, however, that the euro area as a whole should contribute, too. It followed that the onus needed to be on the economies with big trade surpluses to rebalance their trade as much as the deficit ones. In reality, very little emphasis has been placed on rebalancing the surplus economies.

Stagnation and Increasing Risk of Populist Revolts

By looking at the future, one should be afraid that the more flexible approach of austerity policy adopted in Brussels, even assuming that deflation is mitigated, will not solve the difficulties of the Eurozone and will not offer a viable exit strategy out of the prolonged debt crisis in the current macroeconomic context. The reality is that the cure is not working, and there is no hope that it will. For two reasons. The first is the self-defeating impact of austerity on growth when interest rates are close to zero, as pointed out many times by the IMF in recent papers and analyses.

The second is the presence of a still unresolved banking crisis and an associate credit crunch in the euro area as a whole, which will further depress nominal growth and as consequence will increase the stock of debt in many highly indebted countries. By deciding that the crisis was largely fiscal, policy makers could ignore that the underlying cause of the difficulties was irresponsible cross-border lending, for which bank suppliers of credit are surely as responsible as country users.

An additional issue that will complicate the future life of the EZ is the changing landscape at global level. The Chairman of the Federal Reserve recently announced that QEs (Quantitative Easings), the greatest experiment in the history of central banking, might be nearing its end. Since 2009, the US Central Bank has been buying financial assets and this kept interest rates low and helped indebted businesses and households. It has also been the major support for booming financial markets. There are two risks with the Fed's exit plan. Either stimulatory effects could now be reversed and the US recovery might slowdown, taking the global economy down with it. Or one could have higher bond yields that could become a danger for the financial system and would mean rising mortgage rates and spreads. Both effects could have negative repercussions for the euro area and in particular to its peripheral high indebted countries.

The scenario that emerges for the euro area, therefore, as a reflection of the current phase is relatively easy to catch a glimpse. A positive feedback is offered to the problem of liquidity in the system, through measures undertaken by the ECB on several occasions in the last year (LTRO and OMT), together with the new stability mechanism (ESM). The strategy for ensuring the sustainability of sovereign debt and, hence, the re-launch of the process of monetary unification is instead full of unknowns. And the reasons are in the austerity care so far adopted. For the manner and the doses in which it was applied (almost everywhere in the Eurozone) it is not working except through high economic and social costs of adjustment processes. Ultimately in this first scenario we will have in the EZ a 'policy mix' made by a lot of austerity, by liquidity as soon as necessary and almost by no growth. The survival of the euro would still be guaranteed by the ECB liquidity and since it was finally realised that the end of the European currency would be an economic disaster for everyone, including Germany.

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In this perspective it is very likely that the Eurozone will face a prolonged Japan-style slump and will not return to significant economic growth for at least the next decade. In particular, the economic and social situation in southern Europe is bound to remain grim for several years. As things stand, all southern European countries are facing the prospect of a true lost decade: according to the International Monetary Fund, their *per capita* GDP will be lower in 2017 than it was in 2007. It follows a weakened euro area as a whole, characterised by a chronic low growth trend, exposed to recurring crises and unable to play a leading role at the emerging multipolar world system.

In this kind of scenario one could see two main risks. The first is that likely not this year but beyond, the restructurings of public, and possibly also private, stocks of debts will become unavoidable in many Eurozone countries. The second is that societies may lose patience in the meantime and as long as stagnation persists, so that the risk of populist revolts against EU-driven policies will increase and become permanent. Not only in Italy with the electoral success of Beppe Grillo's Five-Star Movement (M5S) but in many other parts of Europe there are anti-europeist movements and forces, and many voters now associate structural reforms with slump, rising unemployment and social stress. What unites them is a readiness to blame Europe and foreigners for national ills. There is no doubt that European leaders need to address these dangers and try to avoid an extended period of populist-inspired movements. Time, though, is running out.

An Effective Growth Strategy Requires Actions on Multiple Fronts

There is no doubt, therefore, that if Europe really wants to deal with the emergency of rapidly rising unemployment, particularly among young people, a profound change of economic policy followed so far is needed. We need a new strategy to address the difficult challenges ahead, to be pursued with consistency along the crucial stage that will open immediately after the German elections and will have the first important test on the occasion of the European Council meeting in December 2013.

The issue is not whether fiscal consolidation and external rebalancing are necessary – they are. It is how to make them economically and socially sustainable

The issue is not whether fiscal consolidation and external rebalancing are necessary – they are. It is how to make them economically and socially sustainable. The categorical imperative for Europe is to return to growth because only growth can allow peripheral countries to implement a fiscal consolidation and gradual unemployment reduction plan that is sustainable and effective at the same time. A growth strategy must combine more symmetrical macroeconomic fiscal

adjustment and investments with microeconomic policy measures aimed at encouraging structural reforms and productivity increases (to narrow competitive gaps across Member States). That requires actions on multiple fronts.

First of all, policies are needed that support demand in the near term. In this regard is very positive the recent ECB's commitment to keep the monetary policy stance accommodative for as long as necessary. Expansionary monetary policy can provide very useful space by using additional conventional and unconventional measures. In this perspective additional policy actions could be taken by the ECB such as: forms of credit easing, including looser collateral requirements for securitized bundles of loans to small and medium-sized enterprises; a negative deposit rate; credit easing for lending scheme.

But monetary action is not enough. It is necessary, above all, a monetary and fiscal support to internal demand within Europe (consumption plus investment) trying to counteract the severe contraction still in progress, and that stifles any hope of recovery and new jobs. The Eurozone is not a small and open economy, but the second-largest in the world. The trouble is that it is managed as no more than the sum of its parts. The dramatic error of the austerity policy was and is to repeat this fallacy of composition. It follows that the German export-led growth model therefore cannot be extended to the whole European area. Foreign demand and exports to the rest of the world are in fact not able to offset the persistent weakness of the European internal market, too big and rich to be supported by the American and / or Chinese consumer.

The revival of growth in Europe will therefore have to rely on the fully exploitation of the European internal market that should become the new center of gravity of European development. Many policies of various kinds can be used for this purpose. I will mention two in particular: symmetric macroeconomic adjustment mechanisms and the fully completion of the internal market. As to the first big trade surpluses will remain a powerful drag on economic activity in the Eurozone and put a big obstacle in the way of the needed adjustments between Member States. European countries with current imbalances will have to demonstrate how they intend to close them, with the onus being as much on those running trade surpluses as on those with deficits. The pace of fiscal adjustment and policy in the North has major implications for the southern European countries.

In second place we need to complete the internal market which means liberalisation of services in Europe, the creation of a common space of research together with European investments to be financed jointly in strategic areas (focusing on research, alternative energy, education, transport, communication). In this case one could use those Eurobonds or Europrojects which are extremely useful to finance material and immaterial infrastructure investments. Symmetrical macroeconomic adjustments and the completion of the internal market would act as tools for boosting growth by stimulating the supply and demand at the same time.

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A second pillar of a growth strategy is a Banking Union, which should be completed since it was always considered essential for the Eurozone. It is now clear that a monetary union outside a fiscal and Banking Union is a deeply unstable arrangement. The “vicious circle” between collapsing banks and national governments forced to bail them out lay at the heart of the Eurozone crisis. Many countries are forced to seek EU rescue aid when they could not afford on their own to bail out banks that misbehaved in the easy credit years before the crisis. Therefore in the present fragile situation of many banks and in a world that could soon be deprived of the Fed’s quantitative easing support, a credible assessment of the quality of banks’ assets is needed. Restoring the health of banks’ balance sheets means to quantify capital needs and a clear plan on how to meet these needs.

Furthermore, **a Banking Union process should include a common deposit insurance and common resolution procedures.** So far only the Single Supervisory mechanism pillar of the Banking Union has been realised and will enter into force 2014. The European Commission has very recently published a proposal for a Single Resolution Mechanism (SRM). In its proposal, the Commission has a lot of power to make the final decision on which banks to resolve and how resolution funds are used. This is fine but Germany is unlikely to accept the Commission’s proposal. The risk is a delay in reaching a final agreement on the Bank Resolution and Recovery Directive. But the amount of hidden losses in bank balance sheets is ultimately quite large. In the meantime, the danger is that the bank-sovereign link is going to be reinforced, which increases systemic and contagion risks in the Eurozone. In this regard new rules for international finance in general are needed because what is done so far is very little. The key problem is how to bring finance back to its vital role in supporting the real economy. This means incentives, but also new effective rules and controls. And only in this way will be able to return to generating growth and development. The fact is that the resistances are very strong and many interests at stake while politics is generally weak and struggling to establish itself. .

Finally, **Europe needs greater fiscal federalism, not just rules to centrally monitor national budgets.** It means some form of fiscal union and Eurobonds, or an equivalent instrument. Europe clearly needs far more European-level expenditure, unlike the current very small EU budget (reduced further recently by austerity cure). Furthermore the Eurozone periphery suffers from a too large stock of debt (public and private) problem. We know that the most direct way to address an excessive debt problem is its write-down, a very extreme solution indeed. As already mentioned you could not exclude that in the absence of a significant change in the austerity policy taken so far this could become an inevitable solution. Before you get there, however, you can group to take alternative routes that together with the growth can help to address the problem. What remains valid is the proposal for a “European Redemption Pact” in which EU countries without bailout programs would transfer the portion of their government debt that exceeds 60% of GDP

into a common fund. Under the scheme proposed in many different versions countries participating in the fund would have to make a binding pledge to redeem their debt over 20-25 years with convincing measures such as earmarked national tax revenues. Very recently the President of the European Commission formally launched the setting up of an Expert Group that will analyse the feasibility to mutually issue part of the euro zone national debts in the form of a redemption fund and eurobills.

The Fall of Popular Support for Europe

To sum up, there is no easy or quick way to solve the EZ's complex equation, but one thing is sure: the status quo, even with ESM and fiscal compact, is unstable and unsustainable. The euro is a currency that has been created without a State behind it. There aren't success stories in the history of currencies without a State. Having a single currency in 18 European countries requires a much higher economic and financial integration than that at the birth of the euro. We realized it by the crisis. It follows that the EMU architecture must be strengthened by taking steps towards a banking and fiscal union that involves both a political authority (a euro-area 'finance minister') and fiscal resources to prevent, manage and resolve crises.

It should be recognised that in Europe, nation states no longer have the tools to deal with the crisis, because they are too small in the new multi-polar world-economy. In fact while national political systems lose their autonomy, existing European institutions remain too weak and not democratic enough to provide an adequate framework for economic and political decisions. European institutions lack both executive decision-making capacity, and the ability to properly represent Europe's citizens. Tighter rules are important but they can not replace greater fiscal integration and are no substitute for common institutions. Europe has great strengths. Its weaknesses today mainly reflect flawed policies and institutional arrangements. These can be changed, but only if their fundamental weaknesses are recognised. Europe's 'too little too late approach' approach to the crisis cannot work indefinitely.

Therefore structural reform of the Eurozone's institutional arrangements will have a great impact. It is vital to strengthen democratic and representative mechanisms. There is no alternative approach that would make the euro and economic growth sustainable in Europe. And to safeguard and revitalize the European Social Model will only be possible in a European perspective. All these steps are obviously complex and difficult to be taken but absolutely necessary to change the EZ economic policy in order to move in the direction of boosting growth and creating jobs, especially for younger generations. While some of these steps will be achievable within the current framework of European Economic Governance, others,

equally fundamental, require a further centralisation of policy-making at European level through significant Treaty changes.

It will not be easy because in the majority of the member countries European citizens, deeply disappointed and discouraged by the continuing crisis and the failed austerity policies put in place to counter it, now seem very willing if not downright hostile to this transfer of policy sovereignty to Brussels. Certainly there is still a strong consensus in all member countries – according to recent opinion polls – in favour of the euro choice. Yet popular support for the further strengthening of the EU institutions is at very low level.

Ultimately this is the key issue that should be addressed to ensure a smooth functioning of monetary unification and a revival of growth and employment in the EZ. It is a narrow but mandatory path. The alternative is that Europe will keep muddling through whereby Member States continue with their current policies, leading to economic depression and the EU authorities becoming increasingly unpopular. In this perspective the risk will increase as well that the European dream could be transformed into a nightmare for all euro member countries, Germany included.

In other words, convergence and adjustment will not happen automatically in the Eurozone, but need to be policy driven. Even more so if one address the problem of inequality in Europe. The problem is not only that the top income groups are getting a larger share of the income, but also that those in the middle are not sharing the benefits in economic growth, while in many other European countries poverty is increasing. The ongoing crisis has exacerbated these trends. There is huge empirical evidence showing that growing inequality is one of the reasons for the lack of economic growth and could make an economic system not sustainable in the long run. New policy and governance priorities are thus required in the Eurozone that put more emphasis on cooperative games in convergence and competitiveness.

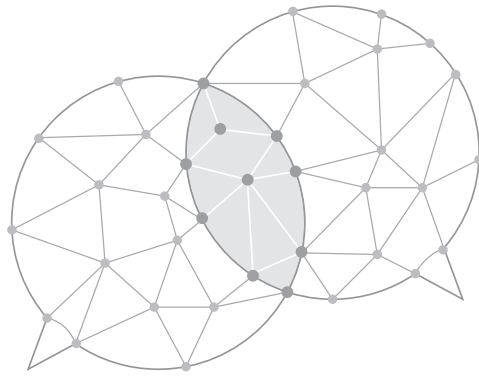
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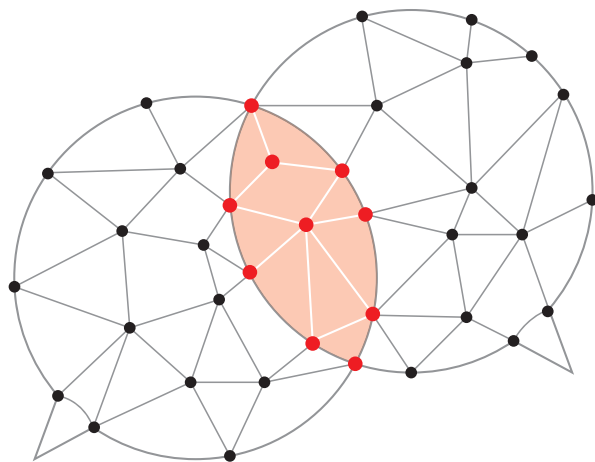


**FRAMING
A NEW
PROGRESSIVE
NARRATIVE**



Rémi BAZILLIER

Labour Market Institutions as a pillar of *Predistribution*



Keywords:

**Labour market institutions – Predistribution – Flexibility
– Equality – Efficiency**

Abstract:

In this paper, I argue that strengthening labour market institutions (LMI) should be seen as a major pillar of *predistribution* policies. By reviewing the academic literature on the economic effects of these institutions, I show that (1) they are positively correlated with the level of income equality, (2) can be a factor of productivity enhancement, and (3) do not necessarily contribute to the *insider-outsider* divide within the labour market. It requests getting a fresh vision on such institutions, and forgetting the common wisdom assuming that more flexibility and less job security are systematically good for economic efficiency. By doing so, progressives should be able to propose an alternative vision on labour market policies combining both equality and economic efficiency. The goal is to combine the traditional goal of protecting workers with the quest for a productive economy.

In previous research papers, I have argued that inequalities and efficiency are not necessarily antagonistic and that, in numerous cases, more equality can be a condition of efficiency¹. Fiscal redistribution cannot be the only tool to achieve more equality. There is also a need to have a closer look to the *ex-ante* distribution of income. **The goal for progressives cannot only be to let the market generate a certain level of inequality and then to allow the State correct ex-post the distribution of income. It is then necessary to propose different policies aiming at reducing inequalities also directly in**

Strengthening labour market institutions (LMI) should be seen as a major pillar of predistribution policies.

the production process. The role of institutions and economic incentives are therefore crucial. It echoes the recent debate on *predistribution* in the UK² but also the emphasis on the “*égalité réelle*” (the “equality for real”) in France and the definition of a *Socialism of redistribution* and a *Socialism of production*.

In this paper, I will argue that **strengthening labour market institutions (LMI) should be seen as a major pillar of predistribution policies.** By reviewing the academic literature on the economic effects of these institutions, I will show that:

- (1) they are positively correlated with the level of income equality,
- (2) can be a factor of productivity enhancement, and
- (3) do not necessarily contribute to the *insider-outsider* divide within the labour market.

It requests getting a fresh vision on such institutions, and forgetting the ‘common wisdom’ assuming that more flexibility and less job security are systematically good for economic efficiency. By doing so, progressive should be able to propose an alternative vision on labour market policies combining both equality and economic efficiency. I provide solid theoretical and empirical arguments showing that the TINA (“*There is no alternative*”) message on labour market reforms and deregulation is not inescapable. **The goal is not to come back to a traditional vision of socialism only based on worker protection, but to combine this traditional goal with the quest for a productive economy.**

1 See: R. Bazillier *The economic meaning of progressive values.*, [in:], *Progressive values for the 21st century*, E. Stetter, K. Duffek, A. Skrzypek (eds.) Next Left Book vol. 4, Brussels, Foundation for European Progressive Studies / Renner Institut 2011, pp. 68-96; R. Bazillier, *Equality must be the core of economic policies: 17 propositions for Equality and Efficiency.*, [in:] *For a New Social Deal*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Next Left Book vol. 6, Brussels, Foundation for European Progressive Studies / Renner Institut 2013, pp. 102-132.

2 J. Hacker, *The institutional foundations of middle-class democracy.*, Policy Network, 6.5.2011., E. Milliband, *Speech on predistribution.*, Policy Network conference (Sept. 2012), available here: <http://www.politics.co.uk/comment-analysis/2012/09/06/ed-miliband-s-redistribution-speech-in-full> 2012.

Booming Innovations in the Productive Sector

Carlin³ argues that *predistribution* policies should focus on booming innovations and productivity in the “important” sector (should it be the industrial sector or the tradable-goods sector depending on the economic specialisation of the country) in order to be able to increase the size of the “labour demanding service sector”. The productivity in this sector is lower and cannot increase as much as the productivity in the other. Furthermore, most of these “stagnant services” are financed by the State through taxation. But the benefits from the productivity growth in the dynamic sectors increase the basis of taxation. A higher level of taxation is therefore an outcome of a productive economy. As the consumption of such services is welfare enhancing, this move is positive for the whole society. Consequently, as these sectors are also labour demanding and not necessarily skilled-biased, their development can ensure low level of unemployment but also of inequalities.

The question is therefore how to ensure high productivity growth in the “important sector”. Carlin⁴ focuses on the role of competition policy: *“reducing monopoly profits by promoting new entry of business has the potential to reduce prices (boosting real incomes and reducing market inequality) and stimulate innovations.”* This is of course not the only way to foster productivity. We can instead insist on industrial policies⁵ for instance. By investing in sectors or activities generating positive spill-overs for the whole economy, the State can contribute to the increase of productivity.

But one underestimated aspect is the potential role of labour market institutions (LMI) in fostering productivity. By itself, and I will present some arguments in section 3, labour market institutions can be one tool to *“boom innovation in the productive sector”*, to keep using the words of Carlin. But **the argument in favour of labour market is twofold. It can play the role of fostering productivity in the “important sector”. But it also contributes to a more equal distribution of income, also in the productive sector.** That is what we will see in the following section.

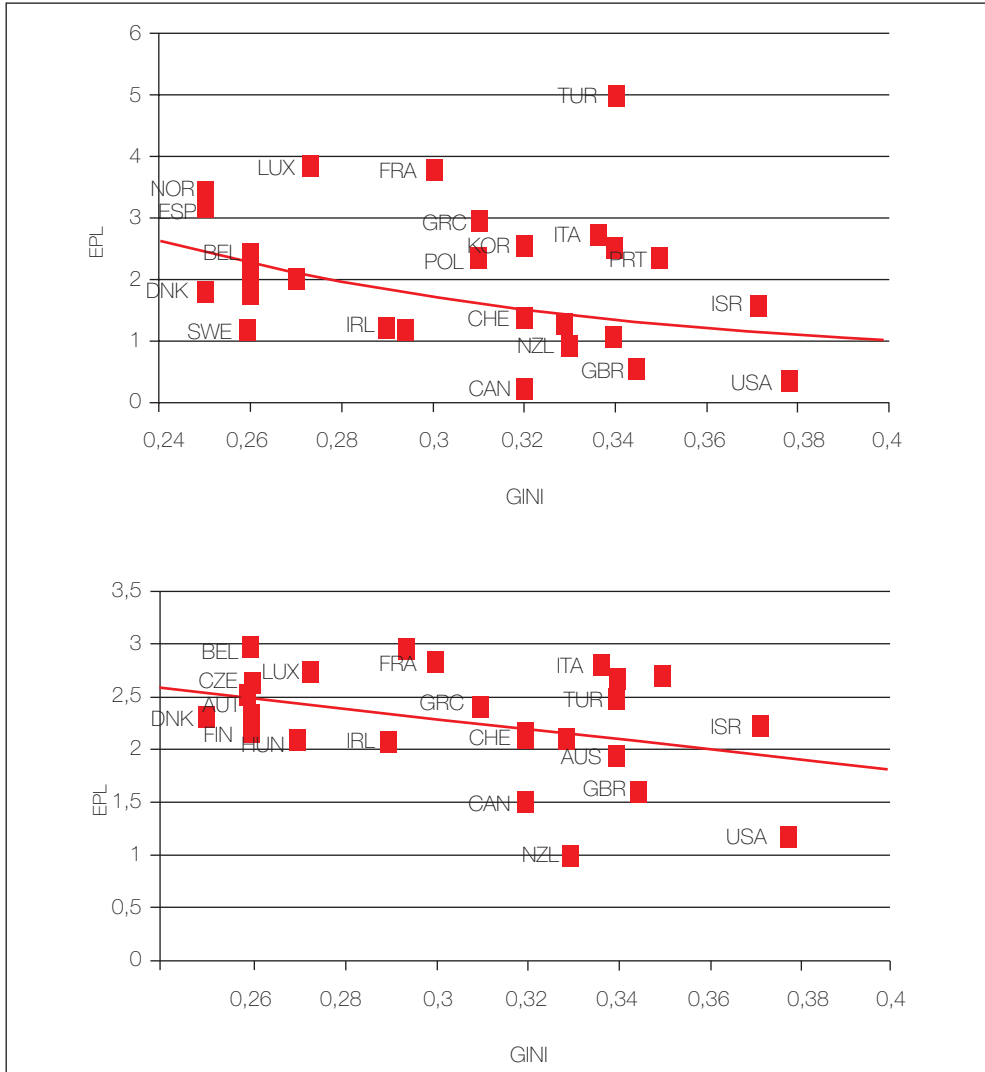
Labour Market Institutions and Equality

The dynamic of wage inequality is influenced by the institutional context, and so by labour market institutions. These figures show the relationship between employment protection (respectively for temporary contracts and permanent workers) and inequalities (measured by the GINI coefficient) in some OECD countries. We observe a negative

3 W. Carlin, *A Progressive Economic Strategy*, Policy Network Paper 2012, http://www.policy-network.net/publications_detail.aspx?ID=4269

4 W. Carlin, *Ibidem*.

5 P. Aghion et al., *Rethinking Industrial Policy.*, *Bruegel Policy Brief*, 2011.04. ; or D. Rodrik, *Industrial Policy for the Twenty-First Century.*, Harvard mimeo, 2004.



Graph 1: Employment Protection and Inequalities – Temporary Work

Source: OECD (EPL and GINI)

correlation between inequalities and employment protection which is one major pillar of labour market institutions. Results are similar for other types of LMI such as unemployment benefits, minimum wages or wage settings mechanisms. If these figures are only about correlations, the relation of causality has been confirmed by several empirical studies. In other words, a higher level of employment protection explains a lower level of income inequalities. The underlying mechanism is quite simple and rather intuitive. Strengthening labour market institutions reinforce the bargaining power of workers. **Employment**

protection reduces the probability to be fired and therefore increases the capacity of workers to bargain. Unemployment insurance increases what is known in game theory under the name of “outside option”, i.e. a payoff the worker can get if bargaining fails. A better outside option increases the capacity of the worker to get a better pay-off. Minimum wage sets a bottom-line in the wage bargaining and reinforces the position of employed low-wage workers. Finally, centralized wage-setting mechanisms reinforce the role of trade unions and increases the probability to obtain a higher wage. Also more centralized wage-setting mechanisms tend to minimize wage differential among sectors in order to maintain mobility of worker between sectors.

Koeniger *et al.*⁶ show empirically that changes in labour market institutions can account for much of the change in wage inequality: “Over the 26-year period, institutional changes were associated with a 23% reduction in male wage inequality in France, where minimum wages increased and employment protection became stricter, but with an increase of up to 11% in the United States and United Kingdom, where unions became less powerful and (in the United States) minimum wages fell”.

