

Social Housing Alliance, *Conditions of Struggle* reading & discussion group

Understanding neoliberalism and austerity the better to fight it

Class 1: Lessons from Greece

Wednesday September 9th

7pm

Rising Star Housing Coop Common Room

(1556 E. 5th Ave, just west of Commercial Drive, walking distance from the Broadway Skytrain)



Anti-austerity is a pillar of Social Housing Alliance's work. The economic forces of displacement, we say, are a real estate and resource extraction based economy that storms on Indigenous and working-class communities while austerity policies erode the ground on which we stand, making us more vulnerable to these winds. But what is austerity and how do we fight it?

For nearly three years Social Housing Alliance has battled austerity policies in British Columbia with a focus on cuts to social housing funding. We have seen policies shift away from tax-funded and government-run housing to market-based "innovative" non-solutions to homelessness. And we have seen many groups that used to see tax-funded social housing as basic to society in Canada begin to tolerate and even advocate for models that include and rely on market logics. Is austerity top-down primarily, a problem of government policy alone, or does it have social and cultural roots and resonance?

This, our second *Conditions of Struggle* class series, will focus on austerity and its contemporary political and ideological vehicle, neoliberalism. The classes will be organized in three parts:

- 1) Lessons from Greece (September 9th)
Readings, description, and discussion questions below
- 2) Origins of austerity (September 30th)
Readings etc. forthcoming
- 3) There is no society / There is no alternative (October 14th)
Readings etc. forthcoming

Readings, description, and discussion questions for class 1: Lessons from Greece

Greece was (and is) in the midst of an economic crisis defined by its “debt crisis.” Despite having lower levels of debt than Germany after the Second World War (Germany was bailed out by those it owed money to), Greece is being squeezed by the European Union for every penny it owes. Germany and other powerful EU countries are force-feeding the Greece government violent austerity reforms that will tear its still-strong social safety net. This is despite the clear mandate given to the Greek government by its voting populace.

In 2014 the Greek social democratic left party Syriza came to power on a strong anti-austerity platform. In early 2015 the Greeks maintained anti-austerity policies (despite sabre rattling by the big European banks) with a referendum that rejected austerity even more strongly than voters in the Lower Mainland rejected the transit referendum. Syriza then did an about-face and passed an austerity budget, barely satisfying their creditors in upper-Europe but enough to remain in the EU. Far from averting crisis, this reform package will devastate the lives of Greek workers, pensioners, youth, and the still-growing numbers of the unemployed.

Just as people around the world looked to the Greek example as a way to fight austerity, bankers saw their struggle as a threat. There is no question that Greece was a battleground that had international political dimensions. What, then, are the lessons from Greece? As you read through these essays and articles, consider the following questions for discussion:

- 1) We have grown accustomed to thinking about our struggles in terms of neighbourhoods, communities, specific regions but the struggle in Greece was clearly directed not at the local government but against international banks and broader European and international governance structures. Why do international banks and organizations like the IMF, WTO, and G8 care about local government social service and austerity policies?
- 2) The Greek experience seems to suggest it may be impossible to end austerity through capitalist state governments. Is social democracy over? What are the strengths and limits of uniting movements around “anti-austerity” politics?
- 3) Perhaps the most important lesson from Greece is about how we fight austerity here in Canada. In the wake of Syriza’s failure to implement the austerity policies it promised, why vote NDP in the upcoming federal election?

Overview of the Greek crisis

Michalis Spourdalakis interview, “#ThisIsACoup or This is the first democratic response to the austerity measures in Europe?” Democracy Now! (Links here: [Audio](#) / [Text](#))

Michael Rozworski, “[The political crisis in Greece.](#)” Jacobin Magazine.

Alain Badiou, “[Eleven melancholic points regarding the future of the Greek situation.](#)” Verso blog.

Can we convince the capitalist state to fight austerity?

Stuart Hall, “The State: Socialism’s old Caretaker.” *Attached

Cognard, “Is it possible to win a war after losing all the battles?” *Attached

The Political Crisis in Greece

by [Michal Rozworski](#)

Published on Jacobin Magazine

July 5, 2015

This week has been a taste of what the economy would look like with a real rupture with the eurozone: uncertainty, elite blackmail, banks teetering on the brink, and the start of rationing.

That the mobilization of Syriza and the Left outside it has overcome this and made Oxi (No) a possibility is impressive. Greece and its economy can expect no miracles either way today's vote goes and for quite some time afterwards, but they deserve full international solidarity.

And so as Greeks go to the polls, with the streets of Athens still buzzing from Friday night's [enormous](#) Oxi!/No! rally in Syntagma Square, I've collected and parsed some of my notes on Greece from afar. A text on where things stand is first, followed by some notes on how things came to be.

Where Things Stand

Five months of torturous, fruitless negotiations came to a head last week when the more-or-less polite dance around the table in Brussels abruptly broke down. Whether this was a costly demobilization or a calculated strategy to demonstrate the intransigence of the "institutions" doesn't quite matter at this point. When Greek Prime Minister Alexis Tsipras called a referendum on a take-it-or-leave-it offer last Friday, he precipitated a political rupture, which soon started to foreshadow the economic rupture that Greece leaving or being pushed out of the euro would bring.

This week the field of battle moved out of the stuffy rooms in Brussels into the streets of Athens and other cities in Greece. Sunday will be a test of how far the Greek population has been mobilized by forces of the Left. Given a choice between further recessionary measures to fund debt repayments amid an ever-deeper depression seemingly without end, it is no wonder that the No vote stands a fighting chance. This despite a concerted media campaign and transparent blackmail on the part of European political figures.

The Greek media, whose ownership is extremely concentrated among the business elite that has much to lose from renewed radical social mobilization, have been a major part of the Yes campaign. European politicians of all stripes, including nominal social democrats, have called on Greeks to vote "yes," playing up confusion and offering stern warnings. For instance, Martin Schulz, the president of the European Parliament from the German Social Democratic Party, [called](#) for a change of government in the event of a "yes" vote without seemingly batting an eye.

Countering this has been a left presence in the streets that has by many accounts been revitalized by the sudden opening provided by the referendum.

That Greece is holding a referendum, that it has imposed capital controls, and that its economy's slow strangulation has gathered pace are the marks of a fundamentally political, rather than economic, crisis. This remains the basic lens.

It isn't to say that there is no economic crisis — one has been [ongoing across Europe](#) in various guises since the fallout from the 2008 crash — but that this week politics clearly dominates economics. Or put differently, economics is at the service of politics whether in the guise of frozen emergency liquidity to Greek banks on the one hand, or the decision to pay pensions rather than the International Monetary Fund on the other. The broad strokes of this post reflect the big, broad political exigencies.

There is no good outcome for Greece at this point, but it is clear that all Europe can offer is a cycle of endless austerity, economic depression, and appeals to let the technocrats take over. The referendum process is unclear, but the political divide it has exposed has exceeding clarity: few understand the question, but most know exactly what the vote is about.

The difficult question is what to make of the vote results. Where does the mobilization lead if Oxi carries? Is it to renewed negotiations, as Tsipras, Finance Minister Yanis Varoufakis, and the main current of Syriza contend? Or does it leave Greece moving further towards breaking off economic (and political) ties to the eurozone and the rest of Europe?

The main economic question that has returned with a vengeance is the debt. A partial default or radical restructuring within the euro is an economic outcome that would do the most to save Greek capitalism from being further hobbled by austerity in the service of further debt repayments.

Varoufakis is right that this gives Greece the best chance of restoring investment and growth along the old, pre-crisis, pre-bubble path. The problem is political: negotiated debt restructuring looks to be off the table for now. A unilateral default within the eurozone, while technically possible, also appears remote. The rules are being made up as things move along, but they are not being made by Greece or those friendly to it. Is the confidence of Tsipras that Oxi will allow for debt to be included in a potential new deal realistic?

If the crisis has always been political, then the political stakes of the referendum have moved to a new level. The threat from the far right that has been growing across Europe, most violently and visibly in Greece with the fascist [Golden Dawn](#), is now openly being tested by the European elite.

The extent of economic destabilization has been immense. The banking sector is on the edge and at the mercy of emergency funds from the European Central Bank. Although people like German Finance Minister Wolfgang Schäuble say the risk of default is fully priced in, surely the financial sector across the world is busy this weekend revising its bets. Financial markets are based on confidence and trust, both of which are being sorely tested.

The difficult question for Syriza if a real rupture happens will be how to sustain a war economy for months, not days or weeks. Months are what it would take to [implement](#) a

new payments system, to reprogram a modern financial infrastructure, to reestablish financial links with Europe and the rest of the world, and regain access to international markets. In the meantime, food, fuel, and medicine would need to be rationed.

These are technical problems to which there exist solutions, but they will take place within a political context of anger, confusion, and destabilization far greater than anything this week — and to be sustained, would require popular support far beyond that evidenced this week.

How Did We Get Here?

First: the difference from January has been that there is a political force in the small country most affected by the crisis that wants to ever so cautiously break with the austerity that European elites have opportunistically doubled down on since the crisis exploded.

This austerity, in the most basic terms, is part of a project of the 1% to continue its upward redistribution by any means. This isn't the economic stupidity of elites as some would have it, but [a strategy](#) — one which can still do better or worse. Greece is being made into an example doubly: first, to show that austerity is *the* economic policy within Europe today and second, that austerity cannot be stopped via a popular, democratic will.

(2) That said, this is not a political conflict between nations, as it's often presented. One of the most pernicious misrepresentations is that there is a single bloc of "creditor nations," that this is Germans vs. Greeks.

European integration via the euro has led to huge imbalances. Germany has been outcompeting other European countries by keeping a tight lid on wage growth, keeping exports high, and raising productivity above the level of overall growth. This has led to huge capital flows from Germany and other core countries out to the periphery where the opposite has been true: growth was high but productivity and exports lagged. Varoufakis himself has been one of the best at [chronicling and analyzing](#) this.

The labor share fell in Germany more than anywhere else in Europe; ordinary Germans suffered from the same process that ultimately left Greece with a broken economy. It's an ideology and a mythology that sees the Greeks as scapegoats for a systemic crisis. A [strike wave](#) that has only now slowly started building in Germany, concentrated in the service sector, may yet start to challenge the dominant narrative in Germany. But it is coming late, and the possibilities it opens are still uncertain.

While Greece took on unsustainable debt, there were many, many lenders from the core of Europe happy to lend, ignoring risks and the consequences of the growing imbalances. Greece had the bad luck of seeing capital flows pump up a public debt bubble — the most politicized of all. Others suffered in different ways: Spain had a real-estate bubble, Ireland and Iceland had financial sectors go bust.

As should be well known by now, rather than share the pain with Greece, the private lenders on one end of the public debt transaction were fully bailed out back in 2012 while the public Greek borrower remained on the hook — but now to public rather than private

bodies. More than 90 percent of the bailout funds Greece has received from the troika have gone to repay lenders rather than restart the Greek economy.

(3) What the negotiating line followed by Tsipras and the main faction within Syriza has shown is that even a relatively mild Keynesian reform program is not palatable. Remember that Syriza offered to cross some of its red lines, implement €8 billion in new austerity measures (even if it was a [left austerity](#)), and still couldn't get debt restructuring on the table except in some nebulous future, and even then only in last-ditch proposals.

