

Wolfgang Streeck

A renewed left as the imperative of political reason

The SPD's entry into yet another Grand Coalition has removed any prospect of left wing government for the time being. Under Olaf Scholz and Andrea Nahles the SPD is shrinking unstoppably, with no sign whatever of its heralded 'renewal'. Die Linke are hobbled by their sectarian wing, and the Greens have mutated into Angela Merkel's last reserve division. Those unwilling to enrol themselves in the Black-Red-Green united front are left with the choice of a protest vote or abstention. This is how many people who otherwise would not have done so ended up supporting the Alternative für Deutschland. At the same time, there is very little to distinguish many left wing members of the SPD from the non-sectarian wing of Die Linke, and the same holds for many non-voters. All could find an electoral home in a new combination of leftist Social Democrats and the realistic wing of Die Linke.

Why would this be good for the country? Merkel's disparate assembly of forces can only react to the growing chaos in Europe and the world with

symbolic sedatives from the medicine chests of their spin-doctors.

Reacting instead of governing will only wash for the next one or two months, however, after which the PR department must step up again: ‘impression management’ replacing responsible government. Meanwhile, the intensifying problems of German and international politics are not even discussed. The SPD is silent, both as the junior partner of the CDU and because it would itself be torn apart by any serious debate. The Greens wait to be co-opted into the government as a substitute for the CSU or an SPD withered away to nothing. As to the AfD, whatever it says is embedded in despicable historical revisionism, providing an excuse to everyone else to avoid the other issues it raises. Finally, Die Linke are suffocated by the confusion of politics with moral rhetoric on the part of some of their rank and file, who refuse to be disciplined by any consideration of practical effectiveness. The consequence is that the big questions of the day – globalism and national statehood, capitalism and democracy, war and peace, the collapse of climate goals – do not really come up in German political discourse. Instead, the niceties of national and international asylum law are turned into key political and moral issues, diverting the attention of citizens from the bankruptcy of a

political class that has long been concerned only with itself, and with dressing up its sales strategies as responsible government activity.

How could and should a newly organized left find a voice in political debates – a left brought to its senses, neither sectarian nor Merkel-ised?

What themes should it seize upon to make itself useful beyond the representation of under-represented social milieus – however necessary that is? The list seems endless. For almost a decade Germany has had a so-called ‘debt brake’, written into the Constitution by another, earlier Grand Coalition. Today this prevents the German state from making use of zero interest rates on the capital markets to repair a decaying infrastructure and to restore the viability of financially over-burdened municipalities by writing off their debts. Precisely if one believes that taxes on companies and top earners cannot immediately be increased – while at the same time an ever growing share of tax revenue is earmarked for subsidization of the contributory social insurance system – a national credit-financed infrastructure fund would at least ensure that rain no longer comes through school roofs, and that bridges and roads no longer crumble into pieces. Leading economists argue that higher public debt in

Germany would also reduce the German balance of payments surplus with its provocative effects in Europe and beyond. The road towards this would be long and hard and could only be travelled by a left that was seriously prepared to set its sights on governmental responsibility.

Economic theories inspired by a mythical 'Swabian housewife' and assiduously cultivated over decades would have to be abandoned, the fiscal constitution altered or circumvented, and the political-economic austerity coalition that insists on a balanced budget disempowered.

Abandoning the German debt brake, moreover, could signal the end of a European policy that has stumbled from one crisis to another since at the latest 2010. It would pull the rug from under the fiscal pact that has enabled the financial waterboarding of Greece by Merkel-Europe. Sooner or later, the admission would have to follow that Europe cannot be governed from the top down according to one-size-fits-all technocratic recipes. A renewed German left would have to make clear that the problem does not consist in 'us' paying for the euro; on the contrary the euro has long been a German economic bonanza. Many of our partners are unable to breathe under the monetary and fiscal regime that we are so

stubbornly defending. Occasional transfers from north to south, as advocated by the identitarian left, would amount to nothing more than benevolent handouts that wouldn't really change anything. Unless and until the euro is revised in such a way that countries suffering under it are able to manage their own affairs according to their own economic and political needs – also and especially by means of greater sovereign flexibility in their monetary policy – Europe will not grow closer together, but draw further apart in terms of both economic well-being and political sentiment. What is happening in Italy will be repeated in France. In the interest of European solidarity, above all else, the Merkel slogan 'If the euro fails, Europe fails' must be publicly revealed to be what it is: in the best case, the expression of a lack of political imagination, and, in any case, the political formula of a German economic imperialism. In actual fact the opposite is true: only if the euro is fundamentally transformed – or, if this is not possible, abandoned – will Europe survive.