But increasing wage compression (or reducing wage inequality) is not a sufficient condition to reduce overall income inequality. Indeed: “the contribution of wage earnings inequality to income inequality depends on two aspects: on earnings dispersion measured, for example, by the ratio of the wage of the top to the bottom decile or by the ratio of skilled to unskilled wages, and on the share of wages in total income. For a given degree of wage dispersion, the higher the wage share is, the greater the contribution of earnings inequality to income inequality will be”⁷. But the strengthening of trade unions' power tends, all things being equal to increase the labour share. If both phenomenon are associated (increase of the labour share and wage compression), the effect on income inequality is straightforward.

The problem is that stronger labour market institutions may have adverse effects on unemployment (even if these negative effects are highly questionable, see section 4). That is why Checchi and García-Peñaloso⁸ first argue that the effect of labour market institutions on inequality should be ambiguous. As seen above, LMI have a non-ambiguous negative impact on wage compression. But the impact on the overall distribution of income may be unclear due the increase of the number of individuals with low income (the unemployed). Nevertheless, increasing unemployment benefits should reduce income inequalities in any case by increasing their income. The question is open for other labour market institutions.

6 W. Koeniger et al, *Labor Market Institutions and Wage Inequality*, [in:] *Industrial and Labor Relations Review*, ILR Review, Cornell University, ILR School, vol. 60(3), pages 340-356, April 2007.

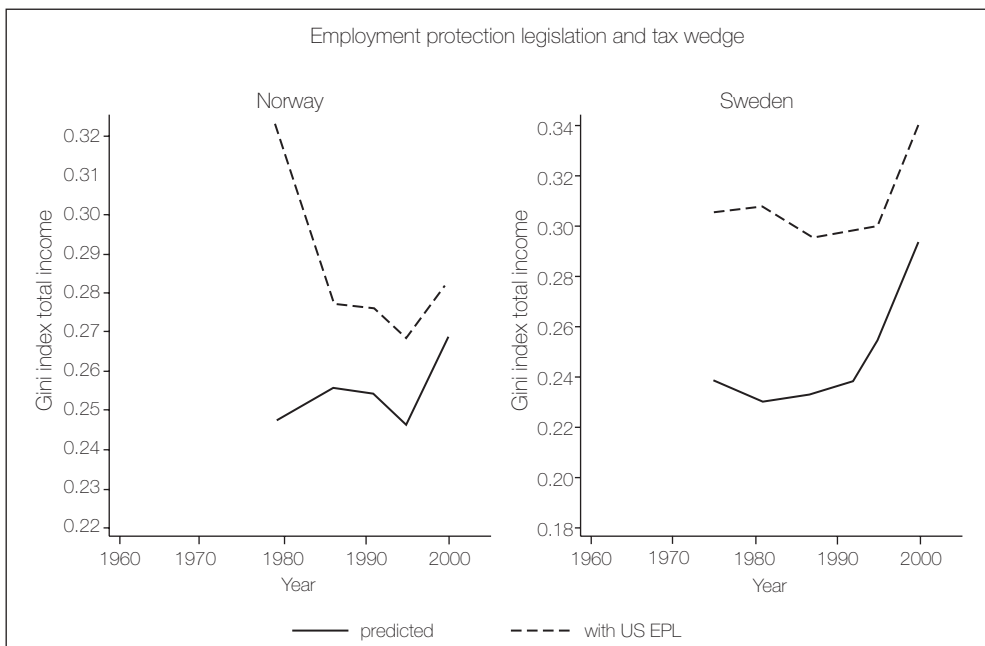
7 D. Checchi & C. García-Peñalosa, *Labour market institutions and income inequality*, [in:] *Economic Policy*, CEPR & CES & MSH, vol. 23, October 2008, p. 610.

8 D. Checchi & C. García-Peñalosa, *Ibidem*.

Checchi and García-Peñaloso ⁹ therefore propose to test the final effect on income inequality by using econometric techniques. In short, they find that

- (1) unemployment benefit reduce inequality both directly and by increasing the wage share,
- (2) employment protection reduces unemployment and income inequality.

However, they found no effect of union density, wage bargaining coordination and minimum wage. A 10% increase of unemployment benefits or employment protection would decrease inequality (measured by the GINI coefficient) by more than 1%. They also try to estimate what would be the level of inequalities in different countries if they adopt labour market institutions of another country or region. The following figure shows what would be the level of inequality in Norway and Sweden if they reduce their level of employment protection in order to reach the much lower level of employment protection observed in the US. Results are striking. In the eighties, it would lead to an increase of inequalities by almost 1/3. The gap is lower after 2000 (around 15%) due to the increase of flexibility in the Nordic labour markets and the large increase of inequalities observed in these countries.



Counterfactual with US labour market institutions

Source: Cecchi and Penalosa (2008)

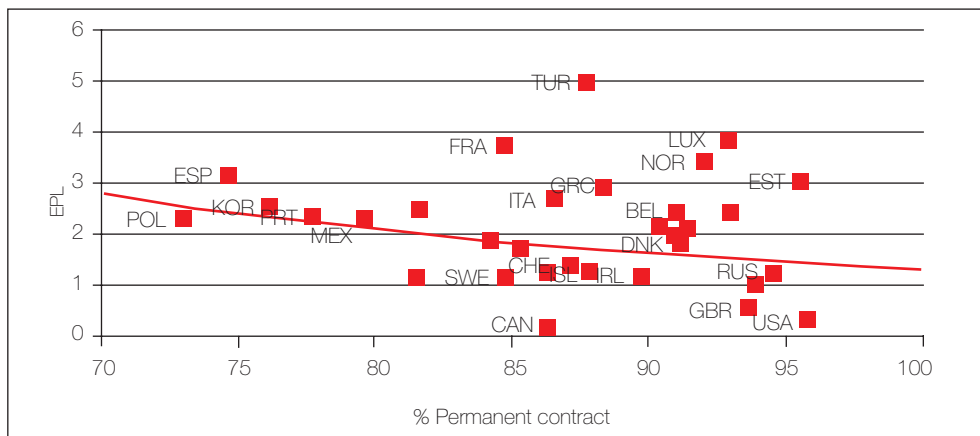
All in all, labour market institutions are associated with more wage compression within firms but also with lower total earning inequalities at the macroeconomic level.

⁹ D. Checchi & C. García-Peñalosa, *Ibidem*.

Advocates of *predistribution* argue that it is necessary to tackle inequalities before redistribution from the States. Surprisingly, the role of such institutions is often underestimated. Maybe because of the fear that stronger labour market institutions have a cost in terms of efficiency, or increase the gap between insiders and outsiders. As we have already argued, it is not necessarily the case. We will firstly review the arguments related to the insider/outsider debate and then introduce some arguments arguing that strong labour market institutions can also be efficient if the design of such institutional framework is appropriate.

Labour Market Institutions and the insider / outsider debate

One of the most traditional critics of labour market institutions is they create a gap between protected workers with high wages and long-term prospects (the insiders) and the outsiders, who have to follow on short time contracts, temporary works and periods of unemployment. These workers suffer from low wage, low level of job security and low social security. The fear of a growing two-tier system has often been a major obstacle of an improvement of LMI. But, a first look to the data puts things into perspective. As we can see in the following figure, the correlation between employment protection and the percentage of permanent contract is slightly negative but very low (around 5%).



Graph 2: Employment Protection and % of Permanent contract

We argue that the level of employment protection *per se* cannot explain as such the development of a two-tier system. Outsiders can either be unemployed or precarious. If employment protection explains a higher level of unemployment, the argument may

be understandable. But as it is shown in most studies focusing on the effect of EPL on unemployment, empirical evidences are very mixed. For instance, Checchi and Penalosa¹⁰ found that a 10% increase in job security is associated with a 6.6% decrease of unemployment (see section 4 for a more detailed discussion on that topic).

But if outsiders are mainly precarious workers with short-term contracts, part-time jobs and low level of social security, the gap between employment protection regulations for permanent and transitory workers may be the main cause of such divide within the labour market. In other words, a strong employment protection for permanent workers associated with a very low level of protection for short-term contracts is probably under-optimal because it widens the gap between protected workers and the others.

But lowering employment protection for permanent workers is not the appropriate answer. In most countries where such gap exists, it is mainly explain by the existence of an unregulated labour market regarding short-term contracts. These types of contracts create negative externalities at the macroeconomic level. They have a cost for the society as a whole. At the individual level, they create instability for the workers. With a short-term contract, no possibility to get a loan, which has a strong impact on their capacity to invest. Housing becomes a problem, even for tenants because of the strong guarantees asked by the owners. It has also negative consequences on consumption. Because of the uncertainty, the incentive to save is much higher. At the collective level, the high probability to become unemployed at the end of the contract term increases the demand of financing for the unemployment insurance. All these costs are not internalized by firms. On contrary, if regulation is lower for such type of contract, it is less costly to use them. So labour market policies aiming at reducing the gap between insiders and outsiders by lowering the protection for permanent workers is likely to have adverse effects. On contrary, increasing the cost associated with the hiring of transitory workers may contribute to the “internalization (by firms) of the negative externality” created by the use of such contracts. And it also indirectly increases the incentive to hire permanent workers by lowering the gap between regulations of short-term and long-term contracts.

In other words, a more equal labour market can be compatible with strong labour market institutions even while taking into account for the insider / outsider debate. One should be sceptical about two-tier reforms of the labour market, as it may contribute to an increase of this gap. **A global approach of employment protection taking into account short-term and long-term contracts is needed. The challenge for policy maker is to find the appropriate balance between both types of protection.**The use of short-term contracts is unavoidable in some very specific situations. Firms should have this flexibility to use them. But what should be avoided is a situation where short-term and long-term contracts become substitutable. Here, institutions should clearly give incentives for firms

10 D. Checchi & C. García-Peñalosa, Op. Cit., 2008.

to use long-term contracts by reinforcing the cost associated with the use of short-term contracts.

Labour Market Institutions and Economic Performance

The other arguments in favour of LMI as a major pillar of *predistribution* is that these institutions can be a factor of efficiency in the productive sector. This argument may be counter-intuitive but it can be summarised as follow. Stronger labour market institutions are most often associated with higher costs for firms. It may reduce the average level of competitiveness at the international level. But at the same time, it reinforces the position of the most productive firms. Imagine a market where you have two types of firms using very different technologies and management. If you increase the cost for all firms (by strengthening LMI), only the most productive firms may be able to bear this cost. Less productive firms may be pushed to exit some markets, letting the most productive ones competing between each other. What would be the outcome? The *average* level of productivity will increase due to the exit of low productive firms. Most productive firms can hire more workers (formerly employed in low-productivity firms). It increases the tax base, allowing a stronger capacity to finance welfare-enhancing services by the State. It can be called a *selection effect*.

Beyond this selection effect, changing the regulatory environment has heterogeneous effects on firms. Basically, companies have two options if costs increase: adapting labour costs by firing workers or reducing wages in order to maintain the profitability, or try to compensate the additional costs of such regulations by being more innovative and more productive. This effect is well-known in environmental economics since Porter and van der Linde¹¹ have shown how tight environmental regulations can be efficient because they foster innovations within firms and thus productivity. In other words, a more stringent regulatory environment increases the incentive for firms to innovate, and therefore to become more productive. The effect is therefore not only a selection effect. There is also an *innovation effect*. This latter effect has been confirmed by Acharya, Baghai and Wubramanian¹² who investigate under which extent labour laws foster innovations. They show that “*more stringent labour laws can provide firms a commitment device to not punish short-run failures and thereby spur their employees to pursue value-enhancing innovative activities*”. Based on an index of labour laws available for the US, the UK, France, Germany and India over the period 1970-2006, they show that a one standard deviation increase in the dismissal law index explain a rise in the annual number of patents, number of

11 M. E. Porter & C. van der Linde, *Toward a New Conception of the Environment-Competitiveness Relationship*, [in:] *Journal of Economic Perspectives*, Vol. 9, No. 4 (Autumn, 1995), pp. 97-118.

12 V. V. Acharya et al., *Labor Laws and Innovation*, NBER Working Paper 16484, 2010.

patenting firms, and citations by 6.1%, 7% and 9.2% respectively. The effect is stronger in innovation-intensive sectors. The argument is that a stronger employment protection gives an *ex-ante* incentive for firms to innovate.

However, they find that dismissal laws are the only type of labour laws that exhibit this positive effect on innovation. The other dimensions which have no effect on innovation are the alternative employment contracts, the regulation of working time, the industrial action and the employee representation. Concerning the latter, the effect is positively significant only when considering the impact on the number of patents and the number of patenting firms. They also find that these dismissal laws have a positive and significant effect on economic growth. As innovation is an important factor of growth, this result is not surprising. The effect is quite large, a one-standard deviation increase in the dismissal law index results in a 2.2% increase in the growth in value-added.

For all these reasons, labour market institutions can be associated with higher productivity. More generally, the linkage between wage policy and productivity has been confirmed by a study of the OECD (2007). An increase of minimum to median wages ratio by 10 percentage points is found to increase labour productivity by almost 2 percentage points. It may be explained by improved incentives for investing in training and a result of substitution of skilled labour for unskilled labour. But it can also be explained by the exit of low productivity firms to the benefit of firms having a better access to technologies and therefore to productivity.

No Clear Impact on Employment and Unemployment

If labour market institutions are associated with higher average level of productivity, it should be positive for the economic outcome in the long run (as the long run growth potential depends on the evolution of productivity). However, in the short run, an increase in productivity can be associated with a rise of unemployment.

Opponents of employment protection are also claiming that these institutions are lowering the incentive for firms to hire. Knowing that it will be difficult or costly to fire workers, firms may be tempted to reduce their recruitment. By reducing employment protection, firms could find less risky to hire, which would have a positive impact on employment. On the other side, if it's more difficult or costly to fire workers, the probability for employed workers to lose their job is also lower. And this effect is potentially very important in times of economic downturn. In other words, effects of employment protection is more likely to be ambiguous.

There is a huge literature studying the effect of labour market institutions on various economic outcomes such as the employment or the unemployment level, the economic growth. Table 1 shows the main empirical results obtained concerning the effects on

employment and unemployment. It confirms the ambiguous theoretical relation that may exist between employment protection and unemployment. The number of studies finding a negative impact on employment is more or less equal to the ones showing a positive impact. **Employment protection cannot be defined as the “adversary of employment” as much neo-liberal politicians are often claiming.**

Employment protection cannot be defined as the “adversary of employment” as much neo-liberal politicians are often claiming.

Table 1: The effect of employment protection on labour markets

Author(s)	STOCKS		FLOWS	
	E	U	E	U
Emerson (1988)	?	?	–	–
Lazear (1990)	–	+		
Bertola (1990)	?	?	?	–
Grubb and Wells (1993)	–			
Garibaldi et al. (1997)	?	?	?	–
Addison and Grosso (1996)	?	?		
Jackman et al. (1996)	?	?	–	–
Gregg and Manning (1997)	?	?		–
Boeri (1999)	?	?	+	–
Di Tella and MacCulloch (2005)	–	+		
OECD (1998)	?	?	+	–
Kugler and Saint-Paul (2000)			+	–
Belot and van Ours (2001)		–		
Nickell et al. (2005)	?	?		
Garibaldi and Violante (2005)	+	≠		

Source: Boeri (2011)

Sceptics about employment protection therefore focus their arguments on the negative impact on employment *flows* rather than on employment *levels* (or stocks). Their argument is the following: employment protection decreases the probability to get fired, but also decreases the probability for an unemployed to exit from unemployment. By decreasing employment flows, employment protection would impede the adjustment of the economy in the short run but also structural change in the longer run. The problem, once again, is that this argument is not validated by the data. As shown in table 1, most papers studying the impact on employment flows indeed find a negative impact on the probability to lose



a job. But on the probability to get a job, the impact is much more mixed with half of the studies showing also a positive effect.

Conclusion

In this paper, I have argued that **labour market institutions should be seen as one major pillar of *predistribution*. This concept emphasizes the need to focus on pre-tax income distribution in order to tackle efficiently the challenge of growing inequalities. It does not imply to reject the need of redistribution policies but a global approach aiming at tackling inequalities should be concerned both by pre-tax and post-tax distribution of income.** That is why this concept of *predistribution* is important for progressive. However, the traditional view is that *predistribution* policies should be based on *efficient* economic policies, aiming at booming innovations and productivity. But there is a need to define what should be such policies from a progressive perspective. One can be sceptical is the only tool available are the same than the ones used by neo-liberals. In other words, we need to define what should be a progressive and efficient economic policy. There are different ways to increase productivity and wealth and progressives should not be shy to define their own political choices. Our main argument is that appropriate labour market institutions can be at the core of such policies. First because they are equalitarian by nature. But also because they can be positively correlated with productivity (and therefore with efficiency) both due to a *selection* effect and an *innovation* effect. More flexible labour markets are not as such an answer.

The fear that employment protection creates too much unemployment is clearly excessive, considering the lack of solid empirical proofs. What is often underestimated is the potential positive impact of such institutions on the incentives for firms to innovate and therefore to become more productive. Taking into consideration this dimension, progressives should propose an alternative labour market policy, compatible with the traditional goal of socialists and social-democrats to protect workers, but also with the need to achieve a more productive and efficient economy.

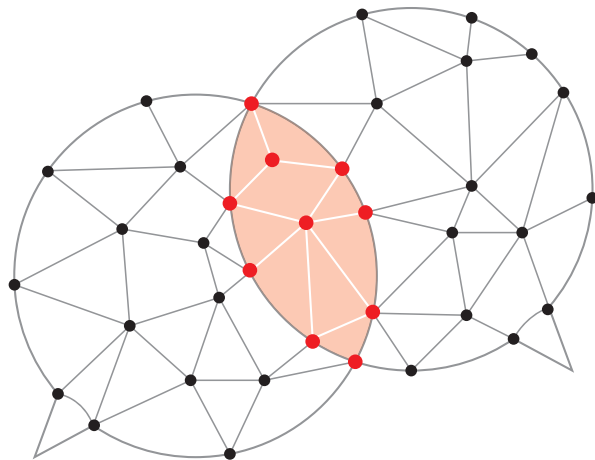
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21st Century European Social Investment Imperatives*



* This article extensively builds on the analysis originally advanced in the monograph *Changing Welfare States* (2013).

Key words:

**Welfare state – Social investment – Policy change – Financial crisis –
Social Europe**

Abstract:

This paper explores the daunting question of European welfare state futures in the wake of the global financial crisis. First, historically over the past two decades, the analysis reveals that the overall scope of social reform across the Member States of the European Union, although varying widely, has been more proactive and reconstructive than is often argued in mainstream comparative studies. Alongside retrenchments, there have been deliberate attempts – often given impetus by intensified European (economic) integration – to rebuild social programs and institutions to accommodate the new economic and social realities of the 21st century. The more prospective, second sign of progressive reorientation is that in the aftermath of global financial crisis, *social investment is no longer dismissed as “fair weather” policy*, as epitomised by the launch of the *Social Investment Package for Growth and Social Cohesion* by the European Commission in 2013. In conclusion, the case is made for a “social investment pact” for Europe, allowing governments to pursue mid-term budgetary discipline *and* long-term social investment reforms in line with new EU economic governance procedures, allowing potentially for a viable balance between ‘economic’ and ‘social’ Europe after the crisis.

Beyond Frozen Welfare States

Europe finds itself at a crossroads amidst the turmoil of the Euro crisis in the aftermath of the global financial crash of 2008. It needs a growth strategy that is both economically viable and socially fair. Without a long-term strategic focus on employment opportunities, easing labour transitions for working families, and improving human capital, the EU risks becoming entrapped in a permanent economic depression. This is the central message of the *Social Investment Package for Growth and Social Cohesion* launched by the European Commission in February 2013¹. The notion of social investment emerged as a policy perspective round the turn of the century with the ambition to modernise the welfare state and ensure its sustainability^{2,3}. Social investment implies policies that ‘prepare’ individuals and families to respond to new social risks of the competitive knowledge society, by investing in human capital stock from their early childhood on, rather than simply to ‘repair’ damage after economic misfortune strikes. Because of adverse demography, alongside expected sluggish growth, social investments in productive human potential and capacitating social servicing are more relevant than ever.

Over the past two decades, European welfare states have, with varying success, pushed through reform. In a fair number of countries trajectories of welfare reform have been more proactive and reconstructive than defensive or destructive. With their tradition of high quality child care and high employment rates for older workers, the Nordic countries display the strongest social investment profile, but we also observe change in countries like the Netherlands (social activation), Germany (support for dual earner families), France (minimum income protection for labour market outsiders), the United Kingdom (fighting child poverty), Ireland (much improved education) and Spain (negotiated pension recalibration) in the period leading up to the financial crisis. Alongside retrenchments there have deliberate attempts – often given impetus by intensified European (economic) integration – to rebuild social programs and institutions thereby accommodate

1 European Commission, *Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020*, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Brussels, 20.02.2013, COM(2013) 83 final, 2013.

2 M. Ferrera et al., *The Future of Social Europe: Recasting Work and Welfare in the New Economy.*, Report prepared for the Portuguese Presidency of the EU., Oeiras: Celta Editora., 2000.

3 G. Esping-Andersen et al., *Why We Need a New Welfare State.*, Oxford: Oxford University Press., 2002.

policy repertoires within the new economic and social realities of the 21st century. *Ex negativo*, the pension-heavy welfare states, with their segmented labour markets and low active labour market policy spending, of Southern Europe are confronted with high levels of youth unemployment, long-term unemployment, low female employment participation, and perverse fertility trends, thereby aggravating not only ageing predicaments, but, by implication, also reinforcing existing trade imbalances and deepening social divergences across the Eurozone⁴.

In the wake of the global financial crisis, costly bank bailouts, automatic stabilisation, tax cuts, and other initial stimulus measures, drained the public purse. This resulted in a “double bind” of rising social protection expenditures and declining government revenues. In the spring of 2010, the Greek sovereign debt crisis confronted the European economy with a new and challenging crisis aftershock, and contagion fears spread across the weaker periphery of the Eurozone. The European Union (EU) and the European Central Bank (ECB) ultimately came to the rescue of Greece and other weak economies with general bailout packages, monetary easing and lender-of-last-resort interventions. In exchange for support, Greece, Spain, and Portugal staged impressive fiscal consolidation programs, including significant welfare retrenchment and labour market reforms.

In the face of the raging Euro crisis, social investment can no longer be dismissed as a “fair weather” policy when times get rough, as was the case during the Lisbon era. European policy makers are confronted with a truly existential – economic, political and social – interest in addressing prevailing trade and competitiveness asymmetries by forging viable economic adjustment strategies that do justice to the important macroeconomic returns of the social investment perspective. Because of ageing, human capital cannot be allowed to go to waste through semi-permanent inactivity, as was the case in the 1980s and 1990s in many mature continental European welfare states.

It is important to emphasise that the social investment imperative is a supply side strategy and thus cannot serve as a real alternative for an effective macroeconomic policy regime. To the Eurozone member countries of the Mediterranean in dire fiscal straits today the social investment message, therefore, is easily lost. Fiscal consolidation requires them to slash active labour market policies and retrench preventive health care programs, which we know, in the long run, critically erodes job opportunities for men and women and thereby the capacity of the economy to shoulder the ageing burden. There is a real risk that a balanced set of objectives, laid down in the Social Investment Package, will be lost in the drive for front-loading (pro-cyclical) austerity in times of large-scale public and private deleveraging, conjuring up a spectre of a lost decade for Europe, worse than the one experienced by Japan since the early 1990s.

4 A. Hemerijck, *Changing Welfare States*. Oxford: Oxford University Press 2013.

The EU is in desperate need of a New Deal between countries which are in better budgetary shape and have pursued social investment strategies more consistently in the past, and countries which have been less consistent with regard to social investment than one may have wished and therefore experience dramatic budgetary situations. The macroeconomic policy regime that is required is one wherein *all* governments pursue budgetary discipline and social investment over the medium and long-run, and are effectively supported therein. To convince the larger European democratic public, in terms of political legitimacy, consistent with norms of social fairness, such a macro strategy should be tangibly based on a well-articulated vision of a 'caring Europe', caring about people's daily lives and future social wellbeing.

For the rest of the chapter, I first discuss the welfare reform momentum of the past two decades across different European welfare clusters. Next, I will explicate the economic logic of social investment', "crowing in" growth prospects by helping to 'prepare' individuals and families to confront the 'new social risk' profile of the knowledge-based economy^{5,6}. It may be all too soon to draw definite conclusions about European welfare state futures in the aftermath of the Euro crisis since 2011. But this is perhaps the most pressing question of our times. Will the social investment paradigm carry the day in this new context of predicament, or will it revert to marginality and be left orphaned in an epoch of intrusive EU-led austerity? Section 4, in conclusion, tries to draw some tentative answers to this burning predicament.

A Short History Of Profound Social Reform

Welfare states are multidimensional policy systems, made up of interdependent social and economic policy repertoires with different dimensions. For an adequate understanding of overall social risk mitigation, it is necessary to consider how macroeconomic policy, labour market regulation, social insurance, and taxation work together to reduce the risks of poverty, unemployment, and social and labor market exclusion across time. Drawing on an expanding literature of comparative welfare reform, I propose to briefly look at some key changes across the following policy domains:

- (1) macroeconomic policy (including fiscal, exchange rate, and monetary policy);
- (2) wage bargaining and industrial relations;
- (3) labor market policy;
- (4) labor market regulation;
- (5) social insurance and social assistance;
- (6) old age pensions;

5 G. Esping-Andersen et al., Op. Cit. 2002.

6 N. Morel et al., *Towards a Social Investment Welfare State? Ideas, Policies, Challenges.*, Bristol: Policy 2012.

- (7) family and social servicing;
- (8) welfare financing; and
- (9) governance and social policy administration.