This is made even clearer by the fact that any budgetary measures based on breaking with the corruption and clientelism of the Greek state were tossed aside by the institutions. A more efficient capitalist state may not be the mark of the radical left, but it is the (somewhat utopian) hallmark of the best of a fading social-democratic tradition: tax the rich, treat them as equal before rather than above the law, and rebuild a state for the people rather than elites. At their best such measures could have helped provide breathing room to build popular support for more radical measures.

Whatever one makes of this storyline, it's also primarily political: lenders not only had little trust in anything but actual cuts, but were also attuned to the political implications of trying to raise revenues.

(4) Finally, there is the debt itself, which until the last minute and beyond has never been the topic of serious negotiations. After six years of reforms that have gone deeper than anywhere else in Europe — the average retirement age is up, pensions are slashed, labor law has been eviscerated — there is a full-blown depression and a debt that keeps piling up relative to a crashing GDP.

Much is made of the fact that the IMF itself [admitted](#) in 2013 that austerity isn't working in Greece, and just this week that the Greek debt is [unsustainable](#). While this is a crack in the determined face of the institutions, it is still today much smaller than what it seems Syriza imagined it could exploit in negotiations. The IMF has come to its [conclusion](#) because there is no political force determined enough to implement the austerity measures that would create enough revenues to pay off the debt. Bad economics meets politics meets social reality.

To say nothing of the historical reality that debt forgiveness and restructuring has been common. The most pertinent example is postwar Germany, which had its debt restructured in the 1950s with Greece writing off half of what it was owed.

#ThisIsACoup: Greeks Denounce Bailout Deal That Calls for New Round of Austerity

July 14, 2015

Story

Democracy Now!

Greek Prime Minister Alexis Tsipras is facing protests from members of his own Syriza party after accepting harsh austerity measures in exchange for a new international bailout. In order for the deal to move forward, the Greek Parliament must accept pension cuts and other reforms by Wednesday, 10 days after voters rejected similar reforms in a referendum. On Monday, Greek Defense Minister Panos Kammenos accused Germany of staging a coup. We speak to Michalis Spourdalakis, professor of political science at Athens University and a founding member of Syriza.

AMY GOODMAN: We go to Greece, where Prime Minister Alexis Tsipras is facing protests from members of his own Syriza party after accepting harsh austerity measures in exchange for a new international bailout. In order for the deal to move forward, the Greek Parliament must accept pension cuts and other reforms by Wednesday, 10 days after voters rejected similar reforms in a referendum. After European leaders pressed Greece to accept the austerity package, the hashtag #ThisIsACoup trended on social media. Greek Defense Minister Panos Kammenos accused Germany of staging a coup.

DEFENSE MINISTER PANOS KAMMENOS: [translated] Yesterday, the country's prime minister faced a coup, a coup by Germany, but also by other countries like the Netherlands, Finland and the Baltic states, a coup that reached the point that Greece's prime minister was blackmailed with the collapse of the banks and a haircut on deposits. I want to be clear that this deal is beyond the agreement that political leaders made with the Greek president and that the Greek Parliament approved. However, this agreement, which also brought up new information, speaks of 50 billion euros' worth of guarantees concerning public property. It speaks of changes to the law, including the confiscation of homes. It refers to a total collapse of constitutional values. We cannot agree to that.

AMY GOODMAN: Speaking Monday, Greek Prime Minister Alexis Tsipras said Greece was left with little choice but to accept the austerity measures.

PRIME MINISTER ALEXIS TSIPRAS: [translated] We fought hard for six months, and until the end we battled to get an agreement, to get the country back on its feet. We were faced with a very difficult decision within hard dilemmas. We took the responsibility to decide, in order to avert the most extreme plans by conservative circles in the European Union. Today's agreement keeps Greece in a state of financial stability. It gives the possibilities for a recovery. It will, however, be an agreement whose implementation will be difficult. The measures included are the ones passed in Parliament. They will unavoidably cause recessionary effects. I have the feeling, the confidence and the hope that the 35-billion-euro development package, which we managed, along with the debt restructuring and the secure financing for the next three years, will create the feeling among markets and investors that Greek exit is a thing of the past.

AMY GOODMAN: To talk more about the implications of the agreement, we go to Athens, Greece, where we're joined by Michalis Spourdalakis, professor of political science at Athens University. He's also a founding member of Syriza.

Welcome to *Democracy Now!* It looks like there is a split not only among the Greek people, Michalis Spourdalakis, but also in your own party itself. Talk about the deal and what it means.

MICHALIS SPOURDALAKIS: Well, it's only natural to expect these objections to the deal, because it's a deal which imposes draconian measures to the Greek economy, and also, people, after the referendum, were hoping for a much better deal. Except it seems to me that the Europeans didn't take into account the very loud, clear "no" vote, no-to-austerity vote, casted just 10 days ago from today. Therefore, everything that your report says, it's true: The Greek prime minister and the country's minister of finance were actually blackmailed by the eurozone people. They managed to convince some of them, but not all of them, so at the end of the day they got this deal, which is not only draconian—it will continue the recession in the country—but also will be inefficient. It's a deal that, at the end of the day—or, I should say, quite soon—there are going to be more measures imposed, increases the debt of the country. And I don't think we're going to—we see the light at the end of the tunnel.

But the prime minister had no choice, because the alternative was to exit. But exit would lead us to a more Hobbesian type of social development that this country has no experience or preparation, moral or technical, to confront.

AMY GOODMAN: The term "Grexit," right, the Greek exit. So, right now, this hashtag that's trending, #ThisIsACoup, explain what's going on. And will this lead to the fall of Syriza?

MICHALIS SPOURDALAKIS: Well, I hope not. This is the first left-wing government in this country. This is the first democratic response to the austerity measures in Europe. So, this government should not—should not fall. It's very superficial and very—at least unfair conclusion to claim that the prime minister or the government has betrayed the people. They were forced to do that. There are all sorts of other fields that the government can verify or reinstate its left-wing radical orientation, and this is the way the government should proceed. Pretty soon, the people are going to face—or the Greek government, rather, is going to be faced with more measures, and by then, probably, the balance of power are going to be different.

As of the coup, OK, there many interpretations about this coup. I read someplace today that some 48 years ago the dictatorship was imposed in this country by the guns of the colonels, at the time, of the army. Today, the coup is imposed by the European bankers, who managed to close the Greek banks and have the entire Greek society hostage. So, to me, there was no—there was no alternative, not been prepared.

But there is another coup, which has to do with the future of the European Union and the future—the perspective of developing European Union in a democratic way. There is a major, a major coup, because it seems to me that the European leaders undermined the fact or didn't pay any attention to the fact that in Greece, that was the only country that there was a democratic response to austerity, while in every other—almost in every other European countries, probably with the exception of Spain and Ireland, the political rearrangement had—gave signs and gave room to the right-wing populist euroskepticism, and even neo-Nazism. And it seems to me that the European leadership, it's more tolerant to these developments than the radical-left—however, democratic—response to austerity in Europe. And this is very disappointing. And this is another dimension of the coup.

AMY GOODMAN: Eurogroup President Jeroen Dijsselbloem defended the troika of European and International Monetary Fund lenders against accusations that they interfered in Greece's domestic politics.

JEROEN DIJSSSELBLOEM: Perhaps I can also say something on this issue, because I've always felt that the troika has been heavily criticized on the fact that they sort of interfere with domestic politics and are very intrusive. But, of course, in the given situation, the crisis situation that we have, in case of a program, per definition, we always try and find the balance between supporting a country, but also talking about reasonable and effective conditionalities. There's not much point in borrowing money to a country—or lending to a country, if at the same time the underlying problems are not dealt with. And I think that's a fair balance, and we have to find that. So it's not about taking over a country. It has to be a partnership and

commitment on both sides to stand ready to further support the country—in this case, Greece—and for Greece to say, "We will do what it takes on our part to make sure that we don't depend on European loans forever."

AMY GOODMAN: I would like to get your response, Michalis Spourdalakis, to the Eurogroup President Jeroen Dijsselbloem's response.

MICHALIS SPOURDALAKIS: Yeah, OK. I think this agreement guarantees that the country is going to stay, at least for the time being, tied to further dependency to European loans. It's impossible—listen, the country had about \$340 billion debt. No one in his right mind, his or her right mind, thinks that this is a manageable debt. Now, there is another 83, if I'm not mistaken, billion euros added to this loan. So I don't know how we're going to pay that.

You mentioned the 50 billion euros guarantees, or collateral. OK, listen, the breakdown of this is about 29 to 30 billion are going to go into repaying the old debt. About 17 billion, or 17 to 18 billion, are just the interest rates. There is another 20-some million who is going to—for support of the banking system. And the rest is going to be for development. In addition, these 50 billion euros are going to come from selling Greek property—Greek airports, peripheral airports, the three major ports in Greece and other valuable parts of the Greek infrastructure. This money, it's impossible to raise. Even if you sell the entire country—well, of course, I'm exaggerating—you're not going to get more than eight, maybe 10, billion euros.

So, this is a deal which is not going to be efficient. It doesn't deal with the actual fiscal problems of the country or the economic problems of the country. It's a very vindictive, however, deal, which really wants to force the government to change its political orientation, or wants to bring—clearly, to bring the first radical left-wing government down. That's why it should—this deal should be—no matter what the criticism is, this deal should be supported, because pretty soon there's going to be a new round, and then probably we'll be ready to respond to the pressures of the European Union and the Eurogroup in a more efficient and a more democratic and socially sensitive way than what this deal promises.

AMY GOODMAN: Michalis Spourdalakis, I wanted to get your take on a letter that Robert Reich, the former labor secretary under President Clinton, has sent around. He says, "People seem to forget that the Greek debt crisis—which is becoming a European and even possibly a world economic crisis—grew out of a deal with Goldman Sachs, engineered by Goldman's Lloyd Blankfein." He said, "Several years ago, Blankfein and his Goldman team helped Greece hide the true extent of its debt—and in the process almost doubled it." He said, "Undoubtedly, Greece suffers from years of corruption and tax avoidance by its wealthy. But Goldman Sachs isn't exactly innocent. It padded its profits by catastrophically leveraging up the global economy with secret, off-balance-sheet debt deals."

And then he makes recommendations. He says that the U.S., you know, is a key player in the IMF, and President Obama should use that weight, that people should "[j]oin with allies across Europe to show solidarity with the Greek people and stand up to global austerity."

Can you respond to the issue of Goldman Sachs and hedge funds and their role in this? We actually only have a minute.

MICHALIS SPOURDALAKIS: This is a—yeah, this is an old story. We all know the tricks and the corruption involved in the way that Greece met the requirements to enter the eurozone. And since you mention corruption, it's quite interesting to respond about the issue like that. Corruption is the basis upon which the Greek economy, the Greek capitalism, flourishes and reproduces itself. And tackle corruption, tax evasion and the rest was the first reform that the Syriza government proposed to our—to Greece—to the country's debtors back in the early February. And they didn't really pay much attention to it. So, it seems to me that the bottom line of all this debate is that the country's debtors wanted to humiliate Syriza, Tsipras, and, as I said already—twice, I think—the first democratic, left-wing response against austerity in the 21st century. That's the bottom line. There is a lot of corruption in this country. This government has been

committed to tackle the corruption. But the way that the proposals that are imposed and the deals are imposed by our debtors, they are not—I don't predict that they are very efficient moving towards that way. So, we'll be—

AMY GOODMAN: Michalis—

MICHALIS SPOURDALAKIS: We'll come back on the issue again.