Back then to Germany where, an excellent situation in terms of employment and public finances notwithstanding, more than 4.2 million people are dependent on social benefits ('Hartz-IV'). More than a quarter

of these, 1.2 million, are so-called *Aufstocker* ('top-ups'), who despite having a job, or even two, still earn less than the little that is considered, under Hartz, to be a sufficient minimum. This amounts to subsidization of employment in the non-unionised, low-wage service sector. A section of the Hartz-IV population belongs to the approximately 1.5 million clients of by now around 930 food banks. Poverty can be measured in various ways, and there can be endless disagreement as to which is best. What is incontestable is that the greatest risk of poverty in Germany comes with being a single mother of two or more children. Besides, the greater the number of refugees in need of Hartz-IV – already today, one in ten people on benefits belong to this group – the less likely it is that our “refugees welcome” parties will have the courage to raise Hartz-IV rates. Instead they will distribute the fixed sum available under the balanced budget regime among an ever-growing number of recipients.

On the other hand, higher benefits would not do the trick anyway. A higher minimum wage would be better, generally binding collective agreements better still, not to forget ‘education, education, education’ for the rapidly growing subproletariat in precarious low-wage employment,

without any social and economic prospects. And if social contributions must be replaced or supplemented out of tax receipts, it would seem sensible, at least for a left deserving of its name, to do this especially at the lower end of the labour market, where equal contribution rates for all amount to a scandalously regressive transfer burden that compares unfavourably with most other OECD countries.

A further theme, also astonishingly unaddressed, is the regional prosperity gap between west and east. Per capita income in the formerly ‘*New Länder*’ remains almost one fifth below that in West Germany, and GDP per head is scarcely 70 per cent that of the west. This gap has not narrowed for many years now and no one seems to know what to do about it. Large parts of the east suffer from emigration, depopulation and a decaying infrastructure, similar to the Midwest in the USA. In the last Bundestag elections, the AfD overtook Die Linke for the first time as the leading regional party in the east. So long as our national parties attempt to combat the misery there by moral instruction of voters on the ‘values’ they should observe, this trend can only continue. Here too, an infrastructure plan, financed if need be by credit, could help.

Still more important would be to recognize the misery in the east as a manifestation of a general tendency to increasing regional disparities, including in particular a growing gap between urban and non-urban spaces. If this tendency is not reversed, it may lead to politically devastating social divisions, as seen with Trump in the USA and Brexit in Great Britain. Here it would be necessary to consider other approaches in regional policy than those that have obviously failed. These may include the promotion of new forms of enterprise and property, for example a modern cooperative system, and – why not? – complementary regional currencies to strengthen social and economic cohesion, as in a growing number of regions in Switzerland, Great Britain, Italy and the USA.

Perhaps it would also be possible for a left strategically challenged by a realistic prospect of power to develop a politically sustainable immigration policy. If it is agreed that the obligations enshrined in German, European and international law do not mean that anyone can arrive in Germany at any time, then there is room for a pragmatic policy of social justice. For this it would be indispensable to answer such

questions as: Who should have priority and be admitted first? Whom do we not want to admit, and how do we enforce this? For how many and for whom can we care without having to give up on our commitment to minimizing inequality between the members of our society? How much capacity is there in our infrastructure – schools, housing, social services, etc. – for how many new arrivals per year? At what point does migration make it impossible to regulate the market for unskilled labour, giving rise to an unacceptable wage spread in our economy? What would a fair immigration law look like, one that as well as a points system for professional qualifications and provision for family reunion, should probably also involve a lottery to prevent the privileging of particular ethnic groups, nations and continents? Devising a socially just immigration policy would also require breaking out of a mode of discussion that in the name of being ‘open to the world’ declares fellow citizens, with whom we had previously lived together peacefully, to be Nazis and racists simply because, while they may be prepared to share the collective goods they have struggled for and that they finance with their taxes, they do not want those goods to be declared morally liable to being expropriated.