I concentrate on the recent social reform momentum in the older EU15 Member States of the European Union⁷.

In *macroeconomic policy*, Keynesian priorities were prevalent until the late 1970s, with full employment as the principal goal of macroeconomic management. After 1980, macroeconomic policy gave way to a stricter rule-based fiscal and monetary policy framework centered on economic stability, hard currencies, low inflation, sound budgets, and public debt reduction, culminating in the introduction of the European Monetary Union (EMU)^{8,9}. EMU restrictions on monetary and fiscal policies, in addition, led many policymakers across Europe to bring social and employment policy to the center of welfare state adjustment over the 1990s.

In the field of *wage policy*, the 1980s saw a reorientation in favour of market-based wage restraint in order to facilitate competitiveness, profitability, and employment growth, prompted by the new rule-based macroeconomic policy prescription. Wage moderation has in many countries been pursued through social pacts among the trade unions, employer organisations, and government, often linked with wider packages of negotiated reform that have made taxation, social protection, and pension and labour market regulation more “employment friendly.” The EMU entrance exam played an especially critical role in national social pacts in the so-called hard-currency latecomer countries, such as Italy, Spain, and Portugal, as an alternative to straightforward labour market deregulation and collective bargaining decentralisation¹⁰.

In line with the general shift to supply side economics, the overarching social policy objective in the 1990s has shifted from fighting unemployment to proactively promoting labour market participation. Spending on *active labour market policies* in most OECD countries has increased considerably from the 1990s and the mid-2000s, in the context of falling unemployment rates, mobilizing women, youth, older workers, and less productive workers through early intervention, case management and conditional benefits gained sway¹¹. With respect to *labour market regulation*, several European countries have moved towards greater acceptance of flexible labour markets with new elements of security being

7 For a more encompassing EU27 overview, see: A. Hemerijck, Op.Cit. 2013.

8 K. Dyson & K. Featherstone, *The Road to Maastricht: Negotiating Economic Monetary Union.*, Oxford: Oxford University Press 1999.

9 B. Eichengreen, *The European Economy since 1945: Coordinated Capitalism and Beyond.*, Princeton, NJ: Princeton University Press 2007.

10 S. Avdagic et al., *Social Pacts in Europe: Emergence, Evolution and Institutionalization.*, Oxford: Oxford University Press 2011.

11 G. Bonoli, *The Origins of Active Social Policy. Labour Market and Childcare Policies in Comparative Perspective.*, Oxford: Oxford University Press 2013.

introduced for labour market outsiders¹². In terms of *social insurance and assistance*, the generosity of benefits has been curtailed. In the process, social insurance benefits have become less status confirming. Today most countries preside over universal minimum income protection programs, coupled to ‘demanding’ activation and ‘enabling’ reintegration measures, targeting labour market ‘outsiders’ like the young, female or lowskilled workers¹³.

A string of adjustments, however, have fundamentally altered *pension policy* over the past two decades¹⁴. A key shift has been the growth of (compulsory) occupational and private pensions and the development of multi-pillar systems, combining pay-as-you-go and fully funded methods, with relatively tight (actuarial) links between the pension benefits and contributions, with strong incentives to delay early exit from the labour market and award those working longer¹⁵.

Social services have significantly expanded, especially in the 2000s, to boost female participation through family policy^{16, 17, 18}. Spending on family services, childcare, education, health, and care for the frail elderly, as well as on training and employment services, has increased as a percentage of GDP in practically everywhere in the European Union. Family policy, covering childcare, parental leave and employment regulation, and work and family life reconciliation policies, has been subject to profound change in both scope and substance over the past decade and half.

With respect to the *financing of the welfare state*, policies have been sought to relieve public finances and to shift some of the responsibility for welfare provision to individual workers or the social partners, and to reduce charges of business and labour. Over the past two decades the source of social protections expenditure financing has shifted from social contribution to fiscal financing. Although a straightforward privatization of social risks has remained a marginal phenomenon across Europe, except for pensions, we do observe an increase in user financing in social services - child care, school education, medical care, old-age care.

A final overarching reform trend has been *administrative reform*. Yuri Kazepov speaks of a fundamental ‘rescaling’ of modern social policy. Most important has been the attempt

12 G. Schmid, *Full Employment in Europe: Managing Labour Market Transition and Risks.*, Cheltenham: Edward Elgar 2008.

13 J. Clasen & D. Clegg, *Regulating the Risk of Unemployment. National Adaptations to Post-Industrial Labour Markets in Europe.*, Oxford: Oxford University Press 2011.

14 B. Ebbinghaus, *The Varieties of Pension Governance: Pension Privatization in Europe.*, Oxford: Oxford University Press 2011.

15 G. L. Clark & N. Whiteside, *Pension Security in the 21st Century.*, Oxford: Oxford University Press 2003.

16 J. Lewis, *Children, Changing Families and Welfare States.*, Cheltenham: Edward Elgar 2006.

17 R. Mahon, *The OECD and the Work/Family Reconciliation Agenda: Competing Frames.*, [in:] *Children, Changing Families and Welfare States.*, J. E. Lewis (ed.), Cheltenham: Edward Elgar 2006, pp. 173–97.

18 A. Orloff, *Gender.*, [in:] *The Oxford Handbook of Comparative Welfare States.*, S. Leibfried et al. (eds.), Oxford: Oxford University Press 2010, pp. 252–64.

to bring social insurance and assistance and labour market policies institutionally under one roof in so-called one-stop centres, thus ending previous separation of social security and public employment administration¹⁹. Ideas of New Public Management and novel concepts of *purchaser-provider* models within public welfare services have been especially instructive with respect to the restructuring of Public Employment Services (PES), since the 1990s²⁰.

These are big policy changes, executed in a sequence of incremental, but cumulative transformative, steps. **Even though public social spending has largely been consolidated, practically all advanced European welfare states have been recasting and reconfiguring the basic policy mixes upon which they were built after 1945. Especially since the mid-1990s, the welfare state has been in a constant state of flux.**

The Economics Of Social Investment

Without proper contextualisation any list of intense social policy changes remains unsatisfactory. The emergence of the so-called “social investment perspective” in the second half of the 1990s can serve as a benchmark for gauging substantive social policy redirection. Have European welfare states been recalibrated in accordance to the teachings of the social investment edifice?

The philosophy underpinning the social investment approach was given impetus by the publication of a book edited by Esping-Andersen et al. in 2002, *Why We Need a New Welfare State*²¹, commissioned by the Belgian presidency of the EU in 2001. Central to *Why We Need a New Welfare State* is the argument that male-breadwinner welfare inertia would foster increasingly suboptimal life chances in labour market opportunities, income, educational attainment, and intra- and intergenerational fairness, for large proportions of the population. The new social risks of social segmentation, skill erosion, and structural poverty dynamics in the knowledge-based service economy, pressed by demographic ageing, make traditional passive, employment-related, social insurance provision extremely expensive and ultimately unsustainable. Instead, the emergence of ‘new’ social risk mitigation underlines the importance of early childhood development, training, education and lifelong learning, and family reconciliation policies. It is important to add here that Esping-Andersen et al. emphasised-*contra* the Third Way - that social investment is no substitute for social protection. Adequate minimum income protection

19 Y. Kazepov, *Rescaling Social Policies: Towards Multilevel Governance in Europe.*, Farnham: Ashgate 2010.

20 T. Weishaupt, *From the Manpower Revolution to the Activation Paradigm: Explaining Institutional Continuity and Change in an Integrating Europe.*, Amsterdam: Amsterdam University Press 2011.

21 G. Esping-Andersen et al., *Op. Cit.* 2002.

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is a critical precondition for an effective social investment strategy. In other words 'social protection' and 'social promotion' should be understood as the indispensable twin pillars of the new social investment welfare edifice.

An emphasis on the productive function of social policy stands as the distinguishing feature of the social investment perspective. From this perspective, social investment is essentially an encompassing human capital strategy with an explicit focus on helping both men and women balance earning and caring. There is a deliberate orientation toward “early identification” and “early action” targeted on the more vulnerable new risks groups. By raising employment and citizens' long-term productivity the financial sustainability of the welfare state is best guaranteed. If successful, social investments relieve dependence on passive social insurance provision, without having to further retrench existing benefits.

Social investment protagonists hold the relationship between substantive social policy and economic performance to be critically dependent on identifying institutional conditions, at the micro-, meso-, and macro-levels, under which it is possible to formulate and implement productive social policies. The economic and institutional policy analysis of social investment hereby relies heavily on empirical data and case-by-case comparisons. It is crucial to consider the “fine” structures of the welfare state. Social policy is never a productive factor per se. One cannot turn a blind eye to the negative, unintended, and perverse side effects of excessively generous social security benefits of long duration, undermining work incentives, raising the tax burden, and contributing to high gross wage costs. By the same token, rigid forms of dismissal protection making hiring and firing unnecessarily costly can result in high levels of inactivity. Beyond these caveats, in agreement with Keynesian economics, the social investment paradigm makes a virtue of the argument that a strong economy requires a strong welfare state. Social protection expenditures are powerful stabilisers of economic activity at the macro-level, because they consolidate effective demand during recessions. This kind of Keynesianism through the back door is still operative today, as we have experienced from the early days of the 2007–2010 financial crisis.

A fundamental unifying tenet of the economics of the social investment perspective bears on its theory of the state. Distancing themselves from the neoliberal “negative” economic theory of the state, social investment advocates view public policy as a key provider for families and labour markets. Neoclassical economic policy analysis, based on perfect information and market clearing, theoretically rules out the kind of social risks and market failures that the welfare state seeks to address. Two economic rationales theoretically support the proficiency of social investment. The first rationale for public intervention harks back to the original economic rationale for collective social insurance, countering market inefficiencies caused by asymmetric information, and

to the economic rationale for social policy interventions related to the problems of imperfect information and the framing of choice in a more general sense. This is what Nicholas Barr has coined as the “piggy-bank” function of the welfare state²². Because citizens often lack the requisite information and capabilities to make enlightened choices, many postindustrial life-course needs remain unmet because of the market failures of service under provision at too high a cost.

The second, more fundamental, **reason why the welfare state today must be “active” and provide enabling social services is inherently bound up with the declining effectiveness of the logic of social insurance ever since the 1980s**. When the risk of industrial unemployment was still largely cyclical, it made perfect sense to administer collective social insurance funds for consumption smoothing during spells of Keynesian demand-deficient unemployment. However, when unemployment becomes structural, caused by radical shifts in labour demand and supply, intensified international competition, skill-biased technological change, the feminisation of the labour market, family transformation, and social and economic preferences for more flexible employment relations, traditional unemployment insurance no longer functions as an effective reserve income buffer between jobs in the same industry. Basic public income guarantees, therefore, have to be complemented with capacitating public services, a term coined by Charles Sabel²³, tailored to particular social needs caused by life course contingencies. In order to connect social policy more fully with a more dynamic competitive knowledge-based economy and society, citizens therefore have to be supported by *capacitating* services ex-ante, tailored to particular social needs over the life cycle. When social insurance risk pooling fails, a more effective strategy is often to help risk categories to self-insure against uncertain risks by enabling to acquire the capacities they need to overcome the social risks they face, with ex-ante public supports in family services and training provisions. What matters at the level of policy execution is that, as welfare states become ever more service-oriented, local service provision offers highly qualified professional care workers, able to help clients to make timely choices in areas of childcare placement, job search and training, and elder and family care.

The empirical turn towards social investment contains some important lessons. First and foremost is that social investment should indeed be understood in terms of ‘packages’ of interdependent policy initiatives across various areas. Positive returns in terms of economic growth, employment opportunities, and (child) poverty mitigation depend on complementary sets of provision, ranging from quality childcare, parental leave arrangements, training, education and activation services, alongside adequate

22 N. A. Barr, *The Welfare State as Piggy Bank: Information, Risk, Uncertainty, and the Role of the State.*, Oxford: Oxford University Press 2001.

23 <http://www2.law.columbia.edu/sabel/papers.html>

(universal) minimum income protection, rely on strong elements of “goodness of fit” between various policy provisions. Quality childcare services, alongside effective parental leave arrangements, supported by appropriate tax and benefit incentives and active labour market policies, enable more parents to engage in gainful employment, creating additional job opportunities for especially mothers, while helping their offspring to a ‘strong start’, allowing them to develop their cognitive and social skills to make them successful later in life²⁴. The available evidence before and after 2008 clearly shows that effective “institutional complementarities” are associated with high employment rates and lower long terms unemployment^{25, 26, 27, 28}.

A Growing Europe is a Social Investment Europe

It should in the final analysis not be forgotten that **the welfare state is a normative concept based on the image of a social contract, with claims on social justice that go beyond issues of economic efficiency and effective insurance, to include dimensions of gender roles, the work ethic, child-rearing, and inter- and intra-generational equity.** The policy changes surveyed in this chapter have contributed to a slow redefinition in the very idea of social justice: a shift away from understanding fairness in terms of static Rawlsian income equality towards an understanding of solidarity and fairness as an obligation to give due support to the needs of each, individually, so as to enable all to flourish, in line with the ‘capability approach’ of Amartya Sen²⁹ and Martha Nussbaum³⁰. At the normative heart of the social investment edifice lies a reorientation of social citizenship, away from the compensating *freedom from want* logic towards the capacitating logic of *freedom to act*, under the proviso of accommodating work and family life through social servicing and a guaranteed *rich social minimum* enabling citizens to pursue fuller and more satisfying lives.

Reasoning from the popular ‘new politics’ of the welfare state perspective, it has often been argued that social investment recalibration is extremely difficult to pursue under

24 G. Esping-Andersen, *The Incomplete Revolution: Adapting to Women’s New Roles.*, Cambridge: Polity 2009.

25 A. Hemerijck, Op. Cit. 2013.

26 W. Eichhorst, & A. Hemerijck, *Welfare and Employment: A European Dilemma?*, [in:], *United in Diversity? Comparing Social Models in Europe and America.*, J. Alber & N. Gilbert (eds.)Oxford: Oxford University Press 2010, pp. 201–36.

27 L. Kenworthy, *Jobs with Equality.*, Oxford: Oxford University Press 2008; L. Kenworthy, *Progress for the Poor.*, Oxford: Oxford University Press 2011.

28 OECD, *Growing Unequal.*, Paris: 2008; OECD *Doing Better for Families.*, Paris: 2011.

29 A. Sen, *Development as Freedom.*, Oxford: Oxford University Press 1999.

30 M. Nussbaum, *Creating Capabilities. The Human Development Approach.*, Cambridge, Mass.: Belknap 2011.

economic conditions of relative austerity. Paul Pierson, the leading advocate of this approach, has in various publications advanced the conjecture that welfare states have in recent decades become exceedingly change-resistant, despite irresistible social, demographic, economic, and fiscal pressures³¹. Because social investments are contingent on highly heterogeneous risks at play over different stages of the life cycle, it is argued from a 'new politics' perspective that social investment policies may fail to muster political support from cohesive social movements, reminiscent of organised labour from the male-breadwinner manufacturing era, which stood at the basis of the post-war welfare state³². The 'mirror image' of the expected lack of support for social investment reform is the impossibility of far-reaching old-age pension reform, because this would trigger large-scale interest based opposition from highly organised clienteles and mainstream parties. It is true that new social risks, ranging from skill depletion and difficulties in balancing work and family life, affect people at variegated episodes over the (family) life cycle. But the empirical record is less sanguine than the 'new politics' welfare immobilism conjecture. Despite incentives of 'blame-avoidance', in effect, most European countries have embarked on thoroughgoing pension reform so as to respond to demographic challenges and fiscal pressures. As a result, future pension commitments in the EU have been reduced by almost a quarter since 1990s, making pension costs far more manageable than ever before. On the other hand, significant spending increases on childcare, elder care, pre-schooling, reconciling work and family life, and active labour market policies, suggest that social investments are supported by mainstream parties and interest groups. Interestingly, moreover, is that social investment policy reforms have been enacted and defended by both conservative and progressive coalitions across Europe, even in economically hard times. Apparent support for social investment, I believe, is rooted in the evolution of the aspirations of modern family hood over the past two decades, which has come to converge on the desire of adult men and women to work and raise children, an aspiration shared by low-income and middle-class groups alike. Of course, social investments will inevitably miss out on protecting the most vulnerable groups in an era of deepening inequalities. For this reason, **adequate minimum income protection remains a critical precondition for any inclusive social investment welfare state.**

In the difficult years ahead, intensifying fiscal pressures will lead many finance ministers to demand scrutiny on social spending. In both employment and social policy, there is a strong urge to do more with less resources. At the same time, the aftermath of the financial crisis will surely reinforce the need for human capital investment and the importance of poverty relief and social protection. Demographic headwind will bring social contracts

31 P. Pierson, *Irresistible Forces, Immovable Objects: Post-Industrial Welfare States Confront Permanent Austerity*, [in:] *Journal of European Public Policy* 5(4): 539–60, 1998; P. Pierson, *The New Politics of the Welfare State*, Oxford: Oxford University Press 2001.

32 P. Pierson, *The Welfare State over the Very Long Run.*, ZeS-Working Paper, 02/2011.

under further duress, especially in countries facing high unemployment and the most daunting budgetary pressures, where long-run population ageing and the feminisation of the workforce have not been adequately dealt with before the crisis. Social investment can no longer be dismissed as a “fair weather” policy when times get rough. Will the social investment paradigm carry the day in this context of predicament, or will it revert to marginality and be left orphaned in the new epoch of reinforced fiscal austerity? What makes the Eurozone predicament particularly worrying is that national fiscal and EU monetary authorities have practically no room left for proactive adjustment. Politically, governments have been caught between Scylla and Charybdis. On the one hand, pressures for deficit reduction constrain domestic social policy space. Furthermore, disenfranchised electorates are increasingly unwilling to abide by the austerity promises of national political leaders agreed in supranational rescue packages and EU reinforced fiscal rules.

The global financial crisis, it should not be forgotten, originated in the behavioural excesses in deregulated financial markets, not in excess welfare spending. The fundamental insight that (re-)emerged from the crisis is that economic markets are not self-regulating, self-stabilising or self-legitimising³³. While this important lesson is certainly not new, a whole generation of domestic and EU policy makers and academic economists seem to have forgotten the basic truth that the benefits of global economic interdependence rely heavily on robust social and political – both domestic and supranational – institutions. The EU's original sin of pushing for rapid market and currency integration to let the social-political-institutional underpinnings of European economic integration catch up later is in dire need of correction. In their cognitive bias of further liberalising the internal market through monetary integration, EU economic policy makers, from the European Commission to the ECB, declined to really appreciate the Lisbon Treaty's macroeconomic importance in terms of ‘productivity-enhancing’, ‘participation-raising’, ‘employability-friendly’, ‘family-capacitating’ social investments for the greater good of a more prosperous, equitable and caring Europe.

A social investment strategy is not cheap, especially not in the short run. Simultaneously responding to rising needs in health-care (and pensions) and implementing a successful transition to fully-fledged social investment strategies will require additional resources. European integration can ultimately only be maintained if citizens support the political project at stake and trust governments to handle the social consequences of the crisis fairly.

While all the available evidence suggests that investments in child care and education will, in the long-run, pay for themselves, EMU public finance constraints take all forms of public social policy spending as pure consumption, “crowding out” private economic activity.

33 D. Rodrik, *The Globalization Paradox: Why Global Markets, States and Democracy Can't Coexist.*, Oxford: Oxford University Press 2010.

This may have to be true for the modus operandi of the post-War social insurance welfare state, which was indeed income-transfer biased. Today, as social policy is in the process of becoming more service based, there is a clear need to distinguish social investments from consumption spending. A new regime of public finance that would allow finance ministers to, in the first place, identify real public investments with estimated real return, and, second, examine the joint expenditure trends in markets and governments alike, has become imperative. This would be akin to distinguishing between current and capital accounts in welfare state spending, just as private companies do. There is even an argument to be made that public deficits and debt wisely spent on social investment in education and family support, can help stabilise the macro-economy. This in two ways: first, by depriving financial institutions of excess liquidity for short-term speculation, and, second, by nourishing sustained job and productivity growth with social progress.

Because of adverse demography, human capital cannot be allowed to go to waste through semi-permanent inactivity, as was the case in the 1980s and 1990s in many mature continental European welfare states.

To Eurozone member countries in dire fiscal straits today the social investment message, advocated by the European Commission in February 2013 *Social Investment Package* policy platform, is easily lost under the current macroeconomic regime. The reinforced 2011 “fiscal compact”, “two-pack” and “six-pack” agreements, with their overriding emphasis on collective austerity, labour market deregulation and wage-cost competitiveness, is pressing Eurozone economies to adopt pro-cyclical and self-defeating welfare retrenchments and labour market reforms.

Both the survival of the Eurozone and the imperative to recalibrate welfare provision in the knowledge-based economy conjure up a democratic predicament of national and European dimensions. The EU can no longer advance as a mere project of market integration and fiscal austerity. A Pareto-superior social investment policy mix, as I have argued in this chapter, comes with a comparative advantage for Europe and an orderly resolution of the sovereign debt crisis and is a *sine qua non* for the survival of the welfare state and vice versa. The social and economic policy challenge is to make social investments and fiscal consolidation mutually supportive and sustainable,

A social investment strategy is not cheap, especially not in the short run. Simultaneously responding to rising needs in health-care (and pensions) and implementing a successful transition to fully-fledged social investment strategies will require additional resources. European integration can ultimately only be maintained if citizens support the political project at stake and trust governments to handle the social consequences of the crisis fairly.

through improved macroeconomic governance. To this end, a more realistic (slower) pace of fiscal adjustment should be coupled with productivity-enhancing social investments, in part funded through Euro bonds and project bonds.

The EU needs a New Deal between countries which are in better budgetary shape and have pursued social investment strategies more consistently in the past, and countries which have been less consistent with regard to social investment than one may have wished and therefore experience dramatic budgetary situations. The macro-economic policy regime that is required is one wherein *all* governments pursue budgetary discipline and social investment over the medium and long run, and are effectively supported therein^{34, 35}. **An EU social investment pact implies significant burden sharing.** In terms of budgetary policy, Northern European governments should avoid austerity overkill, as part and parcel of a mutual effort. The competitive north could tolerate higher levels of inflation so as to make price and wage adjustments in the Mediterranean south realistic, provided that Greece, Italy and Spain use leniency to continue with structural social (investment) reforms. A 'social investment pact', bolstered by Euro bonds and special social investment project bonds and more generous human capital promoting access to structural funds (discounted in national budget accounts) could be an important step towards a Pareto-superior 'caring Europe', caring about people's daily lives and future social wellbeing, based on much improved national solidarity and supranational European cohesion.

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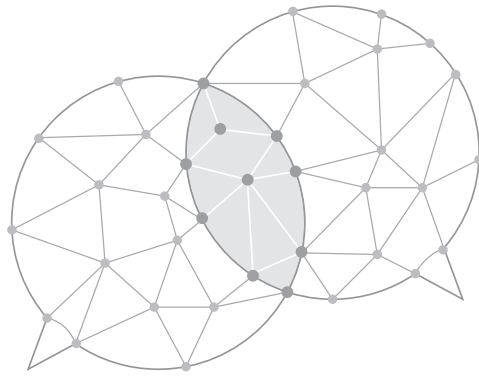
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**FRAMING
A NEW
PROGRESSIVE
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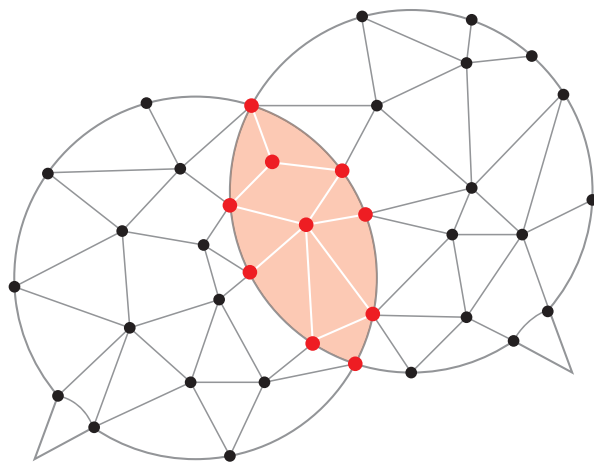
**Delivering within
a Realistic Union**

SIVE



Leopold SPECHT

Redistribution and Entitlement: a Democratic Union



Key words:

EU Guarantees Minimum for Everybody – Institutions at the service of society and experiment – Narrative of Entitlement – Yoke of “no alternative” – Participation of Citizens

Abstract:

In this paper, I shall argue in favor of a guaranteed minimum for every citizen of the EU. It would mark an institutional innovation and is part of a political response to the current state of affairs within the EU. My argument advances in two steps: First, it considers the institutional changes in the EU which result from the current crisis (part 1). Second, it presents a narrative of entitlement – in the tradition of critical legal studies - as framework for a radical program of further institutional integration of the EU (part 2). Both steps are informed by a specific diagnosis of the current crisis and the policies of the EU in this context. This diagnosis has three parts. The translation of the proposal is that materially endowed, the citizenry of the European Union could reclaim sovereignty from the technocratic elites which have become the sovereign of the current state of emergency. And it could break the yoke of “no alternative”, the mantra of today's mainstream.