AMY GOODMAN: I want to—I want to thank you for being with us, and I hope we come back to this conversation. Michalis Spourdalakis, professor of political science at Athens University, also a founding member of Syriza.

This is *Democracy Now!* When we come back, we got to Madison, Wisconsin. Governor Walker makes 15. That's 15 Republican presidential candidates. This is *Democracy Now!* We'll be back in a minute.

Is it Possible to Win the War After Losing All the Battles?

by [Cognord](#)

Prehistory of a Success

The announcement of national elections in Greece, roughly two years before the coalition government of New Democracy and Pasok completed their term, immediately sparked a renewed interest in this southern and economically peripheral European country. The relative silence that preceded this novel attention for the last two years was, at least in media terms, understandable. If Greece enjoyed an earlier moment of fame, it was primarily due to the unprecedented austerity measures imposed by the troika—the European Commission, European Central Bank (E.C.B.), and International Monetary Fund (I.M.F.)—in exchange for new loans, designed to “assist” the Greek state after it officially announced, in April 2010, that it was unable to repay its existing, “non-viable” sovereign debt (120 percent of G.D.P. at the time). The reactions to the implementation of the austerity program were also pivotal in bringing Greece into the spotlight: general strikes, violent demonstrations, and the movement of the squares ensured, between 2010 and 2012, that the future of Greece’s “fiscal consolidation program” (to borrow the official economic jargon) was seriously threatened. Along with the memorandum imposed by the troika, what came under attack was the legitimacy of the political system,¹ generating wild speculation about the future of Greece’s membership in the Eurozone, as well as the unpredictable consequences this could have for the E.U., not to mention the global economy.

However, the movement which tried to halt the austerity program failed. The reasons are varied, and it is not within the scope of this article to explain them in detail. Suffice it to say that, as in every other social movement, this failure should be traced to both the violent determination of the government(s) to proceed with austerity *at all costs* (for which the ruling factions have paid a price) and the inability of the movement to transform itself from a defensive mobilization to protect existing conditions into an offensive attack on the conditions that created the crisis.

Nonetheless, the attention that Greece received was justifiable. Without exaggeration, one could argue that many of the political strategies of resistance which the international left has only read about in books were tried and tested in Greece in the years after the crisis: general strikes with massive participation, bringing economic activities to a halt; militant and violent demonstrations with constantly growing numbers of participation; neighborhood assemblies that sought to act as minuscule formations of self-organization, attempting to deal with immediate issues caused by the crisis; one of the most militant squares movements, which managed to call for two successful general strikes; a climate of continuous antagonism that gradually but steadily involved more and more people.

It is, however, no exaggeration to say that none of these inspiring moments managed to counteract the effects of the crisis and its management by the state. However exhilarating, promising, and tense these outbreaks were for those of us who participated in them, it has become imperative to understand their failure to achieve even a small (however reformist) victory.

In official terms, the crisis has only become worse in the last years. Overall unemployment has risen to 27 percent (from 12.5 percent in 2010), primarily hitting young people (60.6 percent for those aged 17 – 25); wage cuts across the public sector are between 30 and 40 percent, while in the private sector the number is only slightly lower (25 percent on average).² Small businesses (the backbone of the Greek economy, constituting around 95 percent of all business activity) have been devastated by the crisis and the austerity measures (more than 250,000 have been closed), while cuts in the Health and Education budgets amount to more than 25 percent. Total G.D.P. losses amount to 24 percent, while despite these cuts (or, as some

would say, as a result of them), state debt in Greece has dramatically risen from 120 percent in 2010 to 176 percent of G.D.P. today.

Unofficially, the situation is much worse. In the last two years, on top of reduced wages or forced unemployment, a nearly destroyed health system, and the alarming rise of neo-Nazis as significant players in the political landscape, people have had to live with the defeat of a social movement which gave many participants the hopeful feeling of making a leap into the open air of historical change. It was the disappearance of these antagonisms, followed by generalized feelings of disappointment and depression, that should serve as the background against which the recent elections should be considered. It is precisely the *failure* of the social movements to counteract austerity and the brutal devaluation that brought Syriza to today's position. And while Syriza likes to present itself as the continuation of these movements, it is more accurate to explain its strength as a result of their weakness.

In this context of defeat, Syriza had come to represent for many people the last hope for any alleviation of the effects of austerity. This is also the line that has been predominantly adopted by the left media in Greece and abroad. A bombardment of positive and enthusiastic articles and reports in the last few weeks in left and progressive media outlets have created an atmosphere almost implying that Greece is in the brink of a social revolution. This is, however, quite clearly not the case.

Having said that, it makes no sense to critique Syriza and its program on the basis of abstract criteria of radicalism, anti-capitalism, etc. The reason is quite simple: Syriza is not, and never has been, an anti-capitalist party. It was never part of its program, its understanding of the world, and its expressed policies to question the capitalist system or its political representation. To say this is not to attempt to discredit Syriza, but to give an honest evaluation that takes into consideration Syriza's own self-understanding, its historical role, and its practice as a parliamentary party within Greece's political spectrum. It is beside the point to argue that Syriza has betrayed or fails to deliver a program that was never part of its politics in the first place.³

What is needed is not an analysis on the basis of a non-existent theoretical framework (Syriza's supposed radicalism), but a sober understanding of the historical context of Syriza's rise to fame, the objective forces that it is facing, and its own proposed remedies. It is only in this way that one can have a clear idea of what is at stake. Ideological battles and straw-men are clearly pointless at the moment.

Basic Banalities

Until 2009, Syriza was an insignificant player on the Greek political scene. It barely made the 3 percent threshold required to enter parliament, something that seriously undermined its influence within that institution. But things were not much better outside of parliament. For those of us who have been active in the Greek left and radical scene for more than 20 years, Syriza was never a force to be reckoned with. And though Syriza repeatedly attempted to draw forces away from social movements towards its parliamentary aspirations, none of these attempts were ever successful.⁴

It was only after the elections of 2012, which marked the downfall of Pasok as the government responsible for initiating the troika bailout and austerity program, that Syriza suddenly found itself with 17 percent of the votes, a result that caught everyone by surprise—even Syriza members themselves, who would have been content with 7 – 8 percent. It was then that Syriza first started contemplating the possibility of forming a government and started understanding that, from now on, what they formulate as policies will have to be realistic and realizable.⁵

Mesmerized by its unprecedented rise in the electoral ranks, Syriza used every opportunity to build support, widen its social alliances, and prepare itself to create the first left-leaning government in Greece since

Pasok's victory in 1981. However, as is the case with every left-wing party, Syriza is very suspicious of social movements that it cannot directly control. Thus, in parallel to the increase in its electoral support, Syriza took care not to support outbreaks of social antagonism, even at moments when those seemed in a position to bring the government down and put a halt to austerity, as they continually promised.⁶ The official explanations by Syriza officials in relation to these incidents was typical: denying any wrongdoing, Syriza hid behind the excuse that "the people" (this abused and nonsensical phrase) were not ready for an escalation. A more intelligent approach would be to recognize that a political party which sees parliament as the center of political activity is not interested in allowing the uncontrollable and radical potential of a social movement to determine developments or its policies. Today, almost two years after the last expression of street-level subversion, Syriza can sweep the floor and capitalize on the defeat of a movement, content with the thought that the majority of people have shown that they prefer to place their hopes in political representation rather than their own activities.

Instructions for Contemporary Social-Democrats

Trying to find out what exactly Syriza has planned for the day after the elections is, however, no easy matter. Looking at the various statements and proclamations of Tsipras, Syriza M.P.s, central committee members, and sympathizers, one could easily drive oneself crazy trying to extract a coherent position from an abundance of contradictory and self-refuting opinions. (This is something that the right wing tried to capitalize on in order to show that Syriza has no program after all.⁷) However, because Syriza will be forced to deal with the real economy, its European counterparts, and the global economic system (and not some imaginary movement), Syriza's proclamations when addressing *exactly those* is a relatively safe way to understand its actual policies.

The main thrust of Syriza's political and economic program, as its spokesmen spelled out at the Thessaloniki Expo in September 2014 (and have repeated ever since), boils down to four key points: first, the immediate management of the humanitarian crisis in Greece; second, immediate measures for re-boosting the economy; third, a national plan for "regaining labor"; and finally, an institutional and democratic restructuring of the political system. These programmatic theses require, according to Syriza, that certain things be in place: a restructuring of Greece's sovereign debt; a direct connection between loan repayments and growth; a disentanglement of public spending from the memorandum agreed to with the troika; and a European "New Deal," i.e., the introduction of Quantitative Easing by the E.C.B.

The program for dealing with the humanitarian crisis aims at tackling some of the devastating realities of post-memorandum society, by reconnecting electricity and providing food vouchers for 300,000 families; providing free healthcare for all; ensuring housing for all; and supporting low-income pensioners. The plan to regenerate the economy rests on an ambitious program of restructuring the tax system to ensure the collection of unpaid taxes; an immediate stop of foreclosures (for the main house of a family); the abolition of the recent heavy tax on property; the writing-off of debts (36 percent according to banks) with no possibility of repayment; the return of the minimum wage to 751 euros monthly, something that is supposed to increase G.D.P. by 0.5 percent. The idea of "regaining labor" has to do with the return of pre-memorandum work relations, and in particular the re-introduction of collective bargaining and an end to unlimited lay-offs; and the ambitious creation of 300,000 new jobs and 300,000 unemployment beneficiaries. Finally, in terms of the democratic restructuring of the political system, Syriza aims at abolishing M.P. privileges, a thorough examination of the licenses of the mainstream media, and the reopening of the state television (E.R.T.).

Leaving aside certain (quite important) details⁸ and the parts of the program that concern the "democratization" of the political system, an immediate question concerns the exact cost of this program and where the money is going to come from. According to Syriza's own calculations,⁹ the cost of this program is 11.36 billion euros. And where will the money come from? This is where it gets difficult.

Captive Words

There are two main pillars upon which Syriza plans to finance its program: debt restructuring and the introduction of Quantitative Easing. Not surprisingly, these are the most controversial aspects of the forthcoming negotiations.

1. Debt restructuring: At the moment, Greece's sovereign debt is at around 176 percent of G.D.P. (around 321 billion euros). The interest that this debt creates is paid by the new loans that the troika provides, since the Greek economy does not produce a surplus. This means, among other things, that in relation to the budget of the Greek state, both the debt and its interest are irrelevant. The question immediately arises: Why is it then important to reduce the debt? The answer to that was given by Giorgos Stathakis, chief economic policy maker for Syriza:

The markets do not lend to Greece because the state debt is non-viable. Since, in order for Greece to repay the debt, a surplus of 4.5 percent is needed, it is clear that we cannot achieve any growth within this framework. It is that simple and understandable, and our international colleagues know this. Thus, when the debt is rendered viable again with a deal that a strong Syriza government will make, the markets will start lending to Greece at reasonable interest rates.¹⁰

Do you get it? The master plan behind the idea of debt reduction is to allow Greece to borrow again, and thus increase its debt.¹¹ Genius.

