The Left in Europe: From Social Democracy to the Crisis in the Euro Zone An Interview with Leo Panitch

written by Adaner Usmani | January 12, 2013

ADANER USMANI: I wanted to begin by asking you about the history that precedes the crisis, and specifically about the evolution of European social democracy. On the one hand we have seen social democratic governments in Greece, France and elsewhere entirely complicit in the evisceration of the welfare state, and in the imposition of austerity. On the other hand, the tradition of which they're a part brought many benefits to Europe's working classes. The welfare state is a real achievement, after all, and it's arguably held up better than many radicals argue. Certainly there's a strong current of academic literature, known as the Varieties of Capitalism (VOC) school, which argues that its degeneration has been overstated.

This is a horribly broad question, of course, but how would you assess the legacy of social democracy?



LEO PANITCH: Well, there's no question that the reforms that social democracy secured in the post-war period were substantial reforms that have had very positive effects for the working-classes. No question.

That said, it depends where you're coming from. If what you're looking for is reforms within capitalism, fine. But these were parties that, initially, and in fact in their constitutions until the late 50s, were all committed to getting out of capitalism.

What the welfare state did — and here Gøsta Esping-Andersen has it backwards — is increase commodification. Yes, of course, the welfare state provided a certain level of job security, but it didn't free people from the obligation to sell their labor. The way the welfare state was structured was largely designed to facilitate a mass, high-wage proletariat for the consumption of commodities. In this sense, social democracy was complicit in the deepening of capitalism. By the time of the Godesberg Program in the late 1950s, they were explicitly saying that they were in for a more humane capitalism.

The other dimension of this, however, is that they thought that they had done much more than they actually had to shift the balance of class power, and the relationship between states and markets. For example, in his famous *The Future of Socialism* (1956), Anthony Crosland argues that anybody who derides Marx is an intellectual pygmy, and that it was sensible to be a Marxist through the 1930s. However, he continues, since then there's been a fundamental shift of power away from financial capital, a fundamental shift in power in favor of labor vis-à-vis industry, and a fundamental shift in power towards the state. That, in effect, the state is now autonomous.

You look at that today and you think, “What!?”

So, in short, it depends. I certainly agree that it’s not that easy to dismantle the welfare state, as the VOC school argues. That said, there’s no question that the reforms have been reversed. Most people are less dependent on the welfare state, because it’s not doing what it used to do. The country that has had the greatest increase in inequality over the neoliberal period, and I believe in the OECD, has been Sweden! And yes, Sweden still probably has the highest level of benefits. Nevertheless, you see the shift.

So my line has always been that there was this realization inside social democracy, by those who remained socialists (who were inspired by Tony Benn, by the student movement of the 1960s, by the social movements) who argued that unless we now move to go beyond capital, to actually institute reforms that take power over investment decisions away from capital, we are going to lose those reforms. Lose may have been too strong a word. But those who remained socialist were all defeated.

AU: Can we talk about this history a bit? This is what I found most insightful about the article that you wrote in the Socialist Register’s 1985 issue on the future of social democracy, in which you offered your assessment of why those efforts floundered. Because, as you’re saying, there was this incipient radicalization — not just workplace-based in the 1960s and 1970s, but also these shifts to the left within the structure of Social Democracy itself. Tony Benn, but then also in France, Germany, Sweden, even Greece. Why did they lose?

LP: Well, my fundamental answer to that, which goes back to my being a graduate student at LSE in the late 60s, and the first article I ever published in Political Studies on ideology and integration, is that it has to do with the strong tradition within all these parties (most explicitly the British Labour Party, but implicitly in the Second International Social Democrats from at least 1902-1903 on) that it was not class struggle but class harmony that was their goal. The Fabian goal of educating the ruling class to socialism. That largely became the German trade union federation’s goal as well, which is what Rosa Luxemburg was railing against by 1905.

So when that challenge came out of the growing mobilization of the 1960s and the crisis of the 1970s, from the left inside Social Democracy, the establishment of those parties had as much right as the left, maybe more, to deny that their tradition was a socialist one. The left was always saying that the party needed to return to what it had stood for. But the right could accurately say that the tradition of the party was class harmony. Furthermore they could argue that what the left was proposing the capitalists would not play with.

AU: Which was true?

LP: Which was true. Even with the Meidner Plan, which involved tremendous mobilization on the part of the LO [the Swedish Trade Union Confederation]. I knew Meidner, and spent time talking about this with him, and he told me very explicitly that he was called in by Olof Palme, who asked him, “Why the hell are you doing this? They won’t cooperate with this. We’ll give you the best health and safety regulations you can ask for — even better than what you are asking for. But call this off! Because this kind of thing they will never tolerate.” It’s not that Palme was an idiot. He was right!