In this paper, I shall argue in favour of a guaranteed minimum for every citizen of the EU. My argument advances in two steps: First, it considers the institutional changes in the EU which result from the current crisis (part 1). Second, it presents a narrative of entitlement – in the tradition of critical legal studies - as framework for a radical program of further institutional integration of the EU (part 2).

Both steps are informed by a specific diagnosis of the current crisis and the policies of the EU in this context. This diagnosis has three parts.

First, **the EU has used the so called “financial crisis” to further institutionalize technocratic politics and is in the process of substituting remnants of democratic with autocratic decision making.** In a move which reminds of Carl Schmitt's fascination with the state of emergency, the EU has established new institutions and new (legal) rules. Such rule making in turn – officially justified by the current crisis and the state of emergency supposedly caused by such crisis -- endows certain institutions with sovereignty within the EU. This move is ongoing. It contradicts, at least in part, EU law in force. This is to say, the EU undergoes a constitutional moment resulting from a current state of emergency.

Second, **the institutional and regulatory – de facto constitutional – changes within the EU aim at insulating the neo-executive and neo-liberal economic and social policies, hegemonic within the EU, against democratic challenges.** These institutional and regulatory changes accelerate the implementation of austerity policies throughout the EU. As a result, austerity is now the material core of EU integration.

Third, **representative democracy becomes relegated, from the point of view of the sovereign – the decisional centre --, to the periphery. The institutional landscape of the EU shapes with a centre of decision making, legitimated by an ideology of technocratic expertise, and a periphery, constituted of national politics. The periphery is the sphere of democratic politics in a traditional sense.** In relation to the centre of EU decision making, the space for national, democratically legitimated politics results dramatically reduced. National politics, traditionally the sphere of regulation and of the programs of the public hand, are confined to areas which, from the point of view of the decision making centre, do not interfere with the institutional design of the (post-) crisis EU.

Policies of the EU, as shaped in the ongoing crisis, have placed strategic decision making, to a certain extent, in an institution adjacent to the institutional governance of the Union as regulated in the EU Treaty. The ESM (European Stability Mechanism) has become institutionalized as the guardian of an ongoing emergency.

As immediate result of this state of emergency, the sovereign within the EU reduces the room for fiscal and redistributive policies. As such, it restrains the space for alternatives and institutional innovation. And it maintains the imbalance between finance and other economic activities which was a main cause for the crisis itself; a crisis which serves as justification for the state of emergency.

A guaranteed minimum for each citizen within the EU marks an institutional innovation and is part of a political response to the current state of affairs within the EU. And it describes active policies to use the state of emergency to establish an institutional alternative and to intensify the struggle for the democratization of the EU.

A guaranteed minimum for each citizen within the EU marks an institutional innovation and is part of a political response to the current state of affairs within the EU.

(1) State of Emergency

As starting point of my analysis, I chose to use Carl Schmitt's lucid interpretation of the state of emergency to analyze the current institutional development within the EU. This choice is not motivated by additional facts which Schmitt's interpretation may allow to verify in the EU's ongoing engagement with the current crisis. The move to allocate executive powers with certain institutions – particularly with the European Stability Mechanism – is too obvious. Schmitt's theory of the state of emergency is a helpful tool of interpretation, because of its concern with decision making and sovereignty which Schmitt sees resulting from emergency.

It therefore allows for an understanding of the political nature of the present emergency.

In *Der Hüter der Verfassung*, Schmitt discusses the extraordinary powers of the president (*Reichspräsident*) stipulated in the Weimar Constitution. These extraordinary powers are to be construed, according to Schmitt, as politically neutral. The political neutrality results from the constitutional position of the president outside conflicting interests and world views. As politically neutral, the presidency of the Weimar constitution is of the "objectivity of the patron (protector)" (*Objektivität des Schutzherrn*) (*Collorarium 1* to *Der Begriff des Politischen*). The objectivity of his intervention is comparable to the one of "Pilatus in view of the religious conflicts amongst the Jews" (*Das ist die Objektivität (...)* des Pilatus (*quid est veritas*) gegenüber den Religionsstreitigkeiten der Juden) (*Corrolarium 1*).

In Schmitt's view, the objectivity of the president is a positive one. Schmitt considers objectivity to be positive if it assists in and leads to decision making. As such, the objectivity of the presidency is comparable to "neutrality in the sense of objectivity and impartiality

based upon an undisputed norm" (Corollarium 1) (*Neutralität im Sinne der Objektivität und Sachlichkeit auf der Grundlage einer anerkannten Norm*).

This positive objectivity contrasts a negative one. In Corollarium 1, Schmitt enumerates positive and negative forms of objectivity. The negative ones are cause of and perpetuate the predicaments of Weimar. The form of negative neutrality most characteristic for Weimar is the parity in view of entitlements afforded by the state (*Neutralität im Sinne von Parität (...) bei der Zuwendung von Vorteilen und sonstigen staatlichen Leistungen*). Negative objectivity results in a paralysis in decision making.

Negative forms of objectivity lead to de-politization, while the decision making inherent positive objectivity is a source of the political.

Der Hüter der Verfassung shapes an understanding of emergency to including certain economic and financial conditions which may result in a stage of emergency. In doing so, Schmitt follows the constitutional legislator of Weimar. Art 48 of the Weimar Constitution was understood to also apply to economic and financial emergency.

With Schmitt's analysis, doctrinal thinking about the state (jurisprudence), in the tradition of post 1848 German authoritarianism, formulates an analytical tool for engaging with forms of democratic organization of a society of masses. Particularly after World War I, such democratic organizations found their legitimacy in the broadening of social and economic entitlements which resulted from struggle and were therefore, initially, of political nature. The legal formalization of entitlements -- for example as constitutionally guaranteed rights -- promoted these entitlements to become part of the institutional base of Weimar. These entitlements were at the core of the institutional innovations imposed by the mobilizing efforts during World War I.

To interpret the emergency characteristic for Weimar and to doctrinally construe a basis for decision making, in a positive sense as understood by Schmitt, he broadened the doctrinal interpretation of emergency to include economic and financial crises.

The state resulting from World War I and codified in the Weimar Constitution guaranteed, at least formally, social and economic entitlements of those participating in and those disenfranchised from the work process. With Weimar, social and economic entitlements become guaranteed -- as part of order and peace in a society -- by the state. Their legal formalization endowed social and economic entitlements with the kind of objectivity, criticized by Schmitt, in *Der Hüter der Verfassung*, as negative.

Doctrinal thinking had to, therefore, concern itself with challenges to this guarantee. Economic and financial disorder became the subject matter of doctrinal thinking. Schmitt's reflections about the economic and financial state of emergency (*wirtschaftlich-finanzieller Ausnahmezustand*) are proof of this doctrinal move.

In Schmitt's analysis of constitutional theory as influenced by the Weimar Constitution, the resurrection of the state from emergencies -- including economic and financial

emergencies -- is the function of the presidency. The presidency, as construed in the Weimar Constitution – according to Schmitt -- is political and, in a positive sense, objective. It is political because grounded in the recognition of the enemies of peace (and order). It is positively objective because based upon impartiality, recognized as such by Schmitt.

The order resurrected by the president, the state shaped as a consequence of emergency, is neutral in a positive sense. It is qualified by expertise and not legitimated by participation in a democratic process. In the case of Schmitt's reflections about the Weimar Republic, the expertise in question is the experience and qualification of a class of civil servants formed during and loyal to the Second German Empire.

In *Der Begriff des Politischen*, Schmitt develops a characteristic of the "political" (*das Politische*), not as a comprehensive definition but as a criterion (*im Sinne eines Kriteriums*). This criterion of the political is the distinction between friend and foe (enemy) (*die Unterscheidung von Freund und Feind*). Schmitt's understanding of the political is unambiguous, insofar as he is clear about its inward and outward direction: the enemy within is constituted by the challenge to the homogeneity of the state. The homogeneity of the state is condition for the state's capability to confront outside enemies. In this sense, war is the most refined form of the political.

The turn against the enemy within results in an affirmation of the political and, as such, is a condition for the political affirmation of the state in its competition with other states. The homogeneity within is not only the absence of relevant dissent. It is the affirmation of the rational, of the tradition and expertise of a class of administrators and civil servants – for Schmitt, a class of civil servants loyal to the Second German Empire.

I do not believe in historic analogy. Yet, **the absence of any political analysis of ongoing institutional changes in EU decision making and in the shaping of policies within the EU requires thorough doctrinal review. Such review must be informed by theories relevant for the constitutional developments in Europe. It acquires interpretative power to the extent it broadens constitutional – legal, doctrinal – analysis of emergency to include financial and economic crises. The state of emergency is not any longer reduced to the outright challenge of the political status quo. An epistemological distinction between state and society, central to traditional European jurisprudence, is overcome and substituted for by the all embracing notion of emergency.**

Weimar, historically the first European constitution to engage with social and economic relations through a grammar of rights and entitlements, offers Schmitt the doctrinal building blocks for a, step by step, narrative of the political as the anti-social. In the equation of social with democratic, a move characteristic for the time after World War I, he finds the argumentative contrast for his focus on homogeneity – social, political, institutional – as basis for the choice – between friend and foe – which is the ultimate sphere of the political.

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In other words, the repression of the social is, in Schmitt's view of the centrality of decision, basis for a politically rational order. To speak of a state of emergency requires a doctrinal formalization, in law and in politics, of crisis. A state of emergency, in Schmitt's doctrinal analysis, results from a crisis which requires a decision, a political intervention. The decision aims at establishing order based upon positive neutrality, objectivity recognized by all.

Schmitt's legal analysis of the crisis of Weimar and his doctrinal formalization of emergency give a useful tool for the interpretation of the current state of emergency – not of the crisis -- of the EU. The state of emergency within the EU becomes, hence, intelligible as further move towards institution building around a center of decision making on supposedly neutral, objective, grounds. This move derives its legitimacy (*Legitimation*) from the crisis and the decision as such.

The current institutional turn completes, within the EU, a development that marks the end of a period which F.D. Roosevelt has labeled, in his famous Phi Beta Kappa Address of June 1929 at Harvard University, "*age of social consciousness*". His call for a global point of view, substituting for a merely national one, describes the basis for the US regulatory state and prescribes post-World War II efforts to extend this regulatory state over war ridden Europe. The extension of the regulatory state in the US had its mirror image in the formation of the European welfare state. The rational foundation of social consciousness was to be found, according to FDR, in "simpler moralities which have been true of all the centuries".

These moralities have lost their appeal for an apparatus of technocratic politics within the EU. **With the current crisis, such apparatus of technocratic politics has extended its powers further, by way of a specific formalization of emergency. It is working towards the uprooting of the European welfare system and its replacement by austerity with which the technocrats of emergency experimented,** after the Cold War, – from their point of view successfully – in the so called transformation societies of the former Soviet block.

Emergency and Transformation: Austerity

As Mark Blyth so lucidly summarizes its essence, *austerity is a form of voluntary deflation in which the economy adjusts through the reduction of wages, prices and public spending to restore competitiveness, which is (supposedly) best achieved by cutting the state's budget, debts and deficits.*

During Europe's and the US' worst economic and political crisis of the twentieth century, austerity was the orthodoxy dominating economic and political decision making. It gave way to interventionist policies, of different forms, when the crisis challenged capitalism as a system. Roosevelt's New Deal in the US, Schacht's state sponsored re-animation

of the productive machine in Germany, economic policies inspired by Keynes' ideas of spending by the public hand, were responses to the failure to overcome the global crisis of capitalism during the 1920s and 1930s of the last century with policies of austerity.

State interventionism replaced austerity and welfare states of different kind and shape became the spring-boards for development and growth of capitalism on a global scale. As long as a systemic challenge to capitalism seemed alive – even if in the distorted form of the Soviet system -- social consciousness seemed a promising reason for the extension of capitalism on a global scale. With global capitalism's apparent triumph at the end of the Cold War, social consciousness became reduced to costs and, as such, lost its utility in the never ending drive for the expansion of capitalism itself.

The current, systemic crisis of global capitalism brought back an interest for a substantially reduced form of state interventionism. The focus of current discussions of Keynesianism and of the New Deal is on spending. **The demarcation line between those advocating austerity and those advocating the apparent alternative is drawn a long lines of “stimulus” for the economy, the public hand incurring debts for the purpose of increasing the level of (public) investments. As a consequence, the advocates of austerity promoted the deficit of the public hand as the main area of debate, and the supporters of increased spending by the public hand, the need to substituting credit and even investment and to stimulate demand.**

As has been shown by Lothian and Unger, the argument about the stimulus is shortsighted. The advocates of austerity, within the European Union and in certain international institutions, seem to prevail because the historic experience of the 1920s and 1930s is not reflected upon to its full extent. For this reason, the aspect of the New Deal most important for programmatic efforts of the left remains veiled and is not a topic of public debate.

Lothian and Unger have shifted the focus of the debate from stimulus (spending) to institutional innovation. They argue, the crisis of the thirties has been overcome, in the US, due to the institutional changes resulting from efforts to mobilize resources to sustain the war effort. Institutional innovation coupled with a close to complete mobilization of social and material resources in the US were the causes for the recession to end.

While the absence of any serious initiative in favor of institutional innovation characterizes the debate in the US and confirms a status quo – in economics and in politics -- which resulted in the current crisis, in the EU, the status quo ante crisis is affirmed by institutional change. **At the core of this institutional change, in the EU, is the confirmation of austerity as the orthodoxy of economic and political thinking. This institutional change is not subject to public debate. It is camouflaged because not debated as changes of national and EU law and not presented as intervention into the system of institutional checks and balances on a national scale.**

Therefore, a legal understanding of the state of emergency and of the institution building role of decision, as exemplified in Carl Schmitt's constitutional theory, is required for a structural understanding of current developments in the EU.

The European Stability Mechanism

The current state of emergency is institutionalized not primarily by EU law. It is mostly initiated outside of and later incorporated into the apparatus of EU law and EU regulations. Its institutionalization originates – in decisive parts -- in a sphere of public international law. A thorough reading of the jurisprudence of various highest and constitutional courts -- such as the ruling of the Austrian Constitutional Court (VfGH) upholding the constitutionality of Austria's participation in the ESM -- shows, that EU law is brought in conformity with new rules, with the operations of new institutions, with new “mechanisms”, by way of interpretation after the fact.

The official website of the European Stability Mechanism (ESM) describes the ESM as resulting from an intergovernmental treaty of the Euro Member States. In its annual report for 2012, the ESM describes itself as “permanent crisis resolution mechanism established by the euro area Member States as an intergovernmental organization under public international law”. This is a remarkable statement. The ESM is not the result of changes of EU primary law, and as such, does not result from the procedure stipulated in the EU Treaty for amendments of EU primary law. Accordingly, the accession of certain EU Member States, like Austria, to the ESM did not take place in accordance with procedures established for the purpose of further developing EU primary law.

The ESM is an institution resulting from the emergency caused by the current deep and structural economic and financial crisis. It extrapolates decision making power – most importantly, in the areas of economics and finance – of the EU Commission and establishes a new mechanism, which is a euphemism for a set of institutions existing outside of and adjacent to those established by the EU Treaty.

The official website of the ESM furthermore informs us of the institutional nature of the ESM as permanent crisis resolution mechanism. This is to say, the function of the ESM is not limited to resolving the current crisis. Its core – economic and financial policies of a specific kind (see below) – shall become permanent in their determination of economic policies within the eurozone.

Official proclamations of the EU and of its Member States which participate in the ESM go out of their way in describing the mechanism in a language of continuity. The ESM marks the continuation of policies set forth in the Stability and Growth Pact, the Treaty on Stability, the Coordination and Governance in the EMU, etc.

As a permanent crisis resolution mechanism, the ESM signifies, however, institutional discontinuity as result of a fiscal and economic emergency. As to their content, policies

implemented through the ESM are described as continuation of policies, the EU has subscribed to in a series of programmatic statements since the late 1990s of the last century.

The ESM is a mechanism established to raise funds from Member States. Absent taxation powers of the EU, the ESM is designed to fund policies and to force the EU Member States adhering to the ESM to not only contribute to the implementation of such policies. Through their commitment, the space for alternative policies of Member States – policies which might not comply with or even contradict those pontified by the EU in certain of its programmatic and normative statements, such as the Stability and Growth Pact – is substantially reduced, if not eliminated.

The reference to continuity is important because it establishes a record of continuous development. Crisis resolution does therefore not indicate deviation from the substance of EU policies as laid out in a series of programmatic declarations and treaties. It is a “mechanism” of heightened application of the policies laid out in the international treaties listed on the official website of the ESM.

The policies promoted by the ESM gain their legitimacy (*Legitimation*) from exactly this continuity. The official website of the ESM (www.esm.europa.eu) states the terms upon which the ESM grants “assistance” to Member States of the eurozone. First, such assistance is granted to protect the Euro. Second, any assistance is subject to conditionality. The reference to conditionality comes with a reference to Art 136 EU Treaty. As a matter of fact, the only term of substance which derives from this second reference is to fiscal discipline (Art 126 EU Treaty) and to budget restraint (Art 121 EU Treaty). With the ESM, recommendations become obligations. In other words: Member States of the Euro zone which enter the ESM and obtain assistance, submit to recommendations becoming obligatory under the ESM Treaty.

The recommendations referred to in Art 121 EU Treaty result from deliberations of the Council on the basis of proposals by the EU Commission. The legitimacy of these recommendations is derived from expertise. This expertise appears as impartial, scientific and the recommendations elaborated by the Commission seem “positively objective” in the meaning which Schmitt gives to the Weimar presidency. Without democratic legitimacy, these recommendations are legitimate in the tradition of impartiality as codified in treaties which form the framework for EU economic and fiscal policies. As such, this expertise is comparable to the one of the civil servants loyal to the Second German Empire at the times of Weimar, invoked by Schmitt in *Der Hüter der Verfassung*.

Austerity is the core of the economic and fiscal policies implemented as conditionality for obtaining assistance under the ESM Treaty. In its essence, austerity results in a reduction in welfare benefits with the goals of further increasing “flexibility” on labor markets. Such flexibility, the claim goes, is necessary to increase the competitiveness of national economies.

My argument in this paper shall not address austerity from an economic point of view. I would like to reflect upon the institutional and political – the constitutional – aspects of austerity as governance implemented by a sovereign center within the EU. I shall analyze austerity as mode of dominating the current state of emergency.

Welfare: A Bundle of Rights

Welfare – social and economic -- benefits are legal entitlements. They are rights emanating under public and under private law, depending upon the particular legal tradition. They are, however, construed as entitlements under the condition of affluence within a particular society. Roosevelt's claim, the twentieth century would be the epoch of "social consciousness" positions him as advocate of particular interests in a struggle over the distribution of social wealth. However, in the prevailing – new and neo -- liberal view of welfare entitlements, those rights were mostly construed as entitlement to excess wealth. This is to say, the part of affluence which remained after serving entrenched social and economic interests could be distributed, in parts, for welfare purposes.

Countries in Western Europe saw a remarkable increase in the level, and a broadening of the access to welfare benefits in the aftermath of World War II, after their economies had been rebuilt. This was due to the growth in their industrial output. It originated, however, in the institutional changes during and after the war necessary to mobilize resources for war and reconstruction.

The lesson learned from the Great Depression was to de-politicize the welfare state. A belief in technical solutions to social problems became predominant. In this respect, even if from opposed political positions, Schmitt's and Roosevelt's recipe for dominating the catastrophic crises of the Great Depression was the state of emergency with technocracy as decision making center.

In the course of World War II, the struggle for welfare became an issue of social engineering – the mobilization of resources for the war effort – and was, as such, de-politicized. After World War II, social-democratic movements in Europe caused material concessions to the masses employed in the war and reconstruction effort to be transformed into entitlements. In consideration for these gains, mechanisms of political de-escalation were put in place, mostly of corporative nature – such as the Austrian *Sozialpartnerschaft*. With rare exceptions – like the Italian *scala mobile* of the sixties and seventies of the last century –, issues of distribution of the GDP – of social wealth – were not discussed in political terms and not viewed as material basis for the broadening of democratic participation.

The *citoyen* turned into a client of the welfare state – as consumer. The public arena of political dispute and deliberation was gradually replaced by a market place of consumer

goods and bureaucratic access to services guaranteed by the state. Growth in social wealth translated itself into increased access to consume and benefit.

And what if nothing can be declared “excess wealth”?

(2) Entitlement and Participation

In light of current “anti-crisis” policies, the answer to the above question seems clear and undisputed: welfare entitlements have to be reduced. The clients of the welfare states, the consumers of access wealth earmarked as entitlements, have to contribute to anti-crisis measures with sacrifice.

Welfare entitlements are “rights”. Whether construed under private or under public law, these entitlements enjoy legal protection, procedurally and substantively. As already stated, welfare entitlements result from and in response to social mobilization. Most welfare entitlements originate from measures handed down from above. A history of political mobilization is the genealogy for many welfare entitlements. This history transforms into a neutralizing, de-politicized system of rights. Political struggle from below and efforts to politically de-mobilize from above feed into a legal grammar of entitlements.

Welfare entitlements are “rights”.

Once on the books, the curtailment of welfare entitlements risks political contestation. The state of emergency – as interpreted by Carl Schmitt –, allegedly a response to the current crisis, is the most efficient mechanism for redefining and reducing such entitlements. On a day to day basis, policies of the EU and of its Member States prove this point.

The crisis is presented as an objective force which requires, on technocratic grounds, changes in welfare benefits. Decisions to this effect are therefore presented as being beyond the reach of partisan politics and as objective requirements. The state of emergency becomes the *Grundnorm* of institutional and material change of social welfare.

Entitlements and Participation

This development is within the logic of the “social-democratic compromise” of the post World War II reconstruction era. In exchange for redistributive gains, social democratic politics after 1945 ended political contestation of capitalism as a system. In consideration for giving up systemic contestation of capitalism, social democrats gained limited redistributive power. And instead of political struggle, a technocratic logic defined access to welfare entitlements. Instead of heightened – democratic, hence political – participation, the social democratic compromise lived of the retreat of citizens from the public arena.

The extent to which this compromise failed to protect social welfare is now obvious. The decisive question regarding the protection and the increase of – welfare and other

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--entitlements is their political essence. Is this political essence of welfare entitlements limited to their historic form and to their redistributive effect? Or may welfare entitlements be construed as instruments, even as condition for political participation and for the establishment of a – political – system of heightened democracy? And, are traditional welfare entitlements the most useful tools to achieving heightened political participation?

In light of my analysis in this paper, **the defense of welfare rights, in their historic and current form, seems – from the point of view of the democratic left – desirable to the extent that it contests the current state of emergency because it tends to interfere with the decision making prerogatives of the technocratic sovereign. Yet, such defense does not limit the powers of the autocratic center. Within the EU, the systemic place – as defined in the European treaties -- for such defense is national politics. The politics and policies of national governments, within the limits posed by the constitutional system of the EU and the regime of the current state of emergency, is the arena for attempts to defend welfare entitlements. Such defense is, hence, relegated to the periphery of the system of the European Union.**

When put in place, these welfare entitlements were intended to have pacifying and de-politicizing effects. Their defense tends to therefore come at the price of affirming the rationale of the social-democratic compromise. Recent coalition agreements in Germany and Austria prove the point. The defense of the remnants of the post-World War II welfare regimes are designed not to question the grand design of the EU in its current shape.

In view of the genealogy of welfare entitlements, in Europe, but also in the US, retrieving their political kernel becomes the main condition for changing the systemic function of welfare entitlements. **This political kernel is the participation of citizens in the public cause. Instead of stripping citizens of such participatory rights, welfare rights should become a decisive tool for the mobilization of citizens. And they have to be extended. To this effect the substance of welfare entitlements, as well as their function within the system, have to change.**

Instead of filling gaps caused by a system built upon the unrestrained logic of the market, regarding employment, social services, care for the elderly, etc., **entitlements should provide for and guarantee subsistence for every citizen, on a level considered decent throughout the EU. These entitlements should assume the quality of rights, guaranteed by the Union. Such guarantee should be one of the main undertakings of the Union. A *guaranteed minimum* would be the basis for mobilizing the creativity and energy of citizens within the EU and would be granted in consideration for citizens' participation in the public cause.**

It is useful to remember that welfare entitlements have been adjudicated in the seventies of the twentieth century, by the jurisprudence of the US Supreme Court, as “new property”. Accordingly, **the guaranteed minimum for every citizen may be conceived**

as – “new” – property, enabling each individual to conduct a decent live and endowing her with the means necessary to actively participate in the political process. This new property – the guaranteed minimum for every citizen of the European Union – is political in essence. Programmatically, it results from the insight in the autocratic nature of the reign of expertise which dominates the new constitutional design of the EU. And it is the manifest rejection of the dictatorship of “no alternative” which dominates current EU politics.