But even if we accept this lapse of reason, other problems arise. Why would the troika agree to restructuring and give Greece the opportunity to ease the debt burden? This topic has received a lot of attention and responses vary significantly. On the one hand, we have a chorus that explains that debt restructuring is entirely out of the question, adding that Greece should feel lucky that any money is actually given in order to save it from complete bankruptcy. This is a view shared (officially) by the German government, and the right-wing government in Greece. On the other side, we have the argument that debt restructuring is absolutely necessary for Greece to exit the downward economic spiral. Plus, the argument goes, "debt restructuring" is not a bad word. It has been done many times before (Syriza's favorite example is the 1953 write-off to help Germany's economic recovery) and it is considered by many economists as imperative to avoid default and to boost growth. This position is held, among others, by numerous economists and Syriza.¹²

Leaving aside these primarily ideological debates, the truth is that it is not entirely unlikely that the debt could be restructured (as it was before, in the far distant past of 2012), and the main reason is that everyone knows that its actual full repayment is more or less impossible. But—and this is the key point—as in 2012, this restructuring will probably occur in a way that ensures the lenders' finances,¹³ and with a clause that requires some form of austerity to continue (even if it gets a more catchy name like "national reconstruction plan"). At the moment, and because the enthusiasm of the left seems to require a counter-argument from the right, debt restructuring is proclaimed by the E.U. to be unimaginable. But, reading between the lines, it seems that the E.U. is willing to consider a generous extension, which for anyone not completely confused by economic jargon, essentially means the same thing.

2. Quantitative Easing (Q.E.): The idea is simple. What is the most important means by which harsh austerity and economic restructuring is imposed on Greece by the troika? Sovereign debt. Greece's inability to finance the repayment of previous loans or bonds means that the markets are unwilling to lend money to Greece. Given that within the eurozone and the euro currency Greece is not able to devalue, default, or do something similar (as Argentina or Iceland did), the Greek government should be given the money to repay its loans from the I.M.F. and the E.C.B., in exchange for a "consolidation" program, i.e. austerity.

If Greece was in a position to create a surplus, issue new state bonds, sell them to the E.C.B., and finance its repayment scheme (with a generous extension in place), there would be no need for austerity. Syriza would thus be in a position to decide exactly what it wants in terms of the internal budget, allocate spending and income on the basis of its own agenda, and even re-enter the market with new bonds. Quantitative easing is, however, premised on exactly this idea: that the E.C.B. will purchase state bonds, lock them away in a dungeon in Brussels, and forget their existence. It is for this reason that the economic powers pushing for austerity and restructuring (with Germany at the lead) specifically rejected the possibility of Q.E., as it would cause them to lose the bargaining leverage they have for imposing these policies.

The January 22 announcement by Draghi (head of the E.C.B.) that the E.C.B. will actually introduce Q.E. in the eurozone, a program which will engage in sovereign bond purchases, does indeed mark a relative change of policy in the eurozone.¹⁴ But the devil is in the details, and one had to sit through the Q&A session after the announcement, to hear Draghi explain what everyone more or less suspected: Greece will not be part of this Q.E., or at least, it will participate only to the extent that it keeps implementing the measures spelled out by the troika.¹⁵

We see that both pillars of Syriza's financing program from external sources, though not necessarily unrealistic in themselves, are premised on a continuation of austerity that undermines any enthusiasm for the future, at least in terms of the forthcoming negotiations. And it becomes more and more obvious that *at a political level*, some agreements can be made (allowing Greece in the Q.E. program and renaming debt restructuring "extension," in exchange for a certain continuation of austerity) allowing both parties of the "negotiation" to save political face and appear as victors.

The question then arises, how Syriza will be able to justify such a deviation from its anti-austerity program. The internal financial problems shed some light on this. To begin with, for Greece to be able to sort out its economic chaos, a balanced budget is absolutely critical. And though Samaras's government (with the assistance of the European Commission) announced a surplus budget in April 2014, in reality no such surplus existed.¹⁶ As a result, the budget at the moment is (more or less) at 3 billion euros, an amount that has to be found immediately, before Syriza even starts contemplating how to secure the funds for its €12 billion program. On top of this three billion euros, Greece has to come up with 31 billion euros to meet old and new loans from the troika (shared by the I.M.F. and the E.C.B. and maturing between late February and August 2015). So where will Syriza get the money for all this? The answer is not easily found. And most probably, the reason is that there is no answer. Syriza's own plan, so far, for securing these funds consists of reforming the tax system; attracting foreign investments and encouraging private ones in order to generate growth; and increasing the minimum wage.

The problem with these proposals is manifold. On the one hand, a reform of the tax system could potentially secure some funds but it is a strategy that many governments have promised without any success. But even if Syriza did manage some tax restructuring, it would take a minimum of two years for this ambitious idea to produce actual income for the state. And in terms of growth, it remains to be explained how foreign or private investment will proceed when banks have stopped issuing (or are unable, in the case of Greek banks, to issue) new loans. Last but not least, even in its most optimistic scenario, the increase of the minimum wage only affects a small part of the workforce, its contribution to G.D.P. is minimal, and it raises the uncomfortable question of what will happen to the rest of the wages. If we trust Stathakis's claim made almost a year ago, they will be frozen at today's levels.

The Explosion-Point of Illusions

In terms of the negotiations with the E.U., Syriza has made clear that it wishes to remain within the eurozone; it has clarified that it will not make any unilateral decisions—it knows that it needs the E.U.'s money to keep coming; and all that while renegotiating the terms of the bailout. At the same time, to its

voters and to the left, it has promised a (minimal but still ambitious) semi-Keynesian public spending, low-income-support, job-creating program, without taxing the rich or redistributing wealth.

It is clear that it is not possible for both of these scenarios to play out. For a negotiation to take place, both sides need bargaining cards. Syriza does not have one. But what it does have is the certainty that nobody in Europe wants a chaotic situation, the possibility of Greece exiting the eurozone,¹⁷ or the uncertainty that would emerge from such drastic changes. If we add the fact that, upon closer examination, none of Syriza's internal policies (that some people wish to present as radical, but in actuality seem to have a scary resemblance to the first memorandum agreement of 2010¹⁸) are such as would prompt the E.U. to interpret Syriza's government as, for example, *Jacobin* presents it, the situation becomes somewhat clearer.¹⁹

In line with Europe's strategy in the crisis so far (i.e. kicking the can down the road), and far from the enthusiasm that sees Syriza's victory as a turning point against European austerity, the following months will most likely be characterised by a cat and mouse charade: Syriza will ask for more time to re-adjust its program to the economic chaos it inherited from the previous government; it will ask for more time for Q.E. to reach Greece; it will ask for more time until their (only) ally in Europe (the Spanish Podemos party) actually wins an election in December 2015 (if it does). In the meantime, it can implement a few spectacular policies that will be empty of actual content (such as the increase of the minimum wage) to give the impression that it is actually changing things. And if the E.U. has decided to play along (and so far they seem to be on board), they can extend the same courtesy to Syriza as they did to New Democracy and create an atmosphere of economic recovery with fictitious surplus budgets and exits to the market. Meanwhile it seems that a certain form of austerity will continue, but in a way that only a left-government could get away with.

NOTES

1. **Between 2010 – 12, the social movement that emerged significantly challenged politics as a separate activity. It was not only the parliament that was consistently seen as a legitimate target (with its MPs harassed, even violently, whenever seen in public), but also traditional institutions of mediation (such as trade unions, the mass media, etc.) which saw their ability to create consensus seriously undermined. Syriza, however, worked in the opposite direction: An endorsement of a critique of existing political institutions and their legitimacy would be entirely contradictory and nonsensical for a parliamentary political party. And as soon as the possibility of forming a government started becoming increasingly realistic, Syriza did its best to forge alliances with representatives of the existing power mechanisms.**
2. **Keeping in mind that private sector wages were significantly lower than the public sector.**
3. **There have been, of course, some grandiose statements by Syriza members. See for example, S. Kouvelakis's interview on the history of Syriza in the January 2015 issue of *Jacobin* or Milios's statements about how Syriza is a "Marxist" party published in December in *Berliner Zeitung* (in German). But these are selective statements, made to outlets who already support Syriza, and are aimed at discussions within left-wing circles and expectations.**
4. **Before the 2009 elections, Syriza tried to draw support from the previous December uprising, centering its propaganda around the slogan "from the streets to the ballot box." The result was embarrassing, and yet indicative of Syriza's influence: 4.13 percent of the votes, almost 1 percent less than in the elections of 2007.**

5. It is interesting to note that the spectacular jump from 4 percent to 17 percent was made with a relative semblance of radicalism. Syriza comprehended that a large part of the population in Greece was expressing its anger against austerity, the troika agreements and the political apparatus as it stood. It thus adopted a harsh rhetoric calling for a unilateral refusal of the memorandum agreements, a rejection of austerity measures, and a call for an end to the continuous devaluation of the Greek economy. But the more Syriza's percentages grew, the more this rhetoric was replaced with more "sober" and Realpolitik announcements. At the same time, Syriza started attracting Pasok's disgruntled voters, inheriting in this way the people and mechanisms that Pasok's almost 30-year rule had created.
6. The two most obvious examples were the proposed teachers' strike and the shutdown of State Television (E.R.T.) in the summer of 2013. In the first case, a planned strike by teachers during the highly important national exams was pre-emptively made illegal by the government, who pledged at the same time that if the strike went on, the government would resign. Though more than 90 percent of local teachers' unions defied the threat and voted to go on strike, the (Syriza-led) central union cancelled the strike claiming "conditions are not ripe." A couple of weeks later, when E.R.T. was suddenly shut down, the shock wave brought thousands of people in the street, making it impossible for the government to stop the broadcasting which immediately transpired. With State Television on its side, Syriza could have at least enjoyed a pre-election campaign with unconditional support from the largest broadcaster of Greece, which had been occupied and promptly transformed into an outright anti-government propaganda mouthpiece. Alexis Tsipras was invited on the first days of the occupation to appear, and asked to explain Syriza's policies to the 2.5 million viewers (the highest number ever reached by E.R.T.). His answer was indicative: "this is not the time."
7. Of course, this line of argument contradicts the equally dominant one that Syriza actually has a program, but one that necessarily means that Greece will be forced out of the E.U., the drachma will return as currency, Greeks will have no toilet paper to wipe their ass, and Satan will prevail. But then again, pre-election periods are hardly benchmarks of consistency.
8. Electricity will be reconnected only after applicants arrange a repayment-through-installments deal with the electricity company, with Syriza guaranteeing to pay the first installment. Applicants have to prove their "poor" status by submitting detailed tax statements. The same goes for the program for ensuring housing: Syriza will subsidize rent, at three euros per square meter. Moving on, the restructuring of the tax system has been promised by every single government ever since the creation of the Greek state, leaving little hope that this time round it will be successful. Foreclosures on people's homes have not actually been carried out so far. A law forbids them until January 2015, but the main obstacle for implementing foreclosures is the banks themselves: if a bank declares a loan as non-refundable, they have to add it to their losses, thus increasing their overall bankrupt state. The return of the minimum wage only affects 10 percent of the workforce (and the latest agreed number was 640 euros not 751 euros), out of which those on part-time employment will see a 70 euros per month increase. The exact explanation why this measure will increase G.D.P. by 0.5 percent is nowhere to be found in Syriza's texts, and it seems that it is nothing but wishful thinking. Lastly, it is unclear whether collective bargaining will be re-introduced immediately or gradually in the next 4 years. However, the creation of 300,000 new jobs plus new unemployment beneficiaries is clearly a long-term plan for the next four years.
9. For those who can read Greek, the cost of Syriza's program is systematically analyzed at www.left.gr/news/i-kostologisi-toy-programmatos-toy-syriza. Unfortunately, the source of funding for this cost do not receive a similarly detailed expose.
10. G. Stathakis, interview in *Naftemporiki*, December 22, 2014.
11. Assuming for a second that the troika agrees to reduce Greece sovereign debt from 176 percent of G.D.P. to 100 percent, i.e. a 50 percent reduction and assuming that repayment is given a low rate of 2 percent, interest repayment reaches a 3.5 billion euros per year. Since Greece has no surplus, it will have to borrow money to repay that. In just 4 years, an additional 14 billion euros will be added to the sovereign debt.