After the LO convention passed the proposal to introduce the wage-earner funds, which represented a gradual commitment to continuing wage-restraint in exchange for passing profits over to trade union funds, it was proposed that it apply only to firms with over 100 employees. The radicals amended this, and it was applied to firms with only 10 employees, which included many more firms, and many more workers. And they all got up and sang “The Internationale” for the first time in 20 years at an LO convention.

But the effect of this was to create an alliance between big capital and small capital. By the early 1980s, despite the fact that the plan had already been watered down by successive Social Democrat governments, you've got mass demonstrations by business against the Meidner plan.

AU: Isn't there a very sobering implication of that fact, which is that the conditions for the success of the left within the left, in that time period, were absent?

LP: Well, I think the terrible conclusion one has to draw is that you cannot change these parties into socialist parties without splitting them apart. And I don't mean into insurrectionary parties, but into electoral socialist parties. And if you do split these parties, you lose elections. And in the face of a crisis and an assault by the right, the left then gets accused of bearing the burden. It is the one that always backs off, because it has a greater concern for solidarity — more easily guilted, always. The right is prepared to split, as you saw in the case of British Labour Party. It's a catch-22. A game theorist would have a field day.

AU: There's that, certainly — the difficult implications of splitting. But it seems to me that the political independence of the left wouldn't have solved the challenges of that conjuncture. Because one of the other things you argue in that article is that you needed a mobilized and politicized working-class if you were to confront the employers' offensive and the right, and you didn't have that. Nor was it up to the left to generate that — even as an independent left. Isn't it partly, as you argued in that article, that the absence of working-class mobilization was itself the product of the long legacy of social democratic institutions?

LP: Absolutely. And here one has to say that it's never just a matter of the parties, it was then certainly a matter of the unions. So in the British or Swedish case, even in the German case, the unions passed radical stuff at conventions, put out various political programs, but they would not educate and mobilize their membership behind them, at all. At all.

This is what really impressed me about Tony Benn. I should say that at the time, when I was in England, I was very skeptical of the Labour left. I always felt there was no way they could win without splitting the party, and that they would therefore lose. But when I went back and started studying it, I realized that the remarkable thing about Benn was that he was going to trade union conventions in 1972 and saying that the members needed to be educators. He asked who was talking to their neighbors and to their children about what unions are, what they might be, what solidarity is, what the potential of the working-class is.

So, again, they would pass these resolutions as means of leveraging something out of a Labour government, but in terms of developing class capacities, they were scandalously bad. And they've gotten no better; in fact they've gotten much worse.

AU: This is maybe a bit of an aside, but still. There's a larger argument that's often made—and this applies not just to Europe, but to the advanced capitalist world — that the decline of working class politics is rooted in objective facts about capitalism's trajectory — in deindustrialization and the decline of manufacturing employment, most obviously. But is the decline actually political, at its core?

LP: Not entirely, though it's an important point.

One has to recognize the transformation of capitalism, no doubt. Certainly one could argue that these objective shifts make things more difficult.

But there are other dimensions that one can point to, having to do with the shift to service employment, or more knowledge-employment. There's greater flexibility involved. I'm not convinced

that a creative working-class couldn't have done better than the traditional working-class (and I grew up in that milieu), which has very old-fashioned notions of respectability. Gramsci had glimpses of this; certainly Mann did. In the 1920s, what does a working-class person aspire to? He aspires to having a knock-off furniture set that looks like the bourgeois furniture set that he could never afford. He wants a dining room table and sideboard that would look like it. This notion of working class respectability carries with it a lot of very conventional and non-revolutionary culture.

So, I don't know. I don't think it's impossible for mobilizations to occur with the kinds of working classes — and here I'm defining working classes very broadly — that were emerging by the 1960s. But it would had to have been based much less centrally on doing a deal with unions in order to win very limited, corporatist reforms — the sorts of reforms that so impressed the VOC school.

You know, what strikes me about the VOC school is that they live in a world in which they don't notice the capitalist air that they breathe. So they're left-wing in the sense that they'd like a more equal society, but they don't appreciate that this is a capitalist world, with all of the destruction of the soul that accompanies selling your capacities for a wage, however good.

AU: Back to this, just briefly, before we get to the present-day crisis. So assessing the left within the left, the argument that you made was that the people staffing the structures of social democracy — the parties and the trade union officials — are responding to a real dilemma, but a real dilemma that's of their own making. A dilemma that is a consequence of…

LP: Of a long form of adaptation to similar dilemmas.