**This new property
– the guaranteed
minimum for every
citizen of the
European Union
– is political in
essence.**

The new property, the guaranteed minimum would be in need of constant public review, and the review itself should be a public and democratic exercise. The following are suggestions as to how to regulate such entitlement and serve as examples for and contribution to a programmatic debate concerning guaranteed subsistence as a “new property” right.

As stated before, the European Union would require active participation in its public cause in consideration for an individual obtaining guaranteed subsistence. The public cause may take many forms. It could range from mandatory social services (including military services), participation in the caring economy of the Member States, promoting social, cultural and educational initiatives on a grassroots level, etc.

Non-EU citizens should be entitled to this guaranteed minimum in case they prove contributing for the Member States’ campaigns and programs of public participation. This could be a constructive way of integrating refugees from different social and cultural realities into the EU.

The expectation associated with guaranteeing citizens their subsistence is heightened participation and the democratization of all spheres of public life in the European Union. The function of national politics should consist in creating institutions of public and private organization of such participation. Member States should compete for the creativity of citizens and provide the framework for experiments, on national, regional and municipal level, with innovations in the fields of production, education, social organization, culture and various other forms of social participation.

The guaranteed minimum should give the stimulus for activity, participation and mobilization, of individuals and groups. Participation and creativity should not be limited to market conformity as presently perceived. It should be a tool for transforming institutions and practices of markets and bloom in spheres of social and individual activities, many of which may remain outside of a current logic of market rationality.

A guaranteed subsistence for every citizen, the material means of which should be subject to ongoing public debate and the level of which should be democratically decided, would be the basis for a new social contract. Society guarantees the subsistence of each

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citizen in consideration for the participation in social life. The notion of (new) property right at the basis of this proposal is the negation of the de-mobilizing substance of welfare, hegemonic in current European politics. It does not ask for a surplus to be distributed, or handed down, from above. It requests subsistence as basis for social activity from below.

It is an essential part in the political tool box of a political, democratic left which interprets the current crisis radically different than the heirs of the social democratic compromise. Instead of continuing praying in front of the cold alters of technocracy, such a democratic left believes in the imaginative power of heightened democracy. And it trust in the imagination of individuals not paralyzed by the day to day struggle for material survival and free to creatively participate in society and its affairs.

Putting the European Union (back) on its feet

The programmatic proposal put forward requires two basic changes in the institutional design of the European Union.

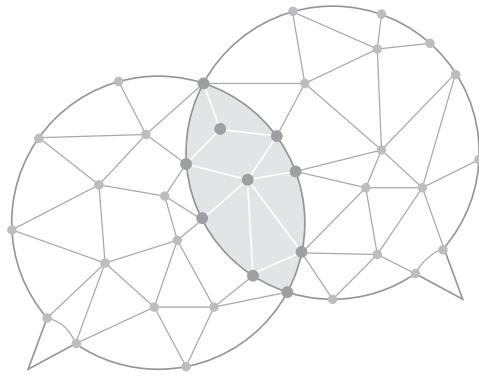
First, **the primary task of the European Union should be the guarantee of the material subsistence of its citizens. The notion of citizenship also includes individuals from outside the EU who are ready to actively contribute to the democratic and social mobilization within the Union.** This guarantee requires a complete change in the constitutional basis of the EU which must be endowed with the means and powers of modern state, such as taxation power.

On the other hand, many of the current tasks of EU politics should be referred to the Member States and become the jurisdiction of national, regional and municipal authorities, within a framework constituted by EU laws and regulations.

Second, **the guaranteed minimum would take the form of a property right. Its content would be subject to public debate and its substance would be democratically defined. As a right, it would give each citizen legal which would ultimately address the European Union as guarantor.**

Materially endowed, the citizenry of the European Union could reclaim sovereignty from the technocratic elites which have become the sovereign of the current state of emergency. And it could break the yoke of "no alternative", the mantra of today's mainstream.

The left must only remember that it has nothing to fear but fear itself.

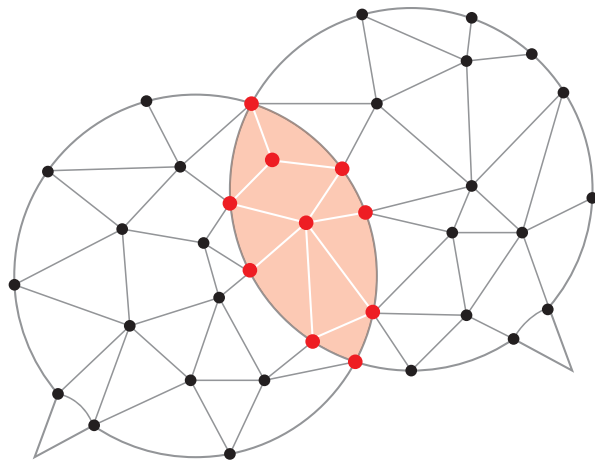


**FRAMING
A NEW
PROGRESSIVE
NARRATIVE**



Matjaz NAHTIGAL

A Different European Union Is Possible: Towards Comprehensive Bottom-Up Restructuring Of Europe



Key words:

**EU Bottom-up Institutional Reconstruction – Beyond Austerity – Beyond
“One-size-fits-all” EU – Co-existence of Different Institutional Models
Across EU – Alternative Development Strategies for EU**

Abstract:

The current European Union (EU) context does not serve the real needs of large parts of the European population at the local, regional and national levels. The growing gap between the privileged segment of society (with its access to high-quality education, advanced parts of the economy, new technologies and capital) and large portions of the excluded population is a phenomenon that is occurring in the core EU countries and regions and also in the EU periphery. Therefore, the most important task for authorities at all levels of the EU polity should be to develop anti-dualist policies to broaden and deepen access to advanced modes of production, high-quality education, skills and all other resources.

1. Introduction

Current debates on the future of the European Union (EU) stem from the unfinished debate on the sustainable settlement for Europe, which started with the Laeken Declaration and the Convention on The Future of Europe in December 2001. They also stem from the ongoing economic, financial and social crises in many parts of Europe. The breadth and scope of these debates is perplexing. Proposals on diversity and mutual exclusivity, and very often internal contradictions in such proposals and ideas, originate from a broad spectrum of experts, politicians, national and supranational actors, citizens and various parts of European civil society. These debates are taking place in the most restrictive EU context of austerity and fiscal rules resembling the gold standard policy framework during the depression era in the 1930s. This context further complicates the purpose and sense of discussion.

The EU is struggling with its deepest economic, social and political crisis since its establishment. Despite the number of measures in the area of European fiscal rules and the European financial sector, the EU as a whole remains unable to overcome the crisis. After years of unsuccessful EU coping with the crisis, it is evident that the institutional and practical arrangement established by the Treaty of Lisbon from December 2009 is ill-prepared to successfully tackle the crisis. The problem is that the views and ideas of how to reform the established European settlement remain highly divergent. This makes the future of the European project in its current setting unsustainable.

The purpose of this contribution is to show that **it is still possible to rescue the European project and to find the common ground between the European progressives and conservatives, between European North and South, and between the European center and periphery. In place of top-down imposition of ever more restrictive rules for all EU Member States, their regions and local communities, it would require bottom-up institutional re-imagination, involvement of citizens, entrepreneurs and local communities, and revival of European pragmatism in place of the current rigidity of European technocracy.** The points of departure for the discussion are the following propositions:

- 1) The current context of “austerity Europe”, enshrined in the Fiscal Compact of March 2012, is not sustainable and is going to hurt not only the EU periphery, but also most of the Europe core;

- 2) While rejecting the Fiscal Compact as an unnecessary and harmful fiscal straitjacket for the Member States and their regions, this is not a call for additional creation of public debt and deficits, but a call for high quality, transparent, long term oriented and sustainable fiscal policies across the EU;
- 3) Traditional social democrats should give up their hope to replicate the traditional welfare model on the EU level, which is neither feasible nor desirable. The traditional tax-and-transfer social policy should be replaced with the productive, developmental social welfare policies with an emancipatory goal for all European citizens;
- 4) Modern types of industrial policy that are decentralized, pluralistic and experimental should be encouraged, not suppressed at all levels of European polity;
- 5) The true EU goal is to become a more balanced, more inclusive and more diverse Europe. Such an EU should be hospitable to the co-existence of different economic, social and democratic models. It should resemble the EU from the first two decades of its establishment, albeit in the new context of a globalized and knowledge-based economy. The crucial characteristics of the early golden age of European capitalism were a high level of autonomy of the Member States in running their economies, strong public sectors supporting the development of private sector, a tame financial sector providing long term support for the real economy, full employment, and an active role of the government in promoting the market economy.

2. European Union: From Successful Integration To Existential Crisis

The early model of the EU was much closer to the “varieties of capitalism” ideal. It created a space for comparative institutional advantages on the basis of local, regional and national innovations and experimentation. The EU was there to promote, not suppress institutional divergence that led to high levels of growth and close to full employment accompanied by the growth of worker salaries and expansion of social rights. The counterargument, namely that the ‘golden age’ of the European post-war period was mainly due to recovering from the war devastation, is currently in place. On the other hand, the institutional context based on the broad autonomy of policy-makers and the availability of policy instruments secures much greater maneuvering room to run and develop economies and societies in the Member States.

European integration through laws gradually created a European constitutional asymmetry, which appears to be insurmountable. It has narrowed the maneuvering room for social and economic development of Member States and their regions. At the same time, the EU institutions were not able to acquire sufficient resources, capabilities and instruments to adequately replace the functions, responsibilities

and tasks of the Member States. If it was the role and function of the Member States to provide economic and social security for their citizens in the early stages of European integration, the gradual loss of instruments, resources and capabilities led to the gap between Member States and EU institutions. This gap can be called 'European institutional asymmetry'¹, resulting in a situation when no level of European polity can be held accountable for providing economic and social security for their citizens.

Subsequently, all hopes of the European political class are vested with the European single market. As witnessed from the beginning of the crisis, however, the most persistent dogma of the European single market cannot automatically lift the Eurozone and its members from the crisis. Coordinated, well thought-out responses at the European level and in the Member States is needed to overcome the crisis. Most of the measures taken during the crisis are based on the premise that it will be possible to return the EU to the status-quo settlement developed before the crisis, albeit somewhat more centralized. This is in the author's opinion the biggest illusion of the European political, financial and economic elites. The efforts to adopt and implement the Fiscal Compact, to establish the Banking Union, and subsequently the modest version of the Transfer Union, all stem from this questionable premise of returning the EU to the status-quo settlement.

At the core of the European crisis is the gradual creation of the European institutional asymmetry, according to which the policy space and instruments for the Member States have been increasingly narrowed. Among the most important instruments that were lost in the process of integration through law were:

- 1) a loss of ability to devise and implement the national (or regional) long term development strategies;
- 2) a gradual loss to adequately finance the social programs aimed at strengthening individual capabilities and supporting the life learning education process;
- 3) the ability to articulate and implement modern industrial policy;
- 4) the ability to keep in check domestic financial institutions and their channeling of financial resources to long term local, regional and national development; and
- 5) the underfunded education, particularly higher education in many of the EU Member States. All of these things should be included in the debate on the future of Europe.

To overcome the existing institutional asymmetry, the most frequent proposal from the progressive voices is to continue with the fiscal consolidation in the Member States, to implement as quickly as possible the Banking Union and to start developing a modest Transfer Union. The conceptual idea behind these proposals is that the EU needs to create "greater structural homogeneity and institutional convergence (especially in labor markets) among its members... In the long run, EU countries need to look more like one another..."²

1 F. Scharpf, *The Asymmetry of European Integration*, KFG Working paper no. 6, 2009

2 D. Rodrik, *Europe's Way Out*. Project Syndicate, June 13, 2013, <http://www.project-syndicate.org/commentary/saving-the-long-run-in-the-eurozone-by-dani-rodrik>

Most of the proposals from the moderately progressive side are questionable. It is possible and necessary to support the urgent need to improve labor market dualism across Europe. Most of other proposals with respect to the Fiscal, Banking and Transfer Unions, however, would inevitably lead to further centralization of the EU. They would open room for more one-size-fits-all policy measures and more top-down policies without sufficient transparency, without sufficient democratic accountability and without proper constitutional checks and balances. Moreover, highly divergent European localities, regions and Member States would be effectively deprived of their initiatives, like how to search for new development opportunities, tailored to local, regional and national needs, capabilities and based on institutional innovations.

Therefore, **a credible alternative to the top-down, one-size-fits-all approach, which is disinterested and inhospitable to the variety of needs, opportunities, capabilities, initiatives and innovations, is to open the future EU development to bottom-up institutional innovations and diversities. This is where the true energy, ideas and strength of the European project really lies**, and not in the hands of European

This is where the true energy, ideas and strength of the European project really lies

technocracy. *In fact, technocracy curiously mirrors populism: only one possible policy here, only one possible voice of the people there; nothing really to talk about.*³

Institutional innovations and imagination across Europe were the crucial elements of the 'golden era' of European capitalisms. The ownership of development strategies belonged to the localities, regions, Member States and their citizens. These are qualified versions of the varieties of European capitalism in the form of permanent institutional innovations and in the form of co-existence of different models for the market economy and social welfare across the EU. Such a decentralized union⁴, based on a variety of models and institutional innovations would resemble more the EU of the early 'golden age' of the European integration, but adjusted to the context of twenty-first century globalization and knowledge-based society. Such an EU can again become an actor in reshaping the current context of globalization that creates unsustainable economic, trade, financial, labor and environmental imbalances.

2.1. Impossibility and Undesirability of the Transfer Union

There can be little doubt that the ongoing financial, economic, and social crisis is moving further away from the declared goals of the European social-market economy as stipulated in Article 2, para. 3 of the Treaty of Lisbon.

³ J.-W. Mueller, *European elections: the false promises of populism.*, [in:] *The Guardian*, May 4, 2012.

⁴ For the call on decentralizing EU as a step forward, see: J. Delors et al., *Let's create a bottom-up Europe*, [in:] *The Guardian*, May 3, 2012. On the risk of European centralization see also: O. Issing, *The Risk of European Centralization*, *Project Syndicate*, July 2, 2013

Contrary to the stipulated commitments and goals of the EU, however, the EU is facing historic levels of unemployment, especially among the young, and many of the EU countries and European regions offer neither prospects nor future for the majority of the population.⁵

The most frequent response to the dire European socio-economic situation is that “We need more Europe” to overcome the crisis. For far too long, this ill-defined and vague slogan has represented a poor substitute for a genuine and comprehensive discussion of the future of the EU. The debate regarding the future of the EU was organized in the form of the Convention on The Future of Europe before the adoption of the Treaty of Lisbon. The truth, however, is that the European political class and European civil society at large have been unable to find an appropriate model of balanced, sustainable, inclusive and pluralistic future development.

The real debate about the future of the EU should not be whether we need more or less Europe. Instead, the discussion needs to start with the observation made by Loukas Tsoukalis and start debating what kind of Europe we need, as well as what kind of Europe is possible, to finally start serving the needs of European citizens, communities, regions, and Member States.⁶

When one asks what kind of Europe we need, the most frequent answer is that we need to proceed with the Fiscal and Banking Unions, improve coordination of fiscal and economic policies, and finally move to the Transfer Union – a Union most likely organized according to the German constitutional provisions of financial equalization.

Let’s start with the last and the most remote, although with some of the progressives and European citizens the most cherished and desired goal: the establishment of the Transfer Union. There are many possible objectives for such an outline of the future development of European integration. Some of these objectives are of a practical nature. Other objectives take a more subtle viewpoint. From a practical viewpoint, one should look at the current struggles within the German constitutional arrangement of financial equalization on the basis of Article 107 of the German constitution (*Grundgesetz*). At the moment, only four German federal states aid twelve other federal states through the fiscal equalization mechanism. This mechanism, although a successful postwar development now enshrined in the German federal constitution, is becoming an increasing source of conflict among the German federal states. It has already been announced by Bavaria that they are planning to legally challenge the transfer system of financial equalization before the federal constitutional court.⁷

5 Without doubt, this is the most serious crisis the EU has faced since its inception...., P. Hall, *The Economics and Politics of the Euro crisis*, [in:] *German Politics*, 21 : 4, 355-371, 370, 2012.

6 L. Tsoukalis, *What Kind of Europe?*. Oxford University Press, 2005.

7 *Bavaria Mulls an End to Solidarity*, [in:] *Spiegel* online edition, July 18, 2012: <http://www.spiegel.de/international/germany/press-review-on-bavaria-s-decision-to-sue-against-solidarity-payments-a-845088.html>.

If the constitutional mechanism of financial equalization creates such tensions within the German federal constitutional arrangement, one can only imagine the tensions that would result from any attempt to create a European Transfer Union based on a mechanism similar to the German approach. Especially in the period of self-imposed austerity measures and the introduction of the fiscal brake into the German constitution, applicable both for the federal budget and for the state budgets, it is likely that tensions regarding the transfer mechanism may further deepen in the future.

The EU currently consists of 271 regions on the Nomenclature of Territorial Units for Statistics (NUTS) level 2. During the protracting crisis, according to the most recent European regional yearbook, “out of the 271 NUTS level 2 regions in the EU for which data are available, the unemployment rate increased between 2007 and 2010 in 215 regions, remained unchanged in seven and fell in 49.”⁸ It is theoretically and practically impossible to create a sufficiently meaningful Transfer Union that would address the needs and expectations of large parts of the excluded population in the majority of European regions and Member States.

From a subtler and very rarely mentioned viewpoint, one should take a closer look at the nature and development of regional disparities across the EU. An overview of European regional disparities shows the level of uneven development across the EU. The main dividing line in the EU is primarily between the relatively few prosperous and advanced regions and the large majority of stagnating or even backward regions. This dividing line is even more important than the superficially presented narrative on the dividing line between the prosperous North Europe and the stagnating South Europe.

The majority of European citizens do not want their future prospects to lie in the hands and at the mercy of European paymasters. They want to shape their own future. For this, they need to be equipped and empowered to be able to emancipate themselves and become free and productive actors in the markets and their communities. Therefore, in place of the idea of the Transfer Union, is the idea of empowerment, sustainability and ability to mobilize local and regional potential across Europe. In place of (path) dependency via the Transfer Union, the alternative proposal should be to open up space for local, regional and national institutional innovations.

2.2. Beyond the Dogma of a Single Market Neutrality, Beyond the Fiscal Compact and Banking Union

A single market is not a goal in itself. It is a means to an end. There is no one single, neutral version of the market. Markets are always created and they exist within the given

⁸ Eurostat Regional Yearbook 2012, European Union, Luxembourg, http://epp.eurostat.ec.europa.eu/portal/page/portal/publications/regional_yearbook, p. 78.

institutional framework. The Cecchini Report⁹ before adoption of the Maastricht treaty in February 1992 calculated immense benefits for the European economy after the completion of the single market. Today it is clear that the outcome of the single market creation is far below the original anticipations and announcements. Strong distributional effects and creation of winners and losers excluded businesses and small firms without sufficient access to capital and all other necessary resources from successfully competing in the markets. The number of European regions and Member States falling behind during the crisis is clearly on the rise. Therefore, to deepen access to the markets and spur entrepreneurship across the EU, local and regional support in the form of decentralized industrial policy with improved

Europe needs more markets in more ways for more people than the current version of the European single market model can provide.

access to capital via local financial institutions needs to be (re-)established. **Europe needs more markets in more ways for more people¹⁰ than the current version of the European single market model can provide.** Without an active industrial policy at the local and regional levels, the European single market can amount to “kicking away the ladder” not only for the European periphery, but for the majority of European regions. In order to avert such broad negative outcomes, the varieties of capitalism literature recommend to strengthen the mechanisms of decentralized coordination, not to weaken them.¹¹

The Fiscal Compact created new policing powers for the European institutions over the fiscal policy and budgets of the Member States. It has further narrowed the maneuvering room for reforms and development strategies in the Member States and it does not guarantee a quality fiscal policy even in good economic times. Simon Wren-Lewis, an Oxford macroeconomist, has put it directly and most succinctly: *The Fiscal Compact is exactly the opposite of what the Eurozone requires right now.*¹² It may well be that in everyday practice, as it happens very often in the EU, the Fiscal Compact rules will be diluted or otherwise weakened. However, because it is a crucial symbol of wrong European policies tackling the crisis, it will have to be formally repealed to show new determination to launch comprehensive economic, social and political reconstruction of the EU and its Member States.

The sooner the EU moves away from the unworkable European Fiscal Union, which “is macro-economically dangerous” and “imposes deficit rules on the countries that are

9 Cecchini Report, *The European Challenge: 1992*, summary of the report: <http://aei.pitt.edu/3813/>

10 *The task will be to use the power of the State not to suppress or to balance the market, but to create the conditions for the organization of more markets organized in more ways...*, R. Unger, *What Should the Left Propose?*, Verso 2005, p. 26.

11 P. Culpepper, *Politics of Decentralized Coordination*, [in:] *Varieties of Capitalism*, P. Hall & D. Soskice, Oxford University Press 2001, p. 303 – 304.

12 S. Wren-Lewis, *The Eurozone's Founding Mistake*, [in:] *Social Europe Journal*: <http://www.social-europe.eu/2013/07/the-eurozones-founding-mistake/>, July 22, 2013.

based on arbitrary figures,” as warned by the European Macro Group of three European macroeconomic institutes (German IMK, French OFCE and Austrian WIFO) in their joint study, the greater are the chances that the EU as a whole returns to the sustainable and equitable pathway of growth.¹³ Fiscal consolidation is important, but there is more than one way how it can be achieved. It should be left primarily to the Member States to figure out how to return to the path of fiscal consolidation, based on socially inclusive growth.

The idea of the Banking Union is questionable for similar reasons. Two crucial developments before the crisis went almost unnoticed by a large portion of experts and politicians. Namely, due to rapid liberalization of finance, the size of European financial sector has tripled in the last three decades. Equally important, as noted by one of the most perceptive European experts on finance, Dirk Bezemer from the University of Groningen:

*...Most of that debt growth has NOT been due to lending to the real sector – to nonfinancial firms, supporting growth in wages and profit. Almost all of it was due to mortgage lending and to credit to the nonbank financial sector credit, to inflate stocks and property prices and to create and trade options, futures, and other derivative instruments...*¹⁴

Neither of these two crucial issues – the oversized European financial sector and its turning away from mainly supporting the real economy toward European financial ‘casino capitalism’ – are being adequately addressed by the idea of a Banking Union. Its goals to create common banking supervision, resolution procedures and possibly also deposit insurance may lead to further concentration, centralization and bureaucratization of the European banking and financial sector. This is without any guarantee that the quality, responsibility and support for the real economy, local producers and entrepreneurs would be improved.

From the legacy of successful European post-war development, different European members developed different financial models to support overall economic and social development. There was no one single best financial model and framework, universally valid for all local, regional and national economic and social conditions. Some of the financial models better supported local and regional development and productive potential than others. It should also be up to the local and regional communities to search, develop and innovate in the area of financial models. Instead of making efforts to break the supposedly pernicious ties between the sovereigns and banks, the true goal of European financial restructuring should be to re-establish the virtuous links between local and regional

13 Macro Group (IMK, OFCE, WIFO), *Fiscal Compact Deepens Crisis*, available at: http://www.boeckler.de/pdf/p_imk_report_71e_2012.pdf, March 2012, p. 29.

14 D. Bezemer, *Finance and Economic Growth Delinked.*, Eurointelligence, April 2012.

communities, businesses, entrepreneurs and financial institutions. The support for local producers and local consumers, strengthened links between local networks of banks and the real economy should be at the core of European economic, financial and social reconstructions. Immense resources, allocated for propping up the largest European financial institutions should be better used for revitalization of local communities and regions across Europe.

3. Alternative Pathways For European Reconstruction

The goal of European recovery should not be merely to overcome the ongoing economic, social, and financial crisis and then return to the previous status-quo position. Similarly, the outcome of the crisis should not be a return to the EU's previous arrangement, albeit further centralized and bureaucratized within the framework of rigid one-size-fits-all fiscal and financial rules based on the economic orthodoxy. **The better aim should be to create a socially inclusive, more decentralized, more innovative, and more diverse EU, wherein different regions and Member States can develop their own development strategy. Such a decentralized EU should facilitate and foster different model of development, spur local initiatives from various social groups, and more successfully address the needs, aspirations, and development potential of local communities, regions, and Member States.**

The European dimension to the decentralized, bottom-up economic, social, financial and political reconstruction could be complementary. On one hand, it could participate, learn from positive practices of successful regions and disseminate these practices to other regions across Europe. On the other hand, it can expand European employment policies with the aim of improving skills and enhance training opportunities for European workers. Investments in lifelong learning process, improved skills and retraining opportunities for European workers should become the most important common European policy together with carefully planned investments in the improved European infrastructure.