12. In reality, the concept of “sovereign debt” is nothing but a useful ideological tool of economic discipline, that only has effect in special situations, such as the eurozone, where states share common currency (but not common monetary policy) and are thus unable to devalue or default on existing debt. Similar to other economic theory jargon, “sovereign debt” is irrelevant to the extent that the economy has the ability to generate growth. In fact, most economically advanced countries in the world enjoy large sovereign debts (U.S. is now at 75 percent of GDP, Japan is at 214 percent, Italy at 124 percent, France at 90 percent, and Germany at 87 percent), without this ever translating into austerity and harsh consolidation programs.
13. The 2012 P.S.I. agreement (the official term given for debt restructuring) was structured in such a way that it essentially swapped old bonds with new ones, with the burden falling on Greek insurance funds who suffered immense losses (the Journalists’ Fund, for example, lost around 50 percent of its assets) without even been given the choice to participate in the swap. Apart from that, the end result was in fact an actual increase in sovereign debt.
14. In this context, and because Syriza had already said that the introduction of Q.E. is part of its own plan for financing its anti-austerity program, Draghi’s announcement was greeted positively by Syriza. In fact, it was New Democracy that was further ridiculed, because Samaras had said that Q.E. is a stupid idea that will not become E.C.B. policy—furthering the impression that New Democracy was more out of touch with the E.U. than Syriza.
15. Since participation in the Q.E. program will be proportionate to each state’s contribution, assuming that Greece (with a 2 percent contribution) is given the chance to participate it would be entitled to 1.2 – 1.7 billion euros per month or 34 billion euros per year, since Draghi said that Q.E. will start gradually, with 60 billion euros each month. What was not announced, however, was what percentage of the 60 billion euros will go towards purchasing state bonds or other assets. An informed guess would say “not that many,” but feeling generous, let us just say that half of that will be in fact used for state bonds. That means, for Greece, 17 billion euros per year (0.6 – 0.8 billion euros per month). In a more realistic scenario, these 17 billion euros will actually be used to buy already issued bonds (Draghi clarified that), which probably means that they will be used to buy Greek bonds which are now in the hands of foreign banks who are trying to get rid of them.
16. The surplus was actually calculated using non-traditional measures, excluding a number of crucial payments that should have been made. The economic spokesman of the E.C. admitted that a certain “leeway” was given to Greece, making it clear that the decision to confirm a surplus was a political one. It bought time for the Samaras government, while at the same time giving the possibility to Germany to claim that there is “light at the end of the tunnel of austerity.”
17. Regardless of the official statements of Germany about the ongoing risk of a Greek exit, the fact is that no one is in a position to estimate the consequences that such a move would have for the E.U. And since neither Syriza nor anyone else has any willingness to dive deep into the waters of uncertainty, it seems more likely that a common agreement will be found.
18. The first memorandum was focused on a restructuring of the tax system, labor reforms that would attract foreign investments, generous support for the bank system, E.U. loans that would eventually allow Greece to re-enter the markets, and a clause on being especially sensitive to low-income/poor families. Sound familiar? With the exception of wage cuts (Syriza will not cut wages, but will not raise them either), the rest could well have been taken out of a Stathakis interview.

19. The announcement that Syriza will form a coalition government with the Independent Greeks (a far-right, anti-immigration, and anti-Semitic party) as a result of its failure to secure an absolute majority, simply on the basis of its anti-memorandum rhetoric, is already an embarrassing development.

Contributor

Cognord

COGNORD is unfortunate enough to have been born in Greece, and fortunate enough to have participated in the social movements which attempted to put a halt to the capitalist devaluation of that country. Shortly after the farewell party of the movement (the magnificent general strike and intense riots of February 12, 2012) he left Greece and settled in a cold place. Occasionally, he writes articles about his native land.

Eleven Melancholic Points Regarding the Future of the Greek Situation

By [Alain Badiou](#) / 31 August 2015

In July, in the wake of the 'No' vote in Greece's referendum, the philosopher Alain Badiou expressed his hope that a new sequence was opening up. [A few hours after Alexis Tsipras's resignation, he bemoaned the Greek prime minister and his advisors missing this 'unique' political opportunity.](#)

Translated by David Broder

1 We thought that we were right in thinking that the guiding principle of Syriza, winner of the Greek elections, was a vigorous 'No' to austerity. As such, we thought that it would categorically refuse all the anti-social, regressive conditions – attacking the most basic principles of the aspiration to equality and a tolerable life for the people – which the various financial authorities and their European cover made the condition of their loans. Many people furthermore rejoiced in the possibility of a new political orientation finally emerging in Europe, one absolutely different from the reactionary consensus in which all states have kept their respective public opinion for thirty years, whether out of consent or by force.

2 Of course, already at that time we could find a lot of arguments for moderating this hope. Not least this miserable word 'austerity', which gave the impression that we could achieve its opposite (which is what – 'wellbeing'?) without changing too much, even when everything seemed to indicate that [Syriza's] opponents – the people in power and their sponsors in the globalised, untamed economy – had not the least intention of changing anything, and even sought to consolidate and aggravate the dominant tendency, which they manage and profit from. So we noted the danger of accepting inalterable rules in order to get into power: elections, uncertain majorities, little control over the state apparatus and still less control over financial powers, the organised temptation to make corrupting compromises – in short, a very narrow margin for manoeuvre. And finally we saw that Syriza did not truly entertain close and organised political links with the mass of people. Rather, its success was a success in terms of public opinion – which is by definition fickle – and above all lacked controls, providing no guarantee against the both internal and external assault by opportunism, for which reaching power and staying there is the only rule. For all these reasons, I belonged to the camp of sceptics.

3 I must admit that just as the five months of 'negotiations', which passed without the Tsipras government undertaking any spectacular initiatives, were discouraging and provided justification for my reasoned pessimism, the decision to take recourse to the referendum – and, even more so, the excellent result (with a sharp, mass 'No' to the creditors) – could be interpreted as the thing that would finally open up an absolutely new political sequence. It seemed that a true adventure was on the order of the day, in a rediscovered dialectic between the state and its people. [In these columns, I myself displayed such hope.](#)

4 We can say that it was nothing of the kind, and that we were mistaken in our judgement.

5 What did we imagine might happen (wrongly, it seems)? Well, simply that the Greek government and Alexis Tsipras were defining a new stage in their politics, *deciding to draw the consequences from the referendum, and from the referendum alone*. Which amounted to saying: there is now an imperative popular mandate for categorically refusing the measures that the creditors demanded – and, moreover, this conformed to the hard core of Syriza’s programme. And it was necessary to make this statement not only without declaring that Greece was leaving Europe, but also in explicitly and loudly stating, on the contrary, that Greece was staying in Europe, as the majority of Greeks wanted. And that Greece’s decisions to come, taken by the state under the authority and under the watchful eye of a mobilised people, would give all peoples and all governments the example of a new and free way of being part of Europe.

6 In the wake of the referendum it was possible to put the ball back in the Eurocrats’ court, speaking in the following terms: we are in Europe and the euro, but our people have mandated us to categorically reject your conditions. We have to resume the negotiations, without repeating the grave error of these conditions, which as the referendum showed, are working against the Europe of peoples and not for it. There should have been a firm statement to that effect on the night of the referendum, forcefully emphasising the three points that 1) this was no rejection of Europe, 2) there could be no acceptance of the conditions posed for the payment of unjustified and unpayable debts; 3) this was the beginning of a new path, open to all, toward a peoples’ Europe and not the banks’ Europe.

7 Your politics exist only if you substitute a different problem for the one being posed by your opponent. Your opponent says: either you obey me, or else you quit Europe. It is the opponent and the opponent alone who creates this notion of ‘Grexit’ and starts waving it around. The Greek government absolutely should not respond by playing along with the same script as the Europeans, with the sharp German mother, the kindly but timid French daddy and the naughty little Greek kid – a narrative that it seems that Tsipras did, alas, ultimately take his place in. Why not instead tirelessly respond ‘Grexit isn’t on our horizon. There can be no question of this. For us the problem is: either you change your conditions, through negotiation, or else we will bring about a different way of dealing with the crisis, and will fully accept the consequences of this. A different way that we propose that all the governments capable of doing so should rally to, together with all available political forces across all of Europe, which you have no means of excluding us from’ – ?

8 To put it another way: perhaps there was no immediately practicable plan B on the currency question (which, again, is far from certain) but *there was a political problem B, which it was necessary to carry forward unwaveringly*, and cannot be reduced to the problem ‘either accept, or else it means Grexit! That was not the attitude that Tsipras and the group advising and supporting him took. They agreed to play the role of the troublesome schoolboy making progress, in the piece of theatre put on stage by the European capitalist Seraglio. They slowly but surely adopted a position within the terms of the problem as it was posed by the opposing camp, and day after day they continued to do so, solely to make people believe that it’s for the best that they are in power rather than the other parties (who they will soon be governing with!). In fact, if things are as they claim, then it would be more honourable for them to depart, which would be an infinitely better preparation for the future. This type of capitulation is worse than the previous governments’ limp and abject deference, because it weakens a little further the

idea – which is already very ill-at-ease in Europe – of true political independence; and it has done so in exchange for insignificant gains, or even at the cost of a tangible worsening of the people's situation.

9 In this whole affair, the referendum and the referendum alone created what I would call a pre-evental situation. The government appealed to the people; the people responded positively, and expected the government to respond to its response *within the register of the act*. It was a unique moment. Alexis Tsipras 'responded' saying... that he would continue like before. He denied that the very thing that he had organised was of any relevance, on the register of political decision. What we can say of such an attitude is not even a question of Left or Right; Tsipras and his advisors proved themselves incapable of doing what even conservatives like De Gaulle or Churchill could do, not to speak of great revolutionaries. They could not, or did not want to take a true political decision (which is indeed something rare – that much is true): the decision that creates a new possibility, whose consequences have to be explored, and in so doing mobilising all those grasped by the urgency of the act, far beyond the political authorities alone. Faced with the European bureaucrats, they did not adopt the same style that Mirabeau and the deputies of the Third Estate did in 1789, after the King called on them to disperse: 'We like you are in Europe and the euro. Unlike you, we are the bearers of another vision of both Europe and the euro, through the will of the people. If you want Grexit, then say so clearly, and try and inflict it on us by force!'