AU: Right. But then the rapid degeneration of social democracy from the 1980s on — with the rise of the Blairites, and the like — that came at a cost to these organizational interests, particularly to the trade unions. Social democracy's subsequent trajectory hasn't been favorable to many of these actors. So how do you understand the success of someone like Blair at taming the trade unions? The more general version of that question is: how do we understand the success with which neoliberalism has colonized social democracy?

LP: It's an important and complex question, and I've thought about it a lot.

The first condition for it was the defeat of the left inside the social democratic parties. And they were not only defeated, but also derided. They had brought these parties to the brink of losing elections. Thatcher was not going to get re-elected, despite the Falklands, but the divisions inside the Labour Party helped her. As she said, "How can you vote for them? They're totally divided."

People like Michael Foot, who was an established British leftist and had been an anti-Cold Warrior, and Neil Kinnock, who was made by Foot, became the scourge of the left — the scourge of the trade union militants. They started describing the left as if they were in thrall to the "Trotskyist crazies" in Liverpool. Which they weren't, but Foot and Kinnock managed to present the left as controlled by them.

So the left gets derided by a former left, now aligned with the center-right in the party. And it's eventually thoroughly defeated, even inside the party. The trade unions see Thatcher re-elected. Since they are always pragmatists, they suddenly decide that they can get more out of Brussels than they're going to get out of the Thatcher government. They start looking for a limit to Thatcher's "reforms" through Europe. They very naively think — as does the VOC school —that European corporatism is going to continue, and that it will withstand the ideological onslaught from the right, and the general drive towards competitiveness. But it doesn't.

One of the things I'm proud of is that I was pointing to the contradictions in corporatism as early as

the 1970s, and it unfolded as I thought it would. Largely, capital grew uninterested. You didn't have to have a right-wing government. Capital wasn't very interested, even when social democrats were in office. The kind of wage-discipline that allowed for "socialism within one class," in the case of Sweden, begins to break down.

It also had to do with a tax revolt on the part of the working-class, which starts to see less and less for itself in the welfare state. Respectability leads this segment to increasingly deride that working class we now call the precariat. And many of them opt — and the unions aren't able to stop many of them opting (to some extent they're even complicit in it) — for the $200 a year they can save by voting for a government that offers them less taxes. A portion of the working-class opts for that. And the left was complicit in it when it opposed, for example, the sales tax. One needed to say and should be saying that Sweden's value-added tax is 23 percent. You can't have a welfare state without it.

A very important element in this was the reinvigoration of the American Empire, also, through the 80s and 90s. For all of the arguments that Anglo-American capitalism doesn't work, and that European coordinated capitalism is actually more efficient, it wasn't true. If you look at growth rates, productivity growth, exports, and the like, American capitalism was restructured through the 1980s and 1990s in a very successful way. And all of Europe wanted to emulate it.

And I don't just mean that they wanted to emulate Clinton, though they were doing that ideologically, but they wanted to emulate American practices through the 1980s and 1990s. It was Jacques Delors, for example, who was open in his admiration of American free capital movements. He argued that Europe could hold on to the welfare state only by creating an open capital market in Europe. They were enormously admiring of, above all, American finance. Sure, they would say nasty things about "shareholder value," but in the context of saying that they preferred stakeholder value (which simply meant having union pension funds involved).

AU: So these were the conditions in which the EU project became neoliberal?

LP: Exactly. Led by social democrats. Now the left, again, saw it. So Meidner, who opposed Sweden joining the Euro zone, understood that the effect of it would be to allow financial capital into Sweden, which had already deregulated finance in the mid-1980s and had its first big financial crisis in 1991. He understood that this would give finance very big allies in the balance of forces inside Sweden.

The interpenetration of capital across the Atlantic is a big element in the story. The varieties of capitalism school totally miss this, by the way. They treat each country as a watertight compartment, except for noting that everyone has to be competitive.

AU: This is a good segue into the discussion of the EU crisis itself.

There are some standard assessments, on the left, of the economic causes of the crisis. It was obviously most immediately a consequence of the global crisis. But it has been exacerbated, clearly, by the structure of the EU and the monetary union. There's also been a fair bit written on an intermediate factor — namely, that the competitive strategies of Germany have forced the periphery to the brink. Heinrich Flassbeck, to take just one example, has been on The Real News quite frequently arguing that one of the central problems has been wage restraint in Germany, and the inability of other countries in the EU to achieve the same discipline. Those three things, it seems to me, are relatively uncontroversial. But you and Sam Gindin do have a distinctive understanding of the global crisis that preceded the EU crisis. Is there anything in particular that you would add, to this account?

LP: Well, maybe. Maybe it's not quite deep enough.

A lot of people on the left and on the right expected that the neoliberal era of globalization would come to tears due to American imbalances, due to its trade deficit and the enormous capital inflows. They were saying that Japan or China might pull out, which would lead to a crisis of the dollar, which might lead to an economic crisis.