European viable growth strategy, which is still missing¹⁵, should be based on sustainable, inclusive, balanced and diverse European “green growth” potential. Such a redirection of European policies away from the unsustainable rigidities of the Fiscal Union, unworkable dogma of the single market, and unnecessary bureaucratization and centralization of the banking union could present a point of departure from the present unsustainable path of European integration. EU institutions should finally pay attention to the needs of local, regional and national communities across Europe.

The reconstruction of such an EU should be implemented bottom-up and it should be based on co-existence of diverse models of development. Instead of

15 P. Hall, *supra* 5, p. 365.

waiting or relying on comparatively small amounts of financial support from the EU, the European regions, local communities, and Member States should rely primarily on their own resources. Of course, any additional support from the EU could be beneficial and complementary. The development strategies, initiatives, and decisions, however, should be made by the local authorities and other local stakeholders with the primary concerns of developing local producers, supporting local entrepreneurs, training local employers, and supporting local consumers.

There are examples of successful economic, social and institutional restructuring in European regions and Member States. These should serve not as models for mechanical imitation, but rather as models for inspiration and encouragement. Other European regions and countries have other comparative advantages and different development potential. The crucial mistake the European technocracy is making in the crisis is to insist on imposing one-size-fits-all measures across the board. As a result, initiatives, ideas, and institutional innovations at the levels of European regions and their Member States remain suppressed.

It is worth briefly considering the successful experience of Irish local public-private partnerships before the turn into speculative finance and creation of construction bubbles; the example of successful Finnish innovational, technological and educational policies; and the cooperative competition framework in the Emilia Romagna region of northern Italy. In these successful examples, the competitiveness of the regions or Member States is based on the transparent partnership between the public and private sectors. These are practical examples of institutional innovations in the context of decentralized, participatory, and democratic models of development. They show that even in the era of globalization and Europeanization, it is possible to maintain high-quality enterprises with high wages and high levels of added value. Dense networks of local public-private partnerships should be supported, strengthened and developed. In place of stagnant and often decaying local communities and regions across the EU, dynamic, fast-developing and knowledge-based communities and societies should emerge. There are examples of successful, post-Fordist, highly dynamic, inclusive and competitive regions in Europe and countries around Europe. Their dominant characteristic is constant innovation of institutions and practices that are supportive of enhanced competitiveness and social inclusion.

Legal, economic, and social institutional innovations deviate from the standard model of economy and society, which has found itself in a period of protracted crisis and stagnation. Broad support for constant advancement and innovation from public institutions is an additional important element of success. The dense networks of civil society associations participate and provide initiatives for the local and regional governments where the future opportunities and challenges lie.¹⁶

¹⁶ See: M. Nahtigal, *European Regional Disparities – the Crucial Source of European Un-sustainability*, [in:] Lex

Local government, local financial institutions, professional and commercial associations, trade unions, universities and research centers, and social networks all participate and have a stake in permanent improvements in their regions. They are examples of dynamic, competitive, innovative, and cohesive regions. They also show that it is not possible to overcome the gap between the advanced and backward parts of the economy and society without the deliberate action of public institutions.¹⁷

In such a decentralized, bottom-up approach, based on the initiatives, institutional innovations, and development strategies that are suitable to the needs of local population, the role of the European institutions should be substantially redefined. Instead of clinging to the dogma of a European single market as a neutral mechanism, the European institutions should recognize that the markets always create distributional effects and consequences. In the words of Loukas Tsoukalis, the process of European integration has always created winners and losers, both real and imaginary: *Most of the national politicians (and others) were too late to realize it, not to mention trying to deal with it.*¹⁸ The distributional impact is not a result of the supposedly neutral, natural development of the European single market. Rather, it is a result of deliberate actions to create a single market, based on the dogmatic assumptions of the economic orthodoxy.

Therefore, to address the crisis and approach comprehensive economic, social and political reconstruction from the bottom up, the maneuvering room for the local, regional and national governments should be maximized. The current European context is, according to Roberto Unger, too strong and too weak at the same time – *weak on universal social endowments but strong on macroeconomic and regulatory limits to national, regional, and local innovation.*¹⁹ The current path of coping with the crisis is widening the gap between the privileged and backward European regions and countries. It is the gap between the relatively privileged segments of the society and large portions of the excluded population. This process should be substantially reversed to remain faithful to the original ideas of the European project and the declared goals of the Treaty of Lisbon.

The last European politician who understood the subtle dialectic between competitiveness and social cohesion, both on the level of the EU and on the level of the Member States, was Jacques Delors. *A White Book on Growth, Competitiveness and Employment*, which was prepared under his presidency of the European Commission in

localis, July 2013, vol. 11, no. 3, pp. 601 – 614, available at: http://papers.ssm.com/sol3/papers.cfm?abstract_id=2248618

17 R. Unger, *Democracy Realized*, Verso 1998, London, p. 198.

18 L. Tsoukalis, *The Shattering of Illusions and What Next*, *Journal of Common Market Studies*, [in:] Annual Review 2011, pp. 21-22.

19 R. Unger, *European Constitutionalism – proposal for an agenda of debate*, manuscript prepared for a meeting on the constitution of the European Union, Harvard University, March 2002, available at: <http://www.law.harvard.edu/faculty/unger/english/docs/europe1.pdf>.

1993, explicitly put forward the need to establish economic and social cohesiveness as one of the pillars of the European reconstruction. The need to establish solidarity between the successful and unsuccessful European regions was also emphasized.²⁰ Other important elements were also contemplated, such as the research and technological policy, the need to invest in training and education to create high quality jobs for the European future, the possibility of issuing EU bonds to finance larger European infrastructure projects, and many other important ideas. In doing so, the balance between common projects and decentralized policies based on the principle of subsidiarity was carefully maintained. The single market was not perceived as a one-dimensional project without the social institutions and policies at the level of the Member States and at the European level. In many ways, Delors' forward-looking vision for Europe remained poorly understood and ignored.

4. Conclusion: Toward Genuine Comprehensive EU Reconstruction

The current EU context does not serve the real needs of large parts of the European population at the local, regional and national levels. The growing gap between the privileged segment of society, with its access to high-quality education, advanced parts of the economy, new technologies and capital, and large portions of the excluded population is a phenomenon that is occurring not only in the periphery of the EU, but also in the core EU countries and regions.²¹ Therefore, **the most important task of authorities at all levels of the EU polity should be to develop anti-dualist policies to broaden and deepen access to advanced modes of production, high-quality education, skills and all other resources.**

The state aid measures to financial institutions between 2008 and 2011 were of a historic proportion.²² Unfortunately, however, the banks and other financial institutions do not sufficiently support the development and restructuring of the real economy, not to mention start-up firms and IPOs.

It would be better to take at least a small amount of the resources allocated for the support of mainly the large European financial institutions and channel it into all forms of

²⁰ *European Commission, Growth, Competitiveness, Employment – A White paper*, Luxembourg 1993, available at: http://europa.eu/documentation/official-docs/white-papers/pdf/growth_wp_com_93_700_parts_a_b.pdf, p. 15.

²¹ On the need to establish the new European social contract, see: A. Skrzypek, *The Next Social Contract – A New Vision for European Society*, [in:] *For A New Social Deal*, E. Stetter, K. Duffek & A. Skrzypek (eds), Next Left vol. 6, FEPS / Renner Institut 2013.

²² See: High-level Expert Group on reforming the structure of the EU banking sector, chaired by Erkki Liikanen, Brussels, October 2, 2012: http://ec.europa.eu/internal_market/bank/docs/high-level_expert_group/report_en.pdf.

life-long education for all European citizens and their communities across Europe. From there, the European citizens and their communities will be able to move on themselves.²³

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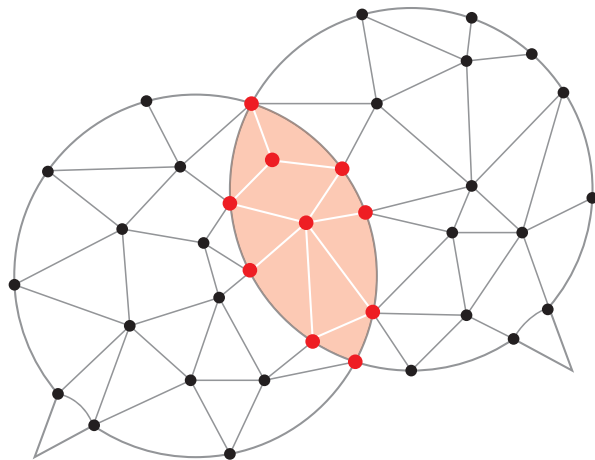
²³ On the need to articulate European progressive vision beyond the 2014 European parliamentary elections, see: A. Gusenbauer, *For a New Social Deal. Believing in the Hopes that Social Democracy aspires to be entrusted with.*, [in:] *For A New Social Deal*, E. Stetter, K. Duffek & A. Skrzypek (eds), Next Left vol. 6, FEPS/Renner Institut, 2013.

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Dimitris TSAROUHAS

Legitimacy and Progressive Politics. European Integration and Institutional Reform in an Era of Crisis



Keywords:

Citizens – Crisis – Democratic deficit – European Union – Governance

Abstract:

The central contention of this chapter is that the discrepancy between the mode of European Union style policy-making and the political party system as practiced in the Union and across the developed world is a fundamental source of confusion, contributing to a sense of powerlessness among citizens and politicians alike. The crisis magnifies such feelings, but does not lie at their root. The task for progressives is therefore to articulate this discrepancy in clear terms and provide practical solutions to overcome its worst consequences. What is therefore required is the politicization of the European Union, which is a precondition for the articulation of a truly European political discourse on the part of progressives. This will allow them to feel truly bound by commitments made in Brussels and show to their citizens not only the added value of EU participation but also demonstrate the *necessity* of the EU to fulfill the modern goals of the progressive movement in the 21st century. Thankfully, the crisis has not simply highlighted the discrepancy between rhetoric and practice: it has also provided fertile ground for the politicization of the EU project, and examples of this promising development are mentioned at the end of this piece.

It is often tempting to attribute popular disillusionment with the political process to the wrong policies, thereby assuming that a reversal of such policies will restore the *status quo ante*. For instance, the politics of extreme austerity is indeed a disaster for individual states as well as the EU project. It harms the image of Europe abroad as it weakens growth, it condemns a generation of young Europeans to worsening living standards and unemployment, and it galvanizes opposition to the project of peace and cooperation between European nations among chauvinists and nationalists across the Continent.

Therefore, although austerity politics is a tragedy – this is far from being the root cause of today's aversion to political parties. **The assumption that social democratic victory in the ballot box will lead to reengagement with politics and that a new sense of legitimacy will thus prevail is a dangerous myth.** To name but the most obvious example, Hollande's election victory in France has quickly led to disillusionment, as the economic recipe has not changed and a scandals-driven media agenda has further undermined the Socialists' ability to steer a new course.

The central contention of this article is that the discrepancy between the mode of European Union style policy-making and the political party system as practiced in the Union and across the developed world is a fundamental source of confusion, contributing to a sense of powerlessness among citizens and politicians alike. The crisis magnifies such feelings, but does not lie at their root. The task for progressives is therefore to articulate this discrepancy in clear terms and provide practical solutions to overcome its worst consequences. **What is therefore required is the politicization of the European Union, which is a precondition for the articulation of a truly European political discourse on the part of progressives.** This will allow them to feel truly bound by commitments made in Brussels and show to their citizens not only the added value of EU participation but also demonstrate the *necessity* of the EU to fulfill the modern goals of the progressive movement in the 21st century. Thankfully, the crisis has not simply highlighted the discrepancy between rhetoric and practice: it has also provided fertile ground for the politicization of the EU project, and examples of this promising development are mentioned at the end of this piece.

The EU Polity: Multi-level Design and the Democratic Deficit

The European Union is an unusual institutional system geared towards consensus and slow progress in various policy areas. The complicated nature of this arrangement was a necessity at the beginning of integration, not least because of the top-down nature that the project had assumed in its formative period. Below I argue that this has today become a major hindrance in the direction of politicizing the Union and thus increasing the stakes of popular participation in EU processes.

The Union and Member States decide in common on almost all policy areas, but there are hardly any clear cut separations in competences¹. Introducing the subsidiarity principle through the TEU in 1992 was meant to go some way towards resolving this issue but it did not. Essentially, there is a two-level negotiation game: the intra-institutional and often quite delicate negotiation process between the Council, Parliament and the Commission on the one hand; and the negotiations between the EU and Member States on the other². Note that this is a simple scheme that sidelines the role of societal actors in European integration and the often important role they play in the run up to policy formulation and implementation³.

The EU is a truly multi-level governance polity⁴, because the process of integration has dispersed authority towards more interlocutors, such as the ECB, pan-European regulatory agencies and interest groups. Without getting into the messy details of their interlinked relations, suffice to say that the end result is a polity that lacks a distinct power centre, accountable and responsible for policy implementation and emanating from the clearly expressed will of the European citizenry. Why such an absence? The Union has to do without a dominant institutional actor vested with power to deliver policy and be accountable for its actions⁵. At first sight, this may appear innocuous enough: after all, overt power concentration in the hands of one body may be counter-intuitive from a democratic point of view. However, that absence matters greatly in the present conditions, whereby the Union is accused for a democratic deficit at the heart of its operations, separating it

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4 L. Hooghe & G. Marks, *Multi-level Governance and European Integration*, Boulder: Rowman & Littlefield, 2001.

5 G. Moschonas, *Reformism in a "conservative" system: the European Union and social democratic identity*, [in] *In Search of Social Democracy: responses to crisis and modernization*, J. Callaghan, N. Fishman, B. Jackson & M. Mcivor (eds.) Manchester: Manchester University Press, 2009, p. 171.

from the 'common people' outside the Brussels bubble and complicating its functioning at a time when pan-European solutions to policy problems are as acutely needed as ever.

But what exactly is the democratic deficit? It is appropriate to start by saying that the deficit is not simply an EU phenomenon; it exists, perhaps even in stronger form these days, in many Member States. Yet it tends to get magnified at EU level and the anti-European press is very keen to capitalize on it to create a negative image for the Union as a whole. Moreover, the debate on the issue is not particularly new⁶ and its actual extent is contested. After all, it has been argued, if the EU is a confederation of states then the indirect form of representation is appropriate and certainly minimizes the extent of the deficit⁷.

Yet these arguments do not bring us far enough, and distort a picture that for most EU citizens is clear enough: **the EU has been suffering from a crisis of legitimacy over a long period of time and the crisis has made things worse.** It makes little sense to hide behind the deficiencies of national political structures or to suggest that the Union is a remote to citizens by design hence no real problem exists. Such arguments will only fuel the kind of rejectionist and nationalist Euroscepticism the Union now routinely suffers from. They will also strip the EU further of the capacity to be seen, and act, as a legitimate and appropriate actor in our complicated world.

The democratic deficit⁸ involves mostly EU institutions, but also the *style* of politics at EU level. To start with, the European Council is an all-powerful body that has transformed the course of integration through its decisions over the last 25 years or so, especially through the Treaties of Maastricht and Lisbon. Yet its decisions have not really been scrutinized by the European public; very few states held referenda on key Council decisions and never has a pan-EU referendum been dared.

The European Commission has also been a subject of intense criticism, but here things are more complicated. Accusations of a bureaucratic monster and needless waste in taxpayers' money lack credibility; the Commission is only a medium-sized bureaucracy and most of its work is good value for taxpayers' money. If it did not exist it would have to be invented. The more accurate criticism, and one that lies at the core of the troubled nexus between EU policy-making and national politics, is the mode of electing the Commission president and therefore the extent to which the Commission's political agenda is subject to popular input. A secretive process that takes place behind closed doors and becomes a point of media (but no public) speculation prior to the Council decision, it is a manifestation of what is wrong with EU institutions. This is especially so if one considers how powerful

6 See: S. S. Andersen & K. A. Eliassen, *The European Union: how democratic is it?*, London: Sage, 1995; and: D. Chrysochoou, *Theorizing European Integration*, London: Sage, 2001.

7 J. McCormick, *Understanding the European Union: a concise introduction*, New York: Palgrave 2008 p. 126.

8 Unless otherwise stated this passage is based on J. McCormick, *Ibidem*, 2008.

the Commission president has become over recent years, not least through the power of representing the EU in international fora. The citizens of Europe, meanwhile, are left on the margins throughout the Commission's mandate and have only a weak and indirect way of holding it to account through the European Parliament.

The latter is, justifiably, the great beacon of hope for democratic reform in the EU, since it is the institution that derives its legitimacy directly from the EU citizenry. Moreover, successive Treaties have recognized the need to strengthen the Parliament's competences and today it stands tall in its relations both to the Commission (scrutiny powers having increased) as well as the Council (being a co-legislator to that institution in most policy areas). The Lisbon Treaty has extended EP powers further, and the Parliament seems keen to exercise them. Considering how weak an institution it was when the Community was formed, this is a major achievement. Yet it should be clear that much more ought to be done: the Parliament does not raise revenues, and does not introduce laws. It is often regarded as a nuisance by the Council and most important decisions are still taken elsewhere. Finally, the European Court of Justice, whose decisions directly affect EU citizens and which provides a legal forum of last resort for the judicially aggrieved, has also been subjected to justified criticism. Its nominees are not subject to the Parliament's confirmation, nor are they investigated for their actions.

From the above it should be clear that the deficit is real and relates both to institutional setup and political style at EU level. Reducing it goes through institutional reforms, and some are already under way. We will return to this theme in the conclusion.

The Role and Function of Political Parties – a Reassessment

How does all of the above relate to national political parties? The answer is unfortunately simple: **as EU competences and powers increase, the blurred lines of EU and national authority mentioned above become worse as a result of the dysfunction between national and EU party politics.** While the former remains fixed to its traditional role – with a weakened capacity to fulfill that role as time goes by – the latter represents something akin to a post-party political reality. It almost negates the meaning of party politics and has until recently been designed to avoid partisanship. **The end result is a feeling of homelessness at national level (the perception being that national politics cannot really move this big and complex agenda we are confronted with today) and aloofness at EU level (with a slow, consensus-oriented and ultimately technocratic form of politics reigning supreme, often neglecting the need to connect with citizens' concerns).** This problem has been with us for some time. Getting out of this conundrum has by now become an existential priority for Europe.

The usefulness of political parties is increasingly questioned. Declining approval levels combined with corruption allegations and scandals have diminished the salience and reputation of political parties. Worryingly, this trend has spread throughout the Union (and indeed beyond) and seems to engulf all major systemic parties regardless of other differences.

Yet the dangerous implications of a rejectionist attitude to political parties are often overlooked. Parties remain the sole institutional expression through which different interests can be articulated in a cohesive manner, giving rise to harmonious and coordinated relations among the various interlocutors of a political system, such as assemblies, executives, and local authorities and courts⁹. Moreover, political parties have historically played an essential role in crystallizing social attitudes towards a cohesive programme that reflected societal aspirations and needs. This was particularly pronounced among progressive parties but can be extended across the party spectrum. Giving up on national parties and treating them as a relic of the industrial era would be short-sighted and ultimately dangerous for democratic politics.

However, their attitude to European integration and the system of governance that the EU operates with has left a lot to be desired. For most parties, EU affairs remain a preoccupation of a small team of party 'apparatchiks' working in the respective party's international/European affairs department. Connecting the national with the European is at best an *ad hoc* exercise occurring only at opportune moments and on a strictly selective basis. The consequence of that is plain to see: parties that have lost steering capacity at home, not least due to the complications that governance has introduced in western democracies, have also little opportunity to display an ability to shape things in Europe. This leaves their electorate deeply frustrated, and helps shape the atmosphere within which depoliticization flourishes.

It is in that context that the Eurozone crisis offers hope. National political debates, including the ones led by political parties, have increasingly acquired an EU dimension. Economic woes in one member state have translated in political mobilization elsewhere, as bailout packages have consequences for the Union as a whole. Meanwhile the spread of austerity politics across the EU has made people throughout Europe more sensitive to calls for greater cohesion among progressives in offering practical alternatives to this policy course.

The role of political parties in democracies is irreplaceable. Their usefulness, however, has come increasingly into question in recent years as their capacity to determine policies has diminished and their willingness to respond by enhancing coordination at EU level has failed to materialize. They are still key to democratic politics.

9 S. Bartolini, *Restructuring Europe: Centre Formation, System Building, and Political Structuring between the nation state and the European Union*, Oxford: Oxford University Press, 2005.

The return of 'material politics' at the forefront of the political agenda¹⁰ should reinforce the salience of political parties and moderate some of the apathy towards them. In this process, the role of party leaders and leaderships is crucial. The personalized politics of our contemporary era mean that leaders have a high responsibility to connect the national with the European, daring to offer their electorate the whole picture of our complicated politics and join forces with their colleagues elsewhere in Europe to offer sustainable and holistic solutions to common problems. After all, leadership is about the tough yet necessary choices to secure long-term benefits over the short-termism associated with the next electoral cycle.

The Crisis as Opportunity: EU Governance Reform and the Role of Parties

The current crisis of the EU has had an asymmetrical impact. On the one hand and especially in Southern Europe, the crisis has magnified feelings of hopelessness amongst citizens and has led to increased frustration directed towards both national and EU leaders and institutions. In the rest of the Union, the inability of the EU to get its house in order and move out of the Eurozone crisis by restoring a sense of normalcy has seriously tarnished its image and confidence in its problem-solving capacities.

Nevertheless, the crisis has also been an opportunity. It has set in motion dormant forces on the political scene, and has opened up new spaces for political constellation. Given that the EU has been a consensus-oriented, slow moving institutional machinery that would do everything not to rock the boat¹¹, recent developments suggest that a solution in the Union's legitimacy problem may be in sight. Political parties have a role to play in that, and progressives ought to take up that opportunity.

Banking Union

The possibility of a Banking Union for the EU has come closer to reality. The latest Cyprus debacle has fuelled this debate and has made calls for the urgent adoption of such a plan more urgent¹². However, the plan has been on the making for a while. Last November and upon the invitation of the Council to consider setting up a Single Supervisory Mechanism (SSM), the Commission released its blueprint for a genuine EMU

¹⁰ This phenomenon does not stem from the crisis; it was already evident in the 1990s (see: Sh. Berman, *The Life of the Party*, [in:] *Comparative Politics*, 30(1): 101-22, 1997.

¹¹ S. Hix, *What is wrong with the European Union and how to fix it*, Cambridge: Polity, 2008.

¹² R. Christie & D. Tweed, *IMF's Vitals: EU Bank Union Delay Could Reignite Crisis*, Bloomberg. Com, 17 April http://www.bloomberg.com/news/2013-04-17/ivitals-says-eu-banking-union-delay-could-reignite-crisis.html#disqus_thread, 2013.

(European Monetary Union)¹³. The document adopted a SSM regulation for Eurozone banks as well as a European Banking Authority (EBA) to make sure that banking institutions outside the Eurozone area would be subject to supervisory control as well. The plan was adopted by EU leaders last December, and in mid-March Council and Parliament adopted the necessary legislative package to bring those rules to effect. By mid-2014, the Union is expected to have put in place a workable structure that will ease the pain of the crisis by breaking the link between the banking sector and national debt, whilst ensuring greater coherence in banking operations across the Union¹⁴. This is not to say that all outstanding issues have been solved: there are both political and technical challenges ahead¹⁵. But these steps would have been unimaginable prior to the crisis, and could end up being a forerunner of more political integration in the not too distant future.

Financial Transaction Tax

Popular disillusionment with rescue packages that bailed out the financial sector but imposed heavy penalties on society at large have led to a rethink of the role of the financial sector in the economy. A dominant argument, widely shared across the political spectrum but particularly pronounced in the progressive political discourse, has been the need for the financial sector to make its own contribution to the attempts to overcome the crisis, and be forced to display a degree of solidarity with the citizens of the countries within which it has been let free to operate for a long period of time. Taking up the challenge the Commission called for a Financial Transaction Tax (FTT), Europe's version of the Tobin tax, to be introduced¹⁶. Failure to approve the plan unanimously led to the activation of the enhanced cooperation procedure and following EP and Council approval the FTT is scheduled to become operational for 11 Member States starting 2014. As expected, reaction by opponents has been fierce, and whether the plan's implementation will lead to the expected revenues (estimated at approximately €30-35 billion) remains to be seen¹⁷. What is beyond doubt is the political significance of the decision. It is a visible sign of politics taking a stance on a major issue, showing that leadership can still steer the political

13 European Commission, *A blueprint for a deep and genuine economic and monetary union: Launching a European Debate*, COM (2012) 777 final, 2012.

14 European Commission, *An important step towards a real banking union in Europe*, Memo, 19 March 2013a.

15 D.J Elliott, *Key issues on European Banking Union: Tradeoffs and Some Recommendations*, Washington: The Brookings Institution 2012.

16 European Commission, *Proposal for a Council Directive on a common system of financial transaction tax and amending Directive 2008/7/EEC*, COM (2011) 594 final 2011.