10 In short: in my view, the downfall of Tsipras and his group was simply the fact that they did not do politics when, miraculously, perhaps in the scope of just a few hours (the night of the referendum?) it was up to them to do so. After this missed opportunity, I fear that we will return to the usual mishmash: Greece won't mean anything to anyone anymore, it will pay what it can, people will be a bit more demoralised and miserable, and we will forget this whole episode in the great turmoil of capital across the planet.

11 If history's great moments have one lesson it is that any political opportunity is rare, and will never come around again. We could say that since the nineteenth century social democracy has defined itself as follows: in never grasping *in the act* the rare opportunity to make a new political possibility exist, but, on the contrary, in doggedly working to act as if this opportunity had never existed. Are Alexis Tsipras and his government team the new social-democrats – which capitalo-parliamentarism has such great need for, given the constant, tired wretchedness of the old ones - ?If that it is the case – if it is simply changeover time for the established order and its guard on the Left – then let's speak of it no more. If new twists and turns – including the fraction of Syriza that is opposed to the present course of things becoming more structured and powerful – show that the search for a new political path at the European or even world level is still alive in Greece, then we will rejoice in that wholeheartedly.

MY AIM HERE is to explore an issue which is central to the strategy for the renewal of the socialist project, about which, however, I detect considerable confusion among socialists. This is the issue of *the state*. Now a great deal has been said about the role of the capitalist state by the Left, especially in recent times. It has almost acquired the status of a fashionable political topic. My purpose is not to review this already complex literature, but to come at the problem from a slightly different angle. I believe that the status of the state in current thinking on the Left is *very problematic*. Many socialists now stand in a very different place, on the question of the state, than they would have taken up ten or twenty years ago. And yet, I believe that we have not fully confronted or explained to ourselves why we have changed our minds or how this new thinking about the state is likely to influence strategies for the Left.

I am well aware that this kind of exploration is a dangerous exercise. One of our present dilemmas on the Left is the habit of thinking that we *already know* what the content and future of socialism is. We talk of socialism as if it were an already completed agenda: the script of a play which is already written and only waiting for someone to put it on stage. Of course, there is a tradition of socialist thought and struggle to draw on. But, tradition is a tricky concept, especially for the Left; a two-edged sword, more diverse and contradictory in reality than we make it appear when we construct it retrospectively. Our thinking about socialism must also reflect the history and experience of socialism as it actually exists - with all its vicissitudes. It must also ground itself in current realities, take the pressure of our time, reflect the world around us in order to transcend it. Paradoxically, socialism will perish unless it is able to grow out of the very soil of modern capitalism, which despite everything, is still expanding, still revolutionising the world in contradictory ways.

I do not, therefore, believe that what 'we have always thought about the state' on the Left will necessarily *do* for the next ten decades; or that posing ourselves difficult questions is necessarily a sign of the weakening of faith. We should leave Faith to The Believers. Indeed, that other way - socialism as an already finished project - is one of the most powerful sources of, and an excuse for, that profound sectarianism which has always had a strong presence on the Left and which I detect rising like the smog once again, as those who dare to put a question mark over our received wisdoms

Where does the Left stand on the state? Straightforward. . . or is it? Not any longer. Ten years ago, the Left was broadly for state intervention and state agencies - of the appropriate kind. But postwar experience, and Thatcherism, are forcing a major rethink.

The State-



Socialism's Old Caretaker

Stuart Hall

are instantly accused of treason, labelled as the enemy, or dismissed as 'pink professors misleading the Left' (in Tariq Ali's recent, immortal phrase) and despatched into outer darkness.

So why the problem?

So, braving the terrors of excommunication from the newly appointed guardians of orthodoxy, let us pose once more the question of where we stand on the question of the state. It is not difficult to see why the state has become problematic in recent years. This must reflect, on the one hand, our response to the whole experience of 'actual-existing socialism' where, instead of progressively withering away, the state has become a gigantic, swollen, bureaucra-

tic force, swallowing up almost the whole of civil society, and imposing itself (sometimes with tanks), in the name of The People, on the backs of the people. Who, now, can swallow without a gigantic gulp the so-called temporary, passing nature of the 'dictatorship of the proletariat'? On the other hand, the very same period, since the end of World War II, has witnessed a parallel, gigantic expansion of the state complex within modern capitalism, especially in Western Europe, with the state playing an increasingly interventionist or regulative role in more and more areas of social life. It has become far and away the largest single employer of labour, and acquired a dominant presence in every sector of daily existence. What are we to make of *that* unexpected development, never adequately predicted in the classical Marxist literature?

Even more difficult to work out is, what is our attitude towards this development? On the one hand, we not only defend the welfare side of the state, we believe it should be massively expanded. And yet, on the other hand, we feel there is something deeply anti-socialist about how this welfare state functions. We know, indeed, that it is experienced by masses of ordinary people, in the very moment that they are benefiting from it, as an intrusive managerial, bureaucratic force in their lives. However, if we go too far down *that* particular road, whom do we discover keeping us company along the road but - of course - the Thatcherites, the new Right, the free market 'hot gossellers', who *seem* (whisper it not too loud) to be saying rather similar things about the state. Only they are busy making capital against us on this very point, treating widespread popular dissatisfactions with the modes in which the beneficiary parts of the state function as fuel for an anti-Left, 'roll back the state' crusade. And where, to be honest, do *we* stand on the issue? Are we for 'rolling back the state' - including the welfare state? Are we for or against the management of the whole of society by the state? Not for the first time, Thatcherism here catches the Left on the hop - hopping from one uncertain position to the next, unsure of our ground.

Perhaps it might help if we knew how we got into this dilemma. How *did* we get here? This is a vast topic in its own right, and I propose to look at only four aspects here. First, how did the British Left become so wedded to a particular conception of socialism through state management, the essence of what I want to call 'statism' or a 'statist' conception of social-

ism? Secondly, I want to sketch some of the reasons why the very expansion of the state, for which so many on the Left worked so hard, turned out in practice to be a very contradictory experience. Third, I want to confront head on the confusion caused on the Left by the 'libertarianism' of the Right - the way Thatcherism has exploited the experience of welfare statism and turned it to the advantage of the new Right. Finally, I want to consider some aspects of the changing social and economic relationships today which have influenced spontaneous attitudes on the Left - what I call the growth of a left libertarianism. In conclusion, I can only roughly indicate some directions in which our thinking needs to be developed.

The history

First, how did the British Left get so deeply embedded in a statist conception of socialism? After all, it was not - as many people imagine - always like that. The state did not have that central, all-pervasive role in early socialist thinking. Marx and Engels understood the role of the capitalist state in developing a whole social and political order around a particular mode of exploitation and spoke briefly but vividly about the need to destroy it in its existing form. But their thinking about the *future* role of the state in the transition to socialism was extremely sketchy. Other radical currents of thought in British socialism were, if anything, more anti-state than pro-state in their general tendency. Even in the key period, between the revival of socialism in the 1880s right through to the 1920s and the emergence of the Labour Party in its modern constitutionalist form as *the* majority party politically representing the working classes, a statist-oriented brand of socialism within Labourism and the labour movement, had to contend with many other currents, including of course the strong syndicalist currents before and after World War I, and the ILP's ethical Marxism later with their deep antipathy to Labour's top-downwards, statist orientation. One of the many tricks which the retrospective construction of Tradition on the Left has performed is to make the triumph of Labourism over these other socialist currents - the result of a massive political struggle, in which the ruling classes played a key role - appear as an act of natural and inevitable succession.

And yet, it was precisely in this critical period - between 1880s and the 1920s - when the parameters of British politics for the following 50 years were set for the first

time, that statism took root in British political culture. In those days, what we now call 'statism' went under the title of 'collectivism'. What is crucial for our analysis is the fact that there were *many* collectivismisms. 'Collectivism' was a highly contradictory formation, composed of different strands, supported in different ways by the Right, the Centre and the Left - if, for convenience, we can use those somewhat anachronistic labels. Collectivism was regarded by many sections on the Right, and by some influential sectors of the leading classes, as *the* answer to Britain's declining fortunes. The country - the new collectivists believed - required a programme of 'national regeneration'. This could only be undertaken if the old shibboleths of laissez-faire were finally abandoned and the state came to assume a far greater role of organic leadership in society. A 'populist' bloc of support, they believed, could be won amongst the dominated classes for such a project, provided the latter were 'squared' by state pensions and other Bismarck-type benefits. This was the programme of both the 'social imperialist' and the 'national efficiency' schools, and of the highly authoritarian populist politics associated with them. And though they did not carry their programme in detail, they were extremely influential in pioneering the shift in the allegiance of British capital from its former commitment to laissez-faire, to its newer link with a certain type of capitalist state interventionism.

Statism equals socialism

There is no space to deal with the links between collectivism and the 'centre', but it is a critical link in the story to remember that it was also on this very question of 'the state' that the 'old' Liberalism transmuted itself into the 'new' Liberalism: and that the new Liberalism was, in its own time, the pioneer of the thinking which lay behind the early installment of the welfare state (in the 1906-11 Liberal administration) and, in our time, is really the political force which created that space in British politics which we would now call 'social democracy'.

But the key factor for our purposes was the progress which collectivism made, under essentially Fabian inspiration, inside the labour movement and in the Labour Party. In this period Fabianism established its ascendancy as *the* philosophy of socialism for Labour. Collectivism became, to be blunt, what the Webbs and their many followers *meant* by socialism. That is, progressive legislation, social wel-

fare, a measure of redistributive justice, pioneered through the state by a political elite legislating on behalf of the working classes, (who were required to elect 'their government' to office but who were, of course, too inexperienced to rule on their own behalf); resulting in a gigantic state complex, administering more and more of society in the interest of social efficiency, where the experts and the bureaucrats would exercise a 'benevolent dictatorship' through the state, servicing society's many and complex needs. It was in this formative period that the statist conception of socialism became rivetted in place, as the dominant current within Labourism and the British Left.

We have no space to sketch the long, torturous route which led from the emergence of this statist conception of socialism in the 1920s to the much-transformed reality of the modern state and state interventionism as we know it since post-1945. Suffice it to say that the path from one to the other was by no means straightforward. Nevertheless, the welfare state was constructed after 1945 on those earlier foundations, and is rightly regarded as the crowning achievement of the postwar Labour government, the high tide of the spirit of popular 'war radicalism', and the most advanced achievement of the reformist tradition of British social democracy.