Externally, too, in relation to Germany's position in the world, there are any number of questions demanding discussion and answers. 'The West' and the old world order generally are dissolving. Trump is above all else a symptom of the decline of the USA as a leading power, a decline that will continue after he will be gone. Unperturbed, CDU and SPD remain steadfastly loyal to the geopolitical follies of a declining superpower that has lost orientation. In Syria, German immigration policy helps continue a war that the US cannot win and therefore does not want to end. In Afghanistan, the United States has for decades kept unimaginably corrupt governments alive with troops and dollars – to what end? – supported by us, sending our own troops into the Afghan cauldron, and simultaneously accepting as refugees Afghan men of military age who have no desire together with us to fight the Taliban. Regardless, the Chancellor promises NATO, in other words Trump, that she will increase the German military budget from 1.2 to 2.0 per cent of GDP, while the SPD issues a cautious reminder that it might be technically difficult to spend so much money on armaments all at once. No one asks what exactly this is intended to achieve. 'Humanitarian interventions' all over the world? Fighting

Russian tanks in the Crimea, in Eastern Ukraine or in Estonia?

Suppressing uprisings, preferably of an Islamic sort, against the French post-colonial presence in West Africa? Or, why not, two-way deterrence of China and the USA at the same time?

Here are just two examples of the poverty of foreign policy discussion in the established political parties and the mainstream media. If the USA leaves Europe and Germany in the lurch, to focus on the coming global power struggle with China (which as things stand, they will probably not win either), is it our 'European' task, in the interest of a dissolving 'West', to hold Russia in check? Or should the task not rather be to cultivate common interests with a country that must fear being crushed in the emerging confrontation between the United States and China along the „New Silk Road“? And with Emmanuel Macron declared the icon of a cosmopolitically upgraded version of social democracy by German politicians, philosophers and hand-tamed journalists, on account of his 'European vision', is it accidental that the plundering of West Africa's raw materials by French businesses and the French state, with the active intervention of French troops, goes unmentioned? So far there has been

no discussion in German politics of the purpose of the new joint military units that Macron has proposed, even if it does not require much imagination to suspect that these will fulfil their “mission” particularly in Mali, Niger, Chad, the Central African Republic, Congo and Rwanda. Do we really have any interest there as German Europeans, and if so, in what? Rare earth metals? Terrorists? Markets for Europe’s surplus agricultural products, subsidised for export and destroying the last remnants of indigenous subsistence agriculture?

German political debate suffers from a particular compulsion to euphemism and prettification, a moralising away of fundamental questions that leads to a sentimentalising of political problems and a sentimental personalising of political conflicts. ‘Europe’ is to be the solution for everything: the crisis of capitalism and democracy, growing social inequality, the rise of Asia and decline of the West, the confrontation with Russia over what it believes it can by right claim as its cordon sanitaire, the energy supply, the struggle against terrorism, the refugees, and the new ‘populism’ of both right and left. Like a monstrous changeling, it takes any conceivable form needed, as a flexible projection

of the equally good and profitable: *pro bonum, contra malum*. Until 'Europe' will be completed, that is for all practical purposes for any foreseeable future, politics is replaced in German public life by language tests for politically correct sentiments. Those who fail to make the right gestures of symbolic deference run the danger of being expelled from the 'pro-European' consensus community for desiring a 'return to the nation state' and thereby to the European land wars of the nineteenth and early twentieth century. The price that our society must pay for the blindness to facts and problems so brilliantly cultivated by the PR machine of the Chancellor's office and its journalistic sycophants has long been too high. A newly organized, realistic left, meaning one that seeks real political power and responsibility, looks like the last hope of those who want to put an end to this.

ENDS