17 T. Verhoosel, *Financial transaction tax opponents pull out all stops*, *Europolitics*, <http://www.europolitics.info/economy-monetary-affairs/financial-transaction-tax-opponents-pull-out-all-stops-art349780-30.html>, 2013.

process and that the anonymous, politically unaccountable world of global finance can be brought into a regulatory framework that will serve the common good.

Politicizing Europe

The crisis has led to serious soul-searching regarding the Union's institutional architecture. The role of Euro-parties is especially significant in this regard, not least because of the intergovernmentalist turn that the EU has taken as a result of crisis management at EU Summit level. Euro-parties have been strengthened since the 1990s and their level of coherence and salience has increased. The next step in their empowerment, necessary for the politicization of the integration project, has been the suggestion enshrined in the Lisbon Treaty that the Council 'take into account' EP elections when deciding for the next Commission president. Recently, the Commission has recommended that political parties nominate a candidate as Commission President, thus putting substance to the Lisbon Treaty's provisions regarding EP powers in the redesign of the Union's institutional balance of power¹⁸. If Europarties heed such calls and their national members prove willing to make the new structure work, 2014 EP elections shape up to be the first for a long time where a genuine political contest, mirroring national politics, will be at stake. This is a major democratic achievement for the EU and its citizens.

Conclusion

It is easy and in some respects comforting to blame the crisis for the European Union's misfortunes. After all, the failure of the current economic policy philosophy, often adopted in the name of little other than ideological dogma, is plain for all to see. However, the underlying roots of the problem relate to two deeper trends. At the EU level, the Union suffers from a deficit of democracy and openness which has come to haunt it at the time that popular support is necessary to overcome the drawbacks in its institutional and political design. Consensus-oriented, slow moving and inherently conservative, the EU has relied for too long on the idealistic pragmatism of its founders and has done precious little to make its voice and value evident for today's citizens in today's world. At national level, the fragmentation of our societies and the dispersal of power below

The crisis has also been an opportunity to rethink the role and function of the EU vis à vis its citizens. It has allowed progressives to articulate fragments of a new vision for Europe, including the FTT and regulatory reform

¹⁸ European Commission, *2014 European Parliament Elections: Commission recommends that political parties nominate candidate for Commission President*, Memo 13/202 IP/13/215, 2013.

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and above the state level have often rendered political parties, the core vehicles of democracy and accountability, powerless. The mix has been toxic, as it has undermined the legitimacy of politics and opened up space for forms of populism and extremism that have proliferated at dangerous pace.

Yet **the crisis has also been an opportunity to rethink the role and function of the EU vis à vis its citizens. It has allowed progressives to articulate fragments of a new vision for Europe, including the FTT and regulatory reform.** I contend that it is through the politicization of the EU project and by making institutions like the European Parliament and the European Commission more partisan in their approach that the true value of the EU will be able to shine over and above the daily political noise. This process is complementary, not antithetical, to national democratic politics. It offers a guarantee that unity in diversity is indeed the working motto of the EU and that popular legitimacy is more than a convenient slogan ignored when necessary. After all, the year 2013 is the European Citizen's Year.

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FEPS Next Left Research Programme

The FEPS Next Left Research Programme has been founded in June 2009, with the goal to reflect upon the 2009 European Elections and prepare for the one to come. The programme quickly developed into a reference point for politicians, academics and experts in the field of the renewal of social democracy in Europe. With the support of the national foundations, and especially the Renner Institut as the partner in the project, it has been possible to realize a great deal of research, debates and publications across the EU and beyond.

This variety of activities has been executed through different groups within the FEPS Next Left Research Programme: the FEPS Next Left Focus Group, the FEPS Next Left Working Group on Eurodemocracy, the FEPS Young Academics Network, the FEPS Next Left Dialogue of Dialogues and the national round tables. The programme's findings have been published within the FEPS Next Left Book Series, offering the PES, the S&D Group in the European Parliament and its sister parties an academic and analytical perspective on the current political state of the European Progressive movement. As a result of the increasing appreciation of the FEPS Next Left Research Programme, its position within the world of academia got strengthened, allowing the programme to grow and involve scholars and experts from different continents. The FEPS Next Left Research Programme is chaired by Dr. Alfred Gusenbauer. Within the FEPS Team it is coordinated by Dr. Ania Skrzypek, FEPS Senior Research Fellow – who is since 2012 supported by Ms. Ischi Graus, FEPS Events Coordinator.

The main FEPS Next Left achievements are:

Next Left Focus Group Meetings

The Next Left Focus Group is composed of 15 members, whose task is to research and deliberate on the core ideological questions that the progressive movement is facing. The focus has been on: *Responding to our Changing Society*, *Our Values in a Changing World*, *A progressive socio-economic paradigm for Europe*, *Mobilizing for International Solidarity*, *Politicising Social Europe* and *Framing a New Progressive Narrative*. Its main findings are included in the volumes (1st, 3rd, 4th, 6th and 8th) of the FEPS Next Left Book Series. The Focus Group meets four times a year across Europe.

Next Left Working Group Meetings

The Next Left Working Group is a gathering of academics researching on the field of comparative politics in terms of partisan and euro-partisan system. Composed of 15 members, it launched a pilot research programme in 2012 on *Eurodemocracy and europarties 20 years after Maastricht*, moving in 2013 to the theme *Politicising Europe, Europeanising Social Democracy*. The research papers completed within the pilot phase will be published this summer within the 7th volume of the FEPS Next Left Book Series. The Working Group meets three times a year if not in Vienna in another European city.

Next Left National Round Tables

The “National Round Tables” have been organized with the respective member foundations in different cities across the EU in order to link the pan-European and national debates on renewal of social democracy. As such, they help reaching out to different circles of academics, politicians and experts, while enhancing dissemination of the FEPS Next Left Programme Findings. Among others, the National Round Tables took place in: Barcelona, Berlin, Dublin, Gent, London, Liverpool, Manchester, Riga, Stockholm, Sofia, Warsaw and Lisbon. They have featured around 400 different speakers, a number of written contributions and enabled involvement of about 3500 participants in total. In average the FEPS Next Left Research Programme hosts six National Roundtable debates a year.

Meetings of the FEPS YAN (Young Academics Network)

The Network was established in 2009 on the bases of a call for paper. Since then it grew, gathering most promising Ph.D –candidates and post-doctoral younger researchers from across the continent (including the EU candidate states). Their critical assessment of contemporary reality and innovative, interdisciplinary research is invaluable for the debate on the future of the movement. The first papers were published in the first edition of the FEPS Queries magazine “Next Europe, Next Left”, while the subsequent ones constitute respective issues of the FEPS YAN paper series. The FEPS Young Academics Network meets three times a year in premises of the Renner Institut in Vienna.

Next Left Academic Symposiums

In partnership with: Watson Institute at Brown University, IGLP at Harvard University, Université Libre de Bruxelles, Universiteit Maastricht, Nuffield College in Oxford (together with Policy Network). These meetings have resulted in the 5th volume of the Next Left

Book Series and *Progressive Politics After the Crash, Governing from the Left* (together with Policy Network / Taurus, 2013).

FEPS Next Left Publications

Among a great number of different publications (books, articles, essays, blogs etc.) the highlight publications of the FEPS Next Left Research Programme so far are:

FEPS Next Left Book Series

- *Renewing Social Democracy. Contributions to a European-wide debate* (2009)
- *The Leaders' Visions for Europe's Future* (2010)
- *Towards a New Strategy* (2011)
- *Progressive Values for the 21st Century* (2011)
- *Building New Communities* (2012)
- *For a New Social Deal* (2013)
- *In the Name of Political Union Europarties on the Rise* (2013)
- *Framing a New Progressive Narrative* (2013)

FEPS Next Left Pamphlet

- *Winning for Real; The Next Left taking the Chance to Shape Europe for the 21st century. 10 fundamental challenges.* (2012)

FEPS Next Left Desk Studies

- *10 observations on the European elections* (2009)
- *Next Left Discussion Paper – 10 suggestions for* (2009)
- *Models of (s)electing a top candidate* (2010)
- *Social democracy for youth* (2010)
- *A Comparative analyses of core values of PES member parties and the ideological evolution within PES* (2011)
- *Progressive Values in 21st century* (2012)

FEPS Next Left Publications realised together with partners

- *Europe's Left in the Crisis* (with Fabian Society, 2011)
- *The Shape of Things to come* (with Fabian Society, 2012)
- *Democratic Legitimacy and Political Leadership in the European Union. Towards the 2014 European Elections* (with Italianieuropei, 2013)
- *Progressive Politics After the Crash, Governing from the Left* (with Policy Network, TAURUS, 2013)

FEPS Queries 1, 3, 5, 8 and 9

- *Next Europe, Next Left* (2010)
- *What Comes Before, What Comes Next* (commemorating T. Judt, 2010)
- *Next Left: Social Progress in 21st century* (together with Policy Network, 2011)
- *The Next Mission of Cosmpolitan Social Democracy* (together with Policy Network, 2012)
- *Democracy taking the Next Turn* (2012)

**Support to the renewal processes within the PES,
S&D Group in the EP and sister parties**

FEPS Next Left Research Programme, together with 3 respective FEPS Research Pillars, has been a reference point for the renewal processes within the sister organisations and parties. It contributed to those processed through, among others: fringe meetings and Council and Congresses, co-organized seminars, presentations at their respective events and written contributions for their respective publications, as also involvement in advisory gremials (including close cooperation with the PES Advisory Board on Fundamental Programme).



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←NEXT LEFT→

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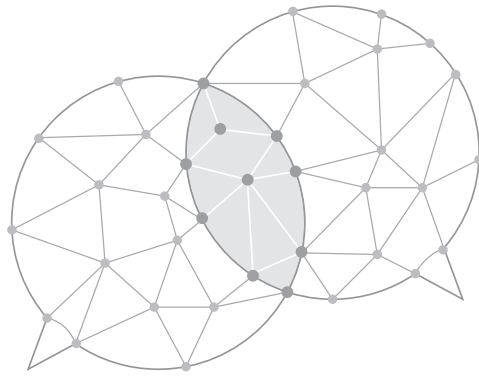
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**FRAMING
A NEW
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Rémi BAZILLIER is an assistant professor at the University of Orléans and a research affiliate at the Laboratoire d'Economie d'Orléans (LEO-CNRS). He is also member of the FEPS scientific council. His research focuses on development and labour economics. His current work studies the economic consequences of labour standards, the linkages between migration and social conditions and the influence of Corporate Social Responsibility. He received his Ph.D. in Economics from the University of Paris I Panthéon-Sorbonne in 2007. He wrote several papers published in international peer-reviewed journals including *World Development*, *Journal of Development Studies*, or *Revue Française d'Economie*. He recently published a book on the linkages between Labour and Sustainable development (*"Le travail, grand oublié du développement durable"*, col. eDDen, ed. Le Cavalier Bleu, Sept. 2011, 224p .



Yiannis Z. DROSSOS is the author of numerous books and articles on mainly Constitutional but also on administrative and European Community Law. He has participated in coordinated various academic programs in subjects of Public and European Law in several countries (such as India, Pakistan, Latin America, Armenia, Turkey, Rumania, Malta and others). He is member of several scientific associations and bodies, such as the Board of Directors of European Public Law Organization (1997 – to date). Prof. Drossos has developed extensive administrative and political activity in the framework of several European Union institutions (Council of Ministers, European Parliament) and with the Greek government, in particular with regard to issues related with public administration, Greek participation in the European institutions, with European and international negotiations and national defence. He is practicing attorney at Law at the Athens' Bar.



Karl DUFFEK born in 1962, is *Director of Renner Institut and Vice President of the Foundation for European Progressive Studies (FEPS)*. Mr Duffek finished his studies of German Language and Literature, English and American Language and Literature, Political and Social Sciences at the University of Vienna, Austria and the University of Hagen, Germany.

In 1986 he graduated as Mag. Phil. In the years 1985 – 1987 Mr Duffek served as Member of the Representative Body of the Department of Humanities of the University of Vienna, chairing its work in the years 1985 – 1986. From 1988 till 1992 Mr Duffek was a fellow of Renner Institut (the Political Academy of the Sozialdemokratische Partei Österreichs (SPÖ)), in charge of education policy and social sciences. In 1992 he became Deputy Director of this Institute, which function he held for six years. Since 1997 till 1998 Mr Duffek was Secretary of the Programme Committee and Coordinator of the new Political Platform of the SPÖ and following that he served as the SPÖ Federal Secretary for Education. Since 1999 Mr Duffek has been Director of Renner Institut and a Special Advisor to the SPÖ party leadership on the Programme and Ideological issues, and currently he also serves as SPÖ International Secretary. He published several books, among which there are: *"Social Democracy and Education"*(eds.) F Becker, K. Duffek, T. Morschel, Amsterdam 2008/Graz-Wien 2007; „*Sozialdemokratische Reformpolitik und Öffentlichkeit*“, F. Becker, K. Duffek, T. Morschel, Wiesbaden 2007; *"Moderne Österreich"*, (eds.); P. Filzmaier, P. Plaikner, K. Duffek, Wien 2007; *"The EU – A Global Player?"*, R. Cuperus, K. Duffek, A. Froschl, E. Morschel, Wien-Berlin 2006.



Mark ELCHARDUS is professor emeritus at the Vrije Universiteit Brussel. His research interest is in cultural sociology, and the empirical study of variations and changes in ways of feeling, thinking and acting. He was president of the Socialist Mutual Health Insurance from 1995 to 2012 and is president of the P&V Foundation against the exclusion of young

people. He recently authored or co-authored among others: *Violence, fear of crime and Islam skepticism* (International Review of Sociology, 2012), *Social control and institutional trust: Reconsidering the effect of modernity on social malaise* (The Social Science Journal, 2012), *The Acceptance of the Multicultural Society Among Young People. A Comparative Analysis of the Effect of Market-Driven Versus Publicly Regulated Educational Systems* (European Sociological Review, 2012) *Are anti-Muslim feelings more widespread than anti-foreigner feelings? Evidence from two split-sample experiments* (Ethnicities, 2012) and co-edited *Early School Leaving & Youth Unemployment* (Amsterdam University Press, 2013).



Ischi GRAUS is Events Coordinator at the Foundation for European Progressive Studies (FEPS), where she is responsible for the management of the main FEPS public events such as the annual 'Call to Europe' conference and the 'Renaissance' event series (Turin, Leipzig and Brussels). Besides, she is in charge of the organisation of the activities held within the framework of the FEPS Next Left Research Programme and the FEPS Political Economy Circle. Prior to her role at FEPS she did an internship in Human Resources at L'Oréal Belgilux. She holds a MA in European Union Studies from Leiden University and a BSc in Cultural Anthropology and Development Sociology from Utrecht University.



Paolo GUERRIERI is professor of Economics at the University of Rome 'La Sapienza' and visiting professor at the College of Europe, Bruges (Belgium) and the USD, Business School, University of San Diego, California. He is a Senator for the Italian Democratic Party. He has served as an advisor to several international organizations including the OECD, World Bank, CEPAL and the European Commission. He has published 17 books, monographs or anthologies and more than 100 articles and book chapters in the area of international economics, European economic integration, and economic regionalism.



Alfred GUSENBAUER born 1960, was federal Chancellor of the Republic of Austria and member of the European Council between January 2007 and December 2008. He led the Sozialdemokratische Partei Österreichs (SPÖ) between the years 2000 and 2008. Dr. Guesenbauer studied law, philosophy, political sciences and economy at the University of Vienna and there obtained Ph. D. in political sciences in 1987. Dr. Gusenbauer began his political career in the Sozialistische Jugend Österreichs (SJÖ), of which he was President from 1984 till 1990. Dr. Gusenbauer was Member of the Austrian Parliament from 1993 till 2007; Member of Parliamentary Assembly of the Council of Europe from 1991 till 2007; and was Chairman of the Social, Health and Family Affairs Committee of the Council of Europe from 1995 till 1998. He has been actively engaged in the Party of European Socialists (PES), as the party's Vice-President and in the Socialist International as its Vice President since 1989. Dr. Gusenbauer was Professor-at-Large at the Brown University in Providence, Rhode Island; is a Visiting Scholar at Harvard University and James Leitner Fellow for Global Affairs at the Columbia University of the

N.Y.C. Furthermore, Dr. Gusenbauer is President of the Renner Institut, President of the Austrian-Spanish Chamber of Commerce, CEO of Gusenbauer Projektentwicklung und Beteiligung GmbH and chairs several boards, as i.e. STRABAG SE. Dr. Gusenbauer holds an honorary doctorate of the Hertzliah University of Israel and is Senator of the European Academy of Sciences. Since the beginning of the initiative in June 2009, Dr. Gusenbauer chairs the *Next Left* Research Programme of the Foundation for European Progressive Studies (FEPS).



Anton HEMERIJCK (1958) is Professor of Institutional Policy Analysis in the Department of Political Science and Public Administration, Faculty of the Social Sciences at VU University Amsterdam. He also holds the Centennial Professorship of Social Policy at the London School of Economics and Political Science (LSE). For the first half of 2014, Anton

Hemerijck is Visiting Fellow at the Collegio Carlo Alberto in Turin. Trained as an economist and political scientist, he obtained his doctorate in political science from Oxford University in 1993. Between 2001 and 2009, he directed the Scientific Council for Government Policy (WRR), the principle think tank in the Netherlands, while holding a professorship in Comparative European Social Policy at the Erasmus University Rotterdam. Before that he served as a senior researcher at the Max-Planck-Institute for the Study of Societies in Cologne. Over the past two decades he advised the European Commission and several EU Presidencies on European social policy developments. Currently he is a member of Social Investment Package Expert Group of the European Commission.

Anton Hemerijck has written extensively on the welfare state, comparative political economy, policy evolution and institutional change. He is involved in a number of international research projects, such as the NEUJOBS project funded by the EU under FP7 and the GAK project on Balancing the New Welfare State. Important book publications include *'A Dutch Miracle'* with Jelle Visser (Amsterdam University Press, 1997), *'The Future of Social Europe'* with Maurizio Ferrera and Martin Rhodes (CELTA Press Lisbon, 2000), *'Why We Need a New Welfare State'* with Gosta Esping-Andersen, Duncan Gallie and John Myles (Oxford University Press, 2002), and *'Aftershocks. Economic Crisis and Institutional Choice'*, co-edited with Ben Knapen and Ellen van Doorne (Amsterdam University Press, 2009). His latest monograph is *Changing Welfare States* (Oxford University Press, 2013).



Rupa HUQ is Senior Lecturer in Sociology at Kingston University where her research interests include youth culture, pop music and urban/suburban relations. Her first book *Beyond Subculture: pop, youth and identity in a postcolonial world* came out with Routledge and she has subsequently written *On the Edge* and *Understanding Suburbia* charting representations and realities of the suburbs. Her interests outside work include DJ-ing and local politics – she served as Deputy Mayoress of the London Borough of Ealing from 2010 – 2011. She has studied at Cambridge, Strasbourg and East London universities.



Inge KAUL is adjunct professor, Hertie School of Governance, Berlin and former Director of the Offices of the Human Development Report and Development Studies of UNDP, New York. She is the lead editor and co-author of *Providing Global Public Goods; Managing Globalization and The New Public Finance; Responding to Global Challenges* (OUP: New York, 2003 and 2006, respectively) and co-author of the *Governance Report 2013* (OUP: Oxford, 2013). Her current research focuses on global public policy and economics.



Michael D. Kennedy is professor of sociology and international studies at Brown University. Throughout his career, Kennedy has addressed intellectuals and professionals in East European social movements, national identifications, and systemic change. For the last 15 years, he also has worked in the sociology of public knowledge, global transformations, and cultural politics, focusing most recently on the European Union, energy security, universities and social movements. *Articulations of Globalizing Knowledge: Cosmopolitan Intellectuality and Consequential Solidarity* is under contract with Stanford University Press. Kennedy was the University of Michigan's first vice provost for international affairs in addition to being director of five centers and programs at UM; he also served as the Howard R. Swearer Director of the Watson Institute for International Studies. Kennedy is presently a member of the Executive Committee and Board of Directors at the Social Science Research Council.



Matjaz NAHTIGAL is associate professor at the Faculty of Management, University of Primorska. He graduated in 1992 at the Faculty of Law, University of Ljubljana, where he completed a doctorate in 1999. In 2001 he has completed his doctoral program (SJD) at Harvard University School of Law. His area of research: legal institutions and development, EU law and comparative business law. He has published two monographs on the legal reforms and transition in Central and Eastern Europe. His scientific articles are published in national and international reviews. He was legal adviser to the prime minister and the president of the Republic of Slovenia. He lectures as a guest lecturer abroad and he participates in international scientific conferences.



Esther NIUBÓ CIDONCHA has a degree in Political Science and Public Administration, specializing in International Relations, from the Autonomous University of Barcelona. MA in International Politics from the Université Libre de Bruxelles, in International Trade and Economics from the University of Barcelona, and in Public and Social Policies from the Pompeu Fabra University-Johns Hopkins University. She has worked as adviser at the European and International Policy Secretariat of the Catalan Socialists Party (PSC) (2001-2004), and as MEP assistant at the European Parliament (2004-2009). She has also worked in the campaigns of the PSC for the elections to the European Parliament in 2009, for the elections to the Catalan Parliament in 2010 and of the general elections in 2011. From 2010 to 2012, she has collaborated as academic associate with the Department of Social Sciences at ESADE. She is currently director of the Foundation Rafael Campalans and since December 2011, she is also Secretary for European Policy of the PSC.



Monika SIE DHIAN HO is director of the Wiardi Beckman Foundation, the think tank for social democracy in The Netherlands. Previously she has been member of the scientific staff at the Netherlands Council for Government Policy, and lecturer in International Political Economy and International Relations at the Leyden University and the Erasmus University of Rotterdam.



Ania SKRZYPEK (Skrzypek-Claassens), born in Warsaw in 1979, is a Senior Research Fellow at the Foundation for European Progressive Studies (FEPS). She holds Ph.D. cum laude in political sciences from the University of Warsaw, which degree she obtained for her thesis “Cooperation of the socialist and social democratic parties in uniting Europe. From Liaison Bureau to PES. 1957 – 2007.” (also published in book format in 2010). Before joining FEPS in 2009, A. Skrzypek worked as younger researcher at the Faculty of Journalism and Political Sciences at the University of Warsaw (2003 – 2009) and also served as twice consecutively elected Secretary General of Young European Socialists (ECOSY, 2005-2009). Among her responsibilities at FEPS, she is in charge of the Next Left Research Programme, she co-coordinates FEPS Young Academics Network (FEPS YAN), is a co-editor of the Next Left Book Series. She also represented FEPS at the PES Advisory Board on the 1st PES Fundamental Programme. A. Skrzypek is an author of over 50 published articles and reviews, and among her latest publications are: “Winning For Real. The Next Left taking the Chance to Shape Europe for the 21st century. 10 fundamental challenges” (issued in English and French in November 2012), “Unleashing Competitive Spirit. The Role of Europarties in Politicizing Europe” (published by FEPS and Italiani Europei in February 2013) and “Europe. Our Common Future. Celebrating 20 years of the Party of European Socialists” (presented at the PES Jubilee in February 2013), “Renaissance for Europe – 10 provoking thoughts” (published by FEPS in September 2013).



Leopold SPECHT is partner of the law firm, Specht Böhm. He is a member of the Interdisciplinary Association for Comparative and Private International Law, the Sigmund Freud Society, the Academic Board of the Institute for Global Law and Policy at Harvard Law School, and the Austrian-Russian Legal Society. Dr. Specht received his JD from the University of Vienna and his LLM and SJD from Harvard Law School. He is widely published and regularly teaches at renowned institutes worldwide.



Ernst STETTER born in 1952, was nominated as Secretary General of the newly created Foundation for European Progressive Studies (FEPS) on January 30th 2008. He is also a regular commentator on EU affairs in the media. In 1976 Ernst Stetter began his professional career as a lecturer in economics at the DGB Trade Union Centre for Vocational

Training in Heidelberg. From 1980 to 2008 he worked for the Friedrich Ebert Stiftung (FES) in various positions. He spent the first four years at the FES as a Consultant in Dakar, Senegal. In 1988, Ernst Stetter was appointed as Head of the Africa Department. In 1994 he started working as Head of the Central Europe Unit. In 1997 he moved to Paris and became the Director of the FES Office in France while in 2003 he was appointed as Director of the EU-Office of Friedrich-Ebert-Stiftung (FES) in Brussels. Ernst Stetter is an economist and political scientist. He studied in Tübingen and Heidelberg (Germany) focusing on international trade, finance, economic and social policy as well as development issues. In 1980 he obtained his PhD in political science for his dissertation entitled *The Association of ACP-Countries (Lomé I and II) to the European Community and the STABEX-System*. In 2003 he received the French decoration of Chevalier de l'Ordre national du Mérite.



Dimitris TSAROUHAS is Assistant Professor in European Politics and Jean Monnet Chair at the Department of International Relation at Bilkent University in Turkey. He sits at the Scientific Council of FEPS, the editorial board of *Social Europe Journal* and the Executive Committee of the Greek Politics Specialist Group (GPSG) of the British Political

Studies Association. Dr. Tsarouhas' main research interests include Europeanization, social and labour policy and public policy reform. His research seeks to transcend disciplinary, dividing and incorporating insights from IR, comparative politics and political economy.