The logic behind this development in the second half of the twentieth century is not difficult to understand, even though we may not subscribe wholeheartedly to it nowadays. The argument ran as follows: capitalism has a thrust, a logic of its own - the logic of private property, capital accumulation, possessive individualism and the free market. This logic 'worked', in the sense that it created the modern capitalist world - with, of course, its necessary 'costs': exploitation, poverty, insecurity for the masses, class inequality, the many inevitable victims of its 'successes'. The Left, it seemed, had only one alternative: to break the 'logic of the market' and construct society around an alternative logic - a socialist one. But to do this, it needed an alternative centre of power, an opposing rallying-point, to that of capital and the market. This opposing force was *the state*. Either the state could be used to make inroads into the 'logic of the market', to modify its excesses, abate its extremes, graft alternative goals (eg, needs not profits) on to the system, impose a redistributive logic on the unequal ways in which capitalism 'naturally' distributes its goods and resources: this was the *reformist* alternative. Or else, the power of capital

and the market, installed behind the capitalist state, had to be actively broken - 'smashed' - and the major social processes 'socialised' or made public by being progressively absorbed and taken over into the state: this was the revolutionary road. Both, it is clear, involved, to different degrees, massive inroads into the 'logic' of the market by expanding the role of the state.

The two great blocs

I believe this crudely drawn political landscape, blocked out into its two, great, opposed 'continents' - the domain of capital and the market versus the domain of the logic of social needs, imposed through the state - is how the vast majority of us first entered into basic political thinking. It is only a slight exaggeration to say that these remain the two fundamental formations in British political culture - more inclusive, in a way, than the traditional division into Left and Right. They have helped to set the parameters within which British politics have fluctuated since the turn of the century. An essential part of the 'historic compromise' between the classes struck in the interwar period was the new balance established between 'state' and 'civil society'. On this basic 'settling of the boundaries' much of the stability of Britain as a

capitalist democracy has depended. It was the shifting of these boundaries, in some sectors, away from the free play of market forces, and closer to the reform-through-the-state pole, which constituted the 'revolution' of the Keynesian welfare state and the post-1945 settlement. This new consensus, basically, lasted up to the advent of Thatcherism in the mid-70s. It is this 'settling of boundaries' which the new Right challenged. Restoring the free market principle to its former ascendancy is once again the fulcrum of politics, the key dividing line between Right and Left. That is why the question of the Left's attitude to the state now matters so profoundly.

All this makes it sound as if the balance of forces on this question has been steadily moving in the reformist direction. Why, then, has this development of the state been so problematic for the Left? One reason is that the state has gone on expanding and developing powered, so to speak, by *both* the Right and the Left. We still speak of the 'capitalist state'. But, in fact, we no longer behave as if it had single, monolithic class character. The Left, despite its rhetoric, has *its* part of the state too: the welfare state, which distributes benefits to the needy; serves society's needs; redistributes resources to the less well-off; provides amenities - and all on a universalistic basis, rather than on the market terms of 'ability to pay'. The NHS is the classic example. Despite its dependence on the private sector and the inroads into it made by private medicine, the NHS is still generally regarded and experienced as having broken the logic which connected health and medical care to wealth and the private ability to pay, and installed in its place the idea of medical need served by a universal provision. The history of Nye Bevan's struggles to install the NHS demonstrate, not only how bitterly the market forces resisted this inroad into their territory, but how impossible it would have been without an alternative centre, capable of organising a materially different system of provision - the state.

How could anyone who understood the material difference which this has made in the lives of countless ordinary people regard this development as contrary to the logic of socialism? We - rightly - want to see *more* of this, not less: more aspects of life organised on a similar principle. The Social Affairs Unit of the Centre for Policy Studies, the Thatcherite 'think tank', proposed in its pamphlet, not simply to cut back the welfare state on pragmatic grounds of cost but to 'break the spell' of

the welfare state. And those boys - Sir Keith Joseph's shock troops masquerading as an independent research unit - know what they are doing. This centrality of the state to the Left is not confined to the area of welfare and benefits. We have tended to think that the nationalisation measures of the 1940s and 1950s and the Keynesian interventions in economic life, which increased rapidly in the 1960s and 1970s, failed, not because they went too far, but because they did not go far enough. The Left is still basically wedded to a *positive* view of the state's role in socialist construction.

The two-edged state

Matters are not quite so simple. Few areas of the welfare state are as clear cut in their positive image as the NHS. Also the welfare and benefit side is not the only form in which the state has expanded in post-war society. We have seen the parallel expansion of the *warfare* state, too. And of the repressive, 'policing' aspects of the state: the state as coercive agent, defending the social order, punishing the deviant, extending its surveillance into civil society, disciplining the citizenry on to the straight and narrow, its operations increasingly shrouded in secrecy, beyond all normal forms of accountability. The 'Orwellian' state is alive and well, not only in Eastern European socialist democracies, but in Western European class democracies, alongside the welfare state. The state which gives out benefits also snoops on its recipients. Then there is the size and scale of the administrative side of the state, coupled with its bureaucratic mode of operation. People, when they are being 'done good to' by the state, increasingly *experience* it, in reality, as being 'put in their place' by it: by 'experts' who always know better, or state servants who seem oblivious to the variety of actual needs on the other side of the counter. The feeling is very deep that the *way* the welfare state works makes people into passive, greedy, dependent *clients* much of the time, rather than people claiming rights from a state which is supposed to be *their* state, representing them against the logic of the market.

Then there is the awareness that welfare states have become general throughout capitalist systems, with levels of benefit which have long since outstripped ours, and performing functions not only imposed on capital by the working class but necessary to the survival of capital. Free secondary education is, after all, *both* a long standing radical demand *and* a reform



imposed on the idea of an educational market place *and* the degree of training and skilling a modern capitalist system requires. The welfare-reformist and the reproductive aspects of the state are increasingly difficult to distinguish. As state functions multiply, so more of us are working in state-related jobs. The changing composition of the working class and the changing pattern of industrial conflict have moved increasingly to these contested sites within the state. Even there we are aware of the *double-sided* character of our work. The slogan which most accurately expresses our dilemma and captures this contradictory reality is 'In And Against The State'. Increasing numbers of us are, regularly, *both*.

New Right libertarianism

This brings us to the 'libertarianism' of the new Right. Because it is exactly this contradictory experience of the state on which Thatcherism capitalised. It rooted itself in these dissatisfactions, and inflected them into a whole broadside against the very principle of welfare *as such*. The new Right harnesses these popular discontents to its cause, converted a dislike of the bureaucratic features of statism into a full-scale assault on the 'creeping tide of socialism' and the 'nanny state'. On these negative foundations it built the new positive gospel of the market as the universal provider of goods and of The Good; launched the savaging of public expenditure as a testament to Virtue; initiated the privatisation 'roll back'; and raised the war-cry of Freedom and its identity with the free market. The new Right presented itself as the only party committed to oppose the exponential growth of the state, its penetration into every corner of life. This was one of the key ways in which Thatcherism cut into the territory of the traditional Left, disorganised its base and made itself 'popular'.

The problem for the Left is that the dissatisfactions with the state are real and authentic enough - even if Thatcherism then mis-describes and mis-explains them. Thatcherism did not invent them - even if its remedies for the problem are fictitious. Further, *it* exposed a weakness, a critique, of the existing system which the Left had made too little of: the deeply *undemocratic* character of state-administered socialism. Most disconcerting of all, this revealed that the Left and the new Right share, on this question, some of the same ground!

This was particularly disconcerting because the Left believes that ideology marches in exclusive blocks of ideas, each block attached to its appropriate class or political position. It is therefore extremely odd to find the Left sharing with 'the class enemy' a critique of statism - even if, when the conclusions from that critique are drawn, the two sides radically part company. Of course, the problem here lies in the fact that ideology does *not* function in blocks. The idea of liberty, on which the whole anti-state philosophy was predicated, does not belong exclusively to the Right. They appropriated a certain version of it, linked it with other reactionary ideas to make a whole 'philosophy' and connected it into the programme and the forces of the Right. They made the idea of Freedom equivalent to and dependent on the 'freedom of the market' - and thus necessarily opposed to the idea of Equality. But freedom or liberty - in the wider sense of social emancipation - has always been a key element in the philosophy of the Left. Within this chain of ideas, emancipation *depends on* equality of condition. It is the equation with the market and possessive individualism which limits it. So what the Left urgently needs is to reappropriate the concept of freedom and give it its real expression within the context of a deepening of democratic life as a whole. The problem is that *this* socialist conception of

Freedom is not compatible with - is in fact deeply undermined by - the idea of a state which takes over everything, which absorbs all social life, all popular energies, all democratic initiatives, and which - however benevolently - governs society *in place of* the people.

Choice

Perhaps we can all agree about 'emancipation'. It has a resonant feel to it, and touches very deep chords - as the new Right correctly understood. But what about another, trickier aspect of Freedom: the question of *choice*? I am not sure the idea of 'choice' has so far played a very central role in thinking on the Left. And yet the most widespread and basically correct 'image' of actual-existing socialism among ordinary working people is the drab lack of diversity, the omnipresence of planned sameness, the absence of choice and variety. Our concept of socialism has been dominated by images of scarcity. The trouble is that on the question of choice, capitalism and the free market seem so far to have the best tunes. But *is* the idea of choice, which is intrinsic to the whole critique of statism, an *essentially* reactionary, right-wing capitalist idea?

I suspect this is partly a generational matter. Socially, culturally, in everyday economic life, younger people set enormous store by choice and diversity. And they see as the principal enemies of diversity *both* big, corporate capital *and* the big state. They know what Thatcherite economists do not seem to know - that the maximisation of popular choice does *not* flourish in the storehouse of corporate capital, with its carefully calculated marketing and financing strategies. And they do not naturally associate it with the equally corporatist 'bureaucratic' modes of operation of the state. But, unfortunately for the Left, they *have* found a measure of choice in what we can only call the inter-

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stices of the market. At the small end of the market, where the big battalions and competition to the death do not entirely dominate, small initiatives sometimes have a chance, and a degree of entrepreneurship can create openings, or recognise a new need, even a new *social* need, and experiment to a degree with satisfying it. I certainly don't mean to paint a rosy picture of the degree of openness which exists here: *all* markets are constrained above all by inequality. But most of the innovatory trends in everyday life with which younger people spontaneously identify - in music, clothes, styles, the things they read and listen to, the environments they feel comfortable in - operate on what one can only call an 'artisan capitalism' basis. These things are in constant danger of being regulated out of existence by the state or ripped off by the big commercial providers.

Left libertarianism

Nevertheless, inevitably, the actual daily cultural experience of diversity has come to be identified with a certain conception, or rather, a certain experience of *the market*. And this is by no means confined to non-political people. Culturally, where would the Left be today without initiatives like *City Limits* or a thousand other small, 'independent' publications; or Gay Sweatshop and hundreds of other little theatre groups; or Virago and History Workshop and Readers and Writers Cooperative and Compendium and Centreprise and Comedia and - you name it? Young people on the Left or Right do not expect to hear the new sounds which speak to them of their time on either BBC or ITV, though they might catch them from the 'independents' clustered around Channel Four, from Radio Laser or even, God help us, the dreaded, arch-commercial, 'pirate' Radio Caroline. Much of this is radical initiatives operating precariously in the margins of the capitalist market. But even when you move from the margins of the market, the postive sentiments of younger people on the Left, post-1968, instinctively gravitate to those local or 'grass roots' initiatives, where people, by their direct self-activity, can be persuaded to supplement or develop new struggles around the existing bureaucratic forms of provision of the state. The libertarianism of the Right has been matched, I believe, by a steady and unstoppable, slow but strong current of 'libertarianism' on the Left - mirroring, in its own way many of the broader social and economic trends at work in society, transforming daily life and everyday attitudes,

including those of the younger generations on the Left.

Does all this then add up to a covert invitation to give up another set of 'old' socialist ideas, lie back and learn to love the free market? Not at all. But it *is* an invitation to open our minds and fertilise our imaginations a little by direct infusions from the contradictory reality of what Marx, in his simple way, used to call 'real history'. For one thing, we know that, wherever in Eastern Europe, under the actual-existing socialism, the system of rigid economic planning of life, from steel factories to hat pins, has been relaxed a little, the first - though not necessarily the final - form which this has assumed is a return, within the framework of socialist planning, of some 'free market mechanisms'. This is not a problem to be left to left economists and experts on Eastern Europe since the image and reality of actual-existing socialism is a problem for *all* socialists and has been such a trump card in the Right's struggle against the very appeal of socialism in the West. The second lesson we might draw is linked with this re-evaluation of a whole historical experience, though not in a directly organisational way. It is simply the re-examination of the new impetus towards choice, the new spirit of pluralism and diversity, which has become such a driving force of the masses under advanced capitalism and which will have to be more centrally reflected in our thinking about socialism if we are ever to convince large numbers of people that socialism is a superior 'way of life' to that which, with all its ups and downs, they already know. Why else should the toiling masses under capitalism ever commit themselves to an alternative which offers them *less* than they can currently get?

No room for naivety

I don't think we can afford to be *naive* about the state. Negatively, though the state is a contradictory force, it does have a systematic tendency to draw together the many lines of force and power in society and convert them into a particular 'system of rule'. In that sense, the state *does* continue to organise and orchestrate the space of capital accumulation in its broad societal aspects, and hold a particular, exploitative social order in place. This is *not* a neutral function - though it is not the state's only function, either. But insofar as it is its role, the state has to be dismantled, and another conception of the state put in its place. The lesson I think we can draw here is that we have as yet a wholly

inadequate conception of how a socialist state would operate in ways which are radically different from that of the present version.

We can't afford to be naive about the market either. It *is* the principal exploitative mechanism of a capitalist social order when set to work in the context of private property and capitalist economic forms. I am not sufficient of an economic expert to know whether some aspects of the market can be combined with socialist economic forms but I am sure we need to ponder the idea more deeply. Certainly, I feel sure that socialism cannot exist without a conception of *the public*. We are right to regard the 'public sector', however little it represents a transfer of power to the powerless, as an arena constructed against the logic of capital. The concept of 'public health' *is* different from the idea of private medicine because it deals with the whole environment of health, which is more than the sum of individual healthy bodies - a *social* conception of health as a need, a right. 'Public transport' is not simply a practical alternative to private transport because it embodies conceptions of equal access to the means of mobility - to movement around one's environment as a publicly-validated right. The idea of 'public space' signifies a construction of space *not* bounded by the rights of private property, a space for activities in common, the holding of space in trust as a social good. In each case the adjective *public* represents an advance in conception on the limits of possessive individualism, of liberal thought itself. In this conception of the public and the social, socialism is *still ahead*. And the public can only be carved out of market space, capital's space, by the engine of state action.

The state and society

On the other hand, 'the public' cannot be identical with the state. Once the logic of capital, property and the market are broken, it is the diversity of social forms, the taking of popular initiatives, the recovery of popular control, the passage of power from the state *into* society, which marks out the advance towards socialism. We can envisage a 'partnership' between state and society, so long as the initiative is always passing to society, so long as the monopoly over the management of social life does not come to a dead halt with the state elite, so long as the state itself is rooted in, constantly draws energy from, and is pushed actively by popular forces. One of the reasons why some of the things which have developed around the GLC are

so exciting, so pre-figurative for the Left, is precisely that one begins to see here and there a glimmer of a local state transforming the ways in which it 'represents' society politically; being *more* dependent on the passage of power, through the state, to the constituencies than it is on monopolising power; hence, of how a new principle, centralised through the instrumentality of the state, can then yield space to a wide variety of different forms, social movements and initiatives in civil society. What is no longer tenable or tolerable is the state-management of society in the name of socialism. Pluralism, in *this* sense, is not a temporary visitor to the socialist scene. It has come to stay.

We could put all this another way by reminding ourselves that what Marx spoke of when he referred to socialism was the *social* revolution. The democratisation of society is as important as dismantling the bureaucracies of the state. Indeed, perhaps the most important lesson of all is the absolute centrality to all socialist thinking today of the deepening of democracy. Democracy is not, of course, a formal matter of electoral politics or constitutionalism. It is the real passage of power to the powerless, the *empowerment* of the excluded. The state cannot do this for the powerless, though it can enable it to happen. They have to do it for themselves, by finding the forms in which they can take on the control over an increasingly complex society. Certainly, it does not happen all at once, through *one* centre - by simply 'smashing the state', as the sort of socialist thinking which is fixated on the state would have it. It has to happen across a multiplicity of sites in social life, on many different fronts, including, of course, the state itself, whose tendency to concentrate power is precisely what constitutes it as a barrier to socialism. Gramsci advanced the profound idea that hegemony is not constituted only by the state, but in the multiple centres of civil society. It follows that an alternative conception of socialism must embrace this struggle to democratise power across all the centres of social activity - in private as well as public life, in personal associations as well as in compulsory obligations, in the family and the neighbourhood and the nursery and the shopping centre as well as in the public office or at the point of production. If the struggle for socialism in modern societies is a war of position, then our conception of socialism must be of a society of *positions* - different places from which we can all begin the reconstruction of society for which the state is only the anachronistic caretaker.

History Workshop 18.

at Moat Community College,
Maidstone Road, Highfields, Leicester
16th - 18th November 1984.

Programme:

The Means-Test Man Andy Croft • **Chartist novelists** Bob Windsor • **Love on the Dole** R & E Frow • **Robert Tressell** Alan O'Toole • **Fred Boden and "Miner"** Anthony Gray

The Labour Government and Education 1945-51 Brian Simon • **The attack on "liberal" education** Sidney Lubin • **Consensus to confrontation** Simon Kirk • **Teachers and the Working class** M Levitas • **Adult and Worker's education - Russell and after** Bill Hughes • **Education for girls - a step backwards?** Rosemary Deem

Industrial bladder cancers Andy Slovák • **Asbestos - Employers and the State** Alan Dalton • **The Ideology of Public Health Reform** Gerry Kearns • **Smallpox and the anti-Vaccination movement** Dr SM Fraser • **The Leicester Board of Health** Malcolm Elliott • **Pawnbroking and working-class credit** M Tebbutt • **Working class housing and rents** David Englander • **Feeding the people of Birmingham** Peter Jenkins

Socialist Sunday Schools Doug Bourn • **Woodcraft Folk** Chrys Salt • **Half-timers in education** Ruth Frow • **Hooligans or rebels?** S Humphries

The APCF and the Spanish Civil War Mark Shipway • **Dr Creaghe - a neglected British anarchist** Alan O'Toole • **Anarchist influences in the CND 1958-65** Laurens Otter • **Direct action in working-class housing** Colin Ward • **Kropotkin and the new unionism** Caroline Cahm • **The history of anarchism and Anarchist History** John Quail • **Malatesta in London, 1881-1919** C Levy • **British Tolstoyism in the 1890's** Michael Holman • **Ambrose Barker: anti-State socialism and the radical tradition** Chris Milburn • **Preliminary investigations into the Anarchist movement in East London** Phil Ruff

Co-operative and communal corn-milling JAN Bamfield • **Co-operative society Libraries** S Drodge • **Friendly Society ritual and ceremonial** Sherri Steel • **Working Men's Club Life** Tim Ashplant • **The Derby Turn-out of 1833-4** G Stephenson • **The Chartist Land-plan** Malcolm Chase • **Origins of Gladstonian Liberalism** Alan Little • **John Skeffington and Loughborough Chartism** S Richardson • **An East Midlands Cabalist sect** Logie Barrow • **New perspectives on the career of Thomas Cooper** Stephen Roberts

English attitudes to C17th Ireland Anne Lawrence • **"They will forget that I'm an Irishman"** J Hoffmann • **Belfast Labour at the time of Partition** Austen Morgan • **Irish feminism 1860-1920** Mary Cullen • **The ITGWU over 75 years** Francis Devine • **The Irish Co-operative Movement** Patrick Bolger • **Irish identity - nationalist or socialist?** Sean Hutton

The twentieth century Factory Joan Skinner • **Council housing in the inter-Wars period** Ned Newitt • **Rehabilitating working-class housing** Rod Hackney • **Harlow New Town** Judy Attwood • **Coventry: reconstruction of the Modern** Coventry Design • **Miners and Art** Doug Gray • **Images of the East End** Raphael Samuel • **The Terraced House** S Muthesius

The cultural mediation of Poverty Roger Bromley • **Filming the British People: towards a social cinema** Peter Stead • **Broadcasting and Unemployment in the 1930's** Paddy Scannel

The Women's Co-operative Guild Ray Sutton • **Working women in the first World War** Gail Braybun • **Women Workers in the 1920's and 30's** Jill Norris • **The Women's Labour League 1906-1914** Chris Colette

Life and labour in the factory economy of the East Midlands I Henry, J Crump • **Paternalism in the East Midlands factory** H Bradley • **Towards the Socialist Commonwealth?** Bill Lancaster • **Women factory workers in "the Hosiery" 1880-1980** Sallie Westwood, Sheila Burnage

Government Strategy against the Miners, 1919-26 Chris Wrigley • **Co-operative Movement and the General Strike** Ian King • **The General Strike and the media** Chris Mees • **The aftermath of the General Strike in York** Rod Hills • **The General Strike and after in Glossop** Richard Stone • **Spencerism in the Nottinghamshire Coalfield** John Field • **The 1984 Miners' Strike - lessons/forecast** Bob McSparran • **"The battle of Lewes Road" (video)** Roger West • **The media and the 1984 Miners' strike** D Douglass • **The Government and Post-war industrial unrest** Justin Smith

People's History and Socialist Theatre Philip Dodd • **Joe Smith - the making of a play** John McGrath • **Fighting for Freedom - lyrics by Black women** Mary Ellison • **Women's folk song** Sandra Kerr • **Working-class sport in Crewe** Alan Redfern • **Musical migrations - Trinidadians in Britain** John Cowley • **Rise and fall of the British Record Industry** Phil Hardy • **Minstrelsy in Sussex** Vic Gammon • **Musical "heroes" of black communities** Paul Fryer • **Coon shows and minstrel music** Paul Oliver

TV History Workshop:
programme to be announced later.

Sunday afternoon: panel sessions

The Manpower Services Commission's role in the Education System.

The 1984 Miner's Strike - prospects for the future of the Coal Industry.

• Other events include films, video, drama, music, tours, exhibitions, market, creche, childrens' art workshop, "Bo" the clown, crash accommodation.

Enrolment £8.00 wages:
£3.00 unwaged to:

History Workshop 18 c/o Leicestershire Co-operative Society, Member Relations Department, Freeschool Lane, Leicester.

Please enrol: _____ at £8.00 _____ at £3.00.
I enclose a cheque for £ _____
Please send accommodation list yes/no
We require crash accommodation for people.
We wish to place children aged _____ in the creche.

Name _____

Address _____