He is the author of "Social Democracy in Sweden" (London and New York: IB Tauris) and co-editor of "Bridging the Real Divide: Social and Regional Policy in Turkey's EU Accession Process" (Ankara: METU University Press). He has written a number of articles for journals such as *New Political Economy*, *Public Administration*, *European Journal of Industrial Relations*, *Social Politics*, *Social Policy & Administration*, *Southeast European & Black Sea Studies* and *Armed Forces & Society*.

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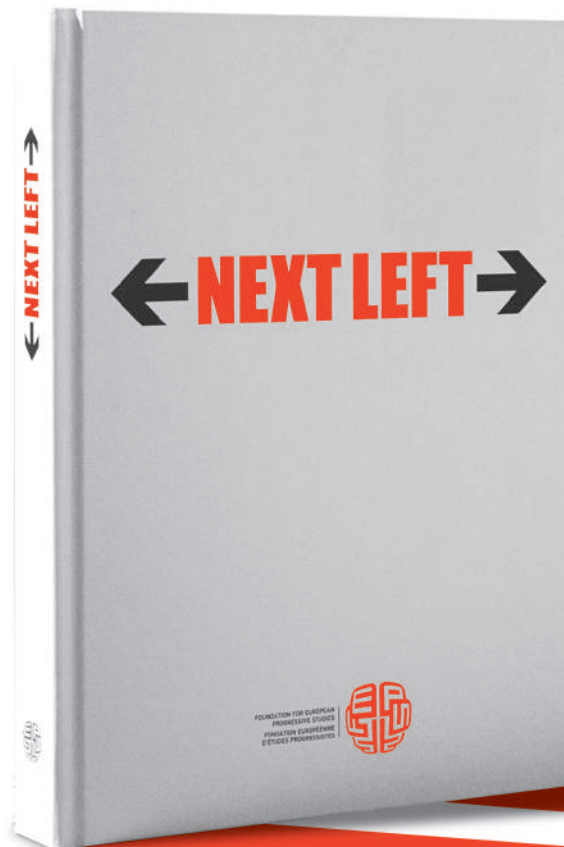


FEPS Next Left Publications

←NEXT LEFT→

“Next Left – Renewing social democracy” is the first volume of what has become a popular series of publications. This part is specifically devoted to analyses of the crisis (as evaluated in the aftermath of the 2009 European Elections) and to identifying the elements which, reviewed and renewed, could transform social democracy into a movement capable to shape the 21st century.

Volume I opens with the reflections by Poul Nyrup RASMUSSEN, President of the PES and former Prime Minister of Denmark; and of Dr. Alfred GUSENBAUER, Chair of the FEPS *Next Left* Research Programme and former Chancellor of Austria. Their conclusions bridge with the unique collection of interdisciplinary reflections from all across the continent, which features the main disputants of the think tanks’ renewal debate on both European and national levels. After a successful launch at the PES Congress in Prague in December 2009, the book was also presented at numerous national Round Tables held by FEPS together with its member foundations in 2010. Last but not least, it also became an inspiration for a debate organised the same year at Brown University in Providence, US.



“Next Left – The Leaders’ Visions for Europe’s Future” is the volume II of the series, presenting a unique collection of 28 groundbreaking speeches of progressive European leaders. Composed of 6 chapters (*“Time for a New Direction”, “Enduring Values, Enduring Virtues”, “Breaking down Neo-Liberal Myths”, “Together we are stronger”, “Jobs, welfare and prosperity”, “Beyond the Nation State”*), the book mirrors the social democratic responses to the world and European crisis, indicating also the path ahead for the left.

Featuring

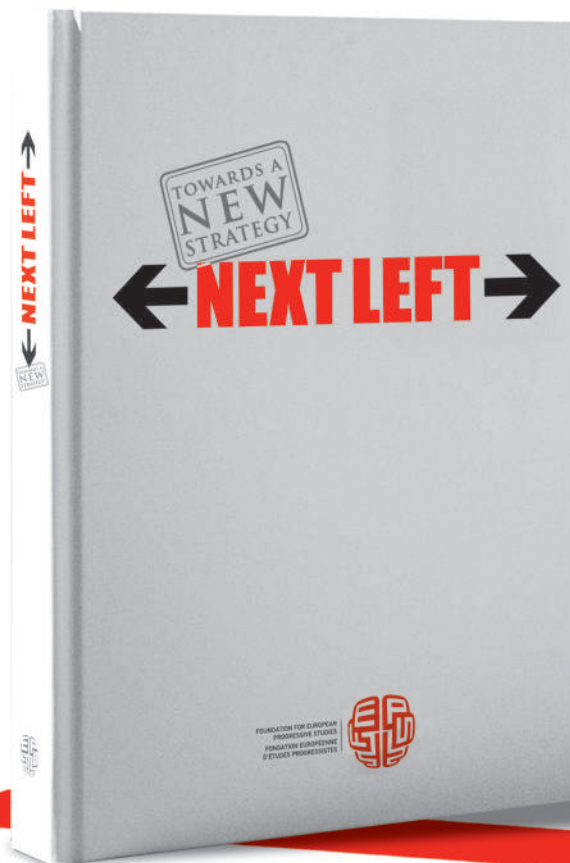
Sigmar GABRIEL, Martine AUBRY, Zita GURMAI, Martin SCHULZ, Mona SAHLIN, George PAPANDREOU, Jose Luis RODRIGUEZ ZAPATERO, Poul Nyrup RASMUSSEN, Alfred GUSENBAUER, Borut PAHOR, Jutta URPIAINEN, Eamon GILMORE, Caroline GENNEZ, Elio DI RUPPO, Jens STOLTENBERG, Werner FAYMANN.



←NEXT LEFT→

“Towards a new strategy” constitutes the 3rd Volume of the *“Next Left”* Books’ Series. Presenting a handful of stimulating ideas, this book part represents a decisive shift of the focus: from critical analyses of the crisis of social democracy to a proposal on what it could become in order to be a leading political force in the 21st century.

The articles gathered here provide a solid synthesis of a year-long research, of which outcomes became an inspiration for progressive movement on both the national and the European levels. The material reflects the main threads of the 4 colloquiums, organized by FEPS together with Renner Institut, which took place in Brussels and gathered more than 150 high level participants. At the same time it also echoes 14 round tables that FEPS held in respective EU member states thanks to the cooperation with its member foundations, involving more than 2000 academics, politicians and experts. As such therefore, this book presents itself as a unique compilation of the points raised about the renewal of social democracy on all levels and across the continent.



"Towards a New Strategy" opens with a foreword by Dr. Alfred GUSENBAUER, Chair of the "Next Left" Research Programme. Further the volume covers four chapters: *"Responding to Contemporary Society"*, *"Our Values in a Changing World"*, *"A New Socio-Economic Paradigm"* and *"Mobilizing International Solidarity"*. Coherently to diverse profiles of the authors and their various expertise, the structure and the tone of the respective texts differ: from longer elaborations to short and sharp statements; and from theoretical deliberations to concrete policy recommendations. This diversity is a very interesting character of the "Next Left" series, proving that a multifaceted approach is the key to success in ensuring the future for the progressive alliance in the 21st century.

Featuring

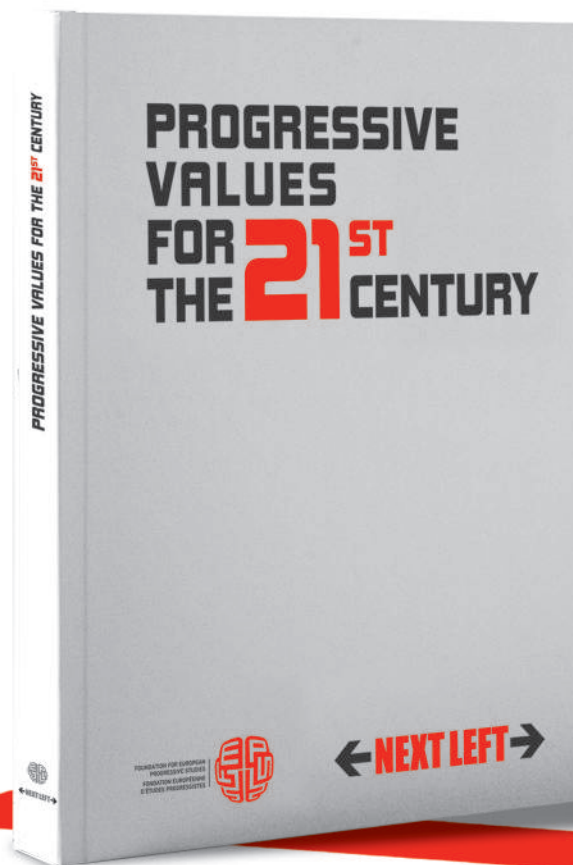
Irene RAMOS-VIELBA, Catherine de VRIES, Laurent BOUVET, Jan ČERNÝ, René CUPERUS, Florin ABRAHAM, George SIAKANTARIS, Attila ÁGH, Daša ŠAŠIĆ ŠILOVIĆ, Klaus MEHRENS, Rocio MARTÍNEZ-SAMPERE, Anne JUGANARU, Sunder KATWALA, Tim HORTON, Eric SUNDSTRÖM, Gero MAAß, Jan Niklas ENGELS, Carlo D'IPPOLITI, Kajsa BORGNÅS, Björn HACKER, Paul DE BEER, Dimitris TSAROUHAS, Carles RIVERA, Jens ORBACK, Ingemar LINDBERG, Conny REUTER, Cosimo WINCKLER, Tomáš PETŘIČEK, Patrick DIAMOND, Trinidad NOGUERA, Andrew WATT.





“Progressive values for the 21st century” is the 4th Volume of the popular “Next Left” book series, which since 2009 features noteworthy contributions to the pan-European debate on the renewal of social democracy. This new Volume represents a bold attempt of the *Next Left* Focus Group to offer a progressive ideological framework that would adequately shape the policy agenda and our movement in modern times.

The articles gathered mirror the results of a one year long academic debate. In its course, respective members of the Focus Group deliberated on what the progressive values are, how they are explained and what their meaning is in both party internal, but also societal context. The diverse profiles, fields of expertise and origins accumulated in the Group, ensured that the endeavour upheld an interdisciplinary character and had been representative for different streams of social democracy. This debate on substance was accompanied by a solid work that provided a suitable methodology for such a research, which gives the collection exceptional



potential to become the first step towards establishing a new, progressive European school of thought. While striving for it, authors enjoyed revisiting concepts that may have been taken for granted, as also reclaiming notions that may have been unjustly monopolised by other political families.

What makes this Volume unique is that it succeeds in translating the complex, philosophical, and hence relatively abstract deliberations into audacious policy recommendations. Herewith authors enact a new character of the ideological dispute, which impose leaving a safe haven of internal discussions and placing it in the heart of societal debate. Challenges to frame the next social deal and new socio-economic paradigm, as also to build potential for strategic alliances to establish a prevailing progressive majority remain therefore the integral part of the respective contributions.

Featuring

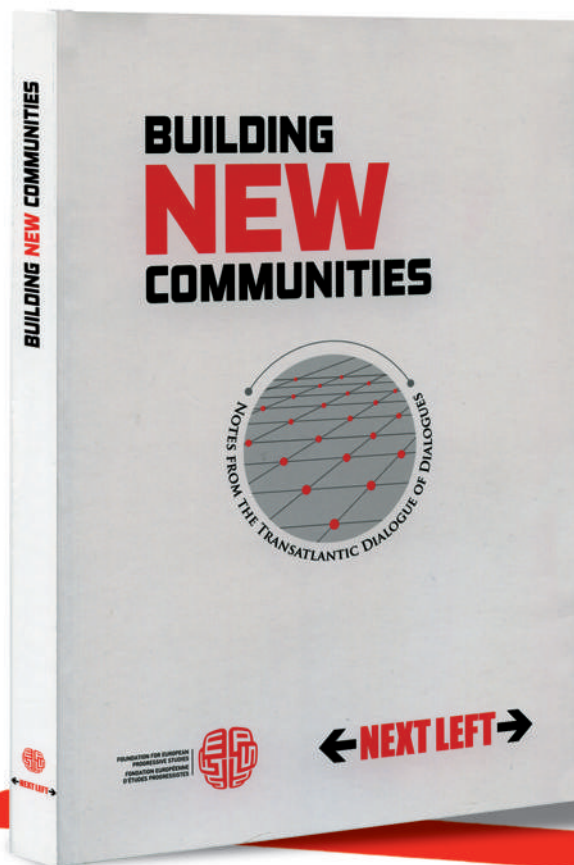
Julian NIDA-RÜMELIN, Gustav-Adolf HORN, Christine FÄRBER, Gesine SCHWAN, Ania SKRZYPEK, Rémi BAZILLIER, Patrick DIAMOND, Pim PAULUSMA, Eric SUNDSTRÖM, Dimitris TSAROUHAS, John HALPIN.



←NEXT LEFT→

“Next Left: Building New Communities. Notes from the Transatlantic Dialogue of Dialogues” captures the leading threads of the inspiring debate on the future of progressivism from three continents. Being an outcome of a high level workshop, which was held in April 2012 at **Harvard Law School** and which marks the establishment of cooperation between FEPS, Renner Institut and IGLP – Institute for Global Law and Policy of HLS, this book constitutes an important reading for all those seeking a progressive alternative worldwide.

The contributions gathered in this **5th volume of the Next Left book series** mirror a new focus of the renowned FEPS research programme. The two year intellectual exchange with academics at the Watson Institute of Brown University (Providence, Rhode Island) and the new dialogue built upon that with the IGLP HLS, subsequently led to founding of the “Next Left – Dialogue of Dialogues”. This scholarly framed conversation reflects a common aspiration to contribute to framing a new, prevailing global narrative.



The volume encompasses 6 sections. The first one features prefaces of Professor David KENNEDY, Director of IGLP HLS and of Professor Michael KENNEDY of Watson Institute at Brown University – both of whom played a fundamentally important role in making this *Dialogue* possible. Their introductory remarks are followed by the introductory words of the *Dialogue's* initial architects, Dr. Alfred GUSENBAUER (former Chancellor of Austria and Chair of the Next Left Research Programme) and Dr. Ricardo LAGOS (former President of Chile and Head of Chilean Fundación Democracia y Desarrollo). Their remarks frame the tone of the debate, offering diagnoses of the contemporary times and naming the principal challenges ahead. The next four chapters: *A New Progressive Vision*, *A New Cosmopolitan Movement*, *A New Socio-Economic Paradigm*, and *A New Approach to Work and Employment* include 14 articles by outstanding academics and experts from both sides of the Atlantic. What makes this collection especially recommendable is the exceptional quality of the contributions, which are anchored in the multilayer analytical framework. They feature interdisciplinary analyses and argue for innovative policy proposals from the local up to the global levels. Their strong embedding in the assessment of the crisis aftermath and the climate of the new social mobilisation exposes the vacuum that authors argue to use for a new intellectual construct and new quality politics.

Featuring:

Gianpaolo BAIOCCHI, Cornel BAN, Rémi BAZILLIER, Patrick DIAMOND, Yannis Z. DROSSOS, Karl DUFFEK, Ernesto GANUZA, Paolo GUERRIERI, Alfred GUSENBAUER, José ITZIGSOHN, David KENNEDY, Michael D. KENNEDY, Ricardo LAGOS, Oscar LANDERRETICHE, Roger LIDDLE, Vivien A. SCHMIDT, Juliet SCHOR, Ania SKRZYPEK, Ernst STETTER, Dimitris TSAROUHAS.



←NEXT LEFT→

“Next Left: For a New Social Deal” presents a new way of thinking about the relations that should be forged between the world of financial capitalism and politics, so that the path can be paved towards a better, fairer society. Deriving from previous deliberations on the modern understanding of progressive values, the FEPS Next Left Focus Group Members take herewith a challenge to seek their translation into a new narrative. The objective is therefore to reach beyond the crisis-induced confinement of politics, and while stretching the borders of political imagination point at new horizons of a historical mission for social democracy.

The New Social Deal that emerges on the pages of this book is about constructing new equilibriums. Therefore, the concept of “welfare state” is being carefully examined in the light of the double-folded criticism it is currently facing. The criteria of its efficiency as a tool for societal transformation, as also the public support for its contemporary features



are being discussed in details. Hypothesis emerging lead to a conclusion of inevitability of modernisation, of which course should be steered by principles of empowerment. Hence the concept of “equality of autonomy of individuals” is carefully examined as an essential condition enabling people to actively participate in socio-political life. The demand for fair distribution of income, wealth and power gains herewith a tangible political character. To that extent, the traditional commitment of the movement to the values of solidarity and social justice is being seen as a motivation that may lay fundamentals for a new progressive coalition that would need to constitute to gain power of breaking the prevailing neo-liberal logic and bring about the change that the contemporary polarised, fragmented and impoverished societies aspire to.

The **“Next Left: For a New Social Deal”** is 6th volume of the FEPS Next Left Book Series. It is composed of 3 Chapters: **“Shaping A New Social Contract”**, **“Ensuring Fair Distribution of Income, Wealth and Power”** and **“Building Progressive Alliances”**. It illustrates the outcomes of the work of the FEPS Next Left Focus Group within the year 2012, which herewith is being presented for consideration of the progressive movement.

Featuring:

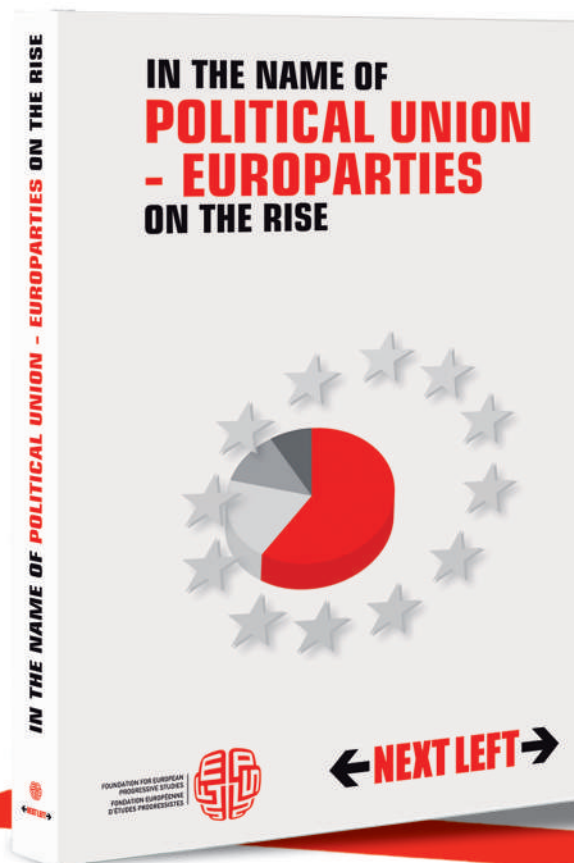
Rémi BAZILLIER, Andrius BIELSKIS, Patrick DIAMOND, Karl DUFFEK, Alfred GUSENBAUER, John HALPIN, Ania SKRZYPEK, Ernst STETTER, Dimintris TSAROUHAS, Ignacio URQUIZU.



←NEXT LEFT→

“In the Name of Political Union – Europarties on the Rise” is the 7th volume of the FEPS Next Left Book series. Being at the same time the first publication of the FEPS Next Left Working Group on europarties and eurodemocracy, this collection invites to explore a new avenue of research within the exciting journey towards the renewal of social democracy. It leads through questions regarding potential for politicisation and democratisation of the European Union, which queries come particularly timely taking into account 20th anniversary of the Treaty of Maastricht.

The authors of the respective articles are outstanding scholars researching the themes related to European partisan systems. This discipline remains still seriously overlooked, which is also why the explorations of this circle are so profoundly important. Providing a solid assessment of the transformative processes that took place due and during the recent crisis, these academics take on a challenge of mapping potential scenarios for



the future both in the context of the upcoming European elections, as also beyond them. What makes this book a particularly recommendable reading for the progressive family is that the specific proposals that are formulated may serve as an inspiration on how to use the momentum of 2014 and while equipped with the tools provided by the Lisbon Treaty, try to reach the next stadium of development for the euro-partisan system. The particular proposals are provided for consideration of the progressive family

"In the Name of Political Union – Europarties on the Rise" is organised in three chapters. The first one, entitled *"The Role of Europarties in shaping the Union"* looks at how the process of democratisation of the EU can be forged through an on-going consolidation of the europarties. Here the points regarding the mechanisms of cooperation between the sister parties are elaborated upon, this includes the summitries of their leaders, alongside the challenges of enhancing collective participation. The second chapter, *"Progressive strategies for overcoming the crisis"* continues debating democratic legitimacy, looking at coherence and diversity of progressive answers to the predicament as given respectively on the European and the national levels. The hypothesis here is that the crisis was a catalyst of a profound renewal, transforming the europarties from arenas of "politically unstructured politics" towards "a policy seeking party". Finally, the last section *"Innovative Ideas in Designing the Eurocampaigns"* looks at the europarties in through a prism of their relations with their members and eventual supporters. It includes a pioneer study on direct and individual membership, as also overview of electoral trends and herewith-potential groups, which could be still a social democratic stronghold among voters in Europe.

"In the Name of Political Union: Europarties on the Rise" constitutes therefore a great collection of analyses, which paint an accurate panorama of political and partisan landscape on the European level. The deliberations are anchored in original research, which links both academic methodology and empirical studies. Thanks to this interdisciplinary and pan-European character they make a strong case that there is a potential for further development of the europarties and that the progressive family has a full potential to make the upcoming elections historical ones indeed.

Featuring:

David BAILEY, Karl DUFFEK, Alfred GUSENBAUER, Isabelle HERTNER, Michael HOLMES, Karl Magnus JOHANSSON, Erol KÜLAHCI, Andre KROUWEL, Robert LADRECH, Simon LIGHTFOOT, Gerassimos MOSCHONAS, Ernst STETTER, Ania SKRZYPEK, Jose REIS SANTOS, Steven VAN HECKE, Matt WALL.

←NEXT LEFT→

“Winning for Real: the Next Left taking the Chance to Shape Europe for the 21st century - 10 fundamental challenges”

by Dr. Ania Skrzypek

By the end of 2012, it seemed that the political tide in Europe was changing. The elections in Slovakia, France, the Netherlands and Romania encouraged social democrats to think that the worst was over; the centre-left was re-emerging to govern. Even though some of the results came as a surprise, the centre-left has not wasted a moment in devising a convincing explanation. It is the consequent message of *change* that has convinced people to lend their trust and invest their hopes in social democrats again. Social democracy retrieved its spirit of raising opposition against the unjust and per extension against the current, conservative-ruled system. While discrediting the enemy, they upheld to a strategy: *no visionary promises, we will just tell you how we are planning to manage*. Then, although it may be politically un-patriotic to ask, one can't help but wonder: are we there yet, really?

There are therefore several reasons for cautious optimism. This approach should be seen, however, as a pragmatic assessment and not as an attempt to spoil the festive spirit. The challenges, which had been identified in the course of the debates on the renewal

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of social democracy, are more profound than *just* winning next elections. The results of the elections show that there is a synergy between what both the majority of citizens and social democracy denounce. But it is not yet equal to an agreement on what sort of a new narrative should replace the contemporary neo-liberal order.

This pamphlet undertakes consciously a very hazardous task. Remaining in the ambiance of delight connected with electoral performance of various sister parties, it dares to remind about the broader, historical challenge. Social democracy still has to develop a new narrative and redefine its own mission for the 21st century. Herewith this pamphlet is challenging the views that nowadays people do not need grand ideological visions and that an honest governing manual is enough. There is no reason to believe that contemporary societies became so disenchanted that they would not seek something more substantial than a framework for existence; that they would not long for a dream that they could jointly pursue. On the contrary, in the era of an overwhelming multilayered crisis, developing the idea of a *New Social Deal* is in fact indispensable if the centre-left wants to win for real.

Expressing a hope that it is possible, this pamphlet is written from a perspective assuming that social democracy has indeed the potential to win for real. It makes a point that the necessary ingredient for such a victory is a vision for a tangible political alternative in Europe, which should become the *Next Social Contract*. What is standing in the way between now and truly reaching the position to take a *Chance to Shape Europe* are the ideological dilemmas it still needs to resolve. This analysis examines closer 10 of them, which seem most relevant at the beginning of the new century.

1. How to explain good capitalism and make it prevail as a backbone of economic integration?
2. How to bring sense to the European politics and Europeanise social democracy?
3. How to resuscitate European values and ensure that their progressive interpretation is a mainstream?
4. How to make progress meaningful and put it at the heart of an agenda for European prosperity?
5. How to frame the labour debate and put Europe back to work?
6. How to legitimise the welfare state concept and empower the European Social Model?
7. How to make social democracy, and Europe, projects for the young generation?
8. How to politicise Europe and bring sense to European political cooperation?
9. How to overcome the democratic crisis and enable citizens' ownership of the EU integration?
10. How to Win for Real?