And that of course isn't what triggered the crisis. It wasn't American imbalances: it was financial volatility inside the United States. Above all in the housing market. A market into which the working class was drawn. And this included its poorest sections, the black working class, which had never had full access to the American dream, the center of which was to own your house. They were drawn into it very heavily during the Clinton years. The Clinton treasury decided it would be able to sell these mortgage securities around the world, as people were desperate to buy them. And this became all the more so under Bush, as every shyster was let into the business. The German Landesbank — the great example in the VOC literature of coordinated capitalism — was buying mortgage-backed securities that had been cut and pasted in a million different ways. The Deutsche Bank held most of the mortgages in the black areas of Cleveland, for example, when the crisis hit.

Now when that crisis hit it meant, of course, that German finance, and European finance more generally, were affected. Immediately. And the imbalances within Europe revealed weaknesses inside the European financial system, which in turn made the crisis much, much worse. Above all there's the fact that, with fixed exchange rates, you are operating in something like the gold standard, where there's no room for currencies to carry any of the costs of a crisis.

So in the case of the United States, immediately when there's the crisis, the world's capital piles into the dollar, knowing that the American state is the ultimate guarantor of property. That's hardly the case in most European states. What had been happening since the Euro was struck was that the spread between Greek or Spanish or Italian bonds, and German bonds was enormously narrow. Not that there was no spread. But given that they were all operating within the framework of the ECB the spread had narrowed, a lot. People hadn't thought through the question of whether the Greeks might default. The imbalances, in particular, made that a weakness, given the effective, enormous trade deficits.

Now that alone didn't have to precipitate a sovereign crisis. In fact, some countries had issued a lot of public debt, like Greece, but other countries hadn't.

The banking system had operated on a simple basis: Germany would export to Spain, say, and then lend that money back to Spanish banks. And when Spanish banks took a hit, well, it was the Spanish state that had to step in, and start issuing public debt in order to bail out Spanish banks. And you got the problem of public deficits, and the consequent fear of bond markets.

We need to remember that institutional investors loom large in all this, and also remember how many of those institutional investors are trade union pension funds. Financial capital, remember, isn't this thing out there. Even labor is structured into financial capital, and dependent on the returns for their own pensions.

Now, the imbalances were well understood by some people. In particular people like Riccardo Bellofiore in Italy, who really nailed it — he's kind of a post-Keynesian. They understood that a general reflation, which is what the left and most left economists were calling for, would not itself do the job. It would in fact increase the imbalances, given that Germany, for the reasons you already laid out, had maintained its export success on the basis of getting the very powerful shop stewards in IG Metall [Industrial Union of Metalworkers, in Germany] to go along with labor flexibilization and

wage restraint. This is what made German exports do very well through the decade.

AU: I want to talk much more about the response of the left to this crisis, but before that I'd like to ask you a prior question. What in the world are the elites of the EU thinking?

On the one hand there are a whole swathe of left-liberal economists who can't for the life of them understand why elites aren't willing to sponsor some sort of return to Keynes, and deficit-spend their way out of this crisis. On the left, I think, some people share that puzzlement. On the other hand it's been argued that for many elites austerity has made perfect sense. It's resulted in a recovery of profit rates, and that, ultimately, is all that concerns them. What do you think about this? What are the Germans thinking? They can continue to demand that the clock be rolled back in Greece and the rest of the periphery, but don't they then have to be worried about what's going to happen to their export markets?

LP: Well, here one does need to speak about varieties of capitalism, but in the exact opposite way that the VOC school has. What has been distinctive about German capitalism is that the German financial elite — as embodied, above all, in the German Bundesbank — was never Keynesian. They never accommodated to Keynesianism. As has been said, "When the rest of the world was reading Keynes, the Germans were reading Hayek." That goes back to the late 40s. They actually used the term neoliberalism, although it was more often called ordoliberalism. They maintained an absolute commitment to balanced budgets, and even more strongly, a commitment to preventing moral hazard in the financial system.

Partly, of course, this was a reaction to the inflation of the 1920s, with all its horrific effects. That had a general cultural impact.

It is more than that, though. There was also a certain disdain for speculative capital. The Germans, every time there was a financial crisis after Bretton Woods, had to be pulled, kicking and screaming, by the Federal Reserve and the U.S. Treasury into taking responsibility for the global economy, and not letting the global payments system come to an end. The first case was the Herstatt Bank collapse in 1974. The Germans were prepared to let it go under. And, as a result, the New York payments system almost collapsed. Under the auspices of the Bank for International Settlements the Americans dragged the Germans into what became a fifteen yearlong process of finally agreeing on a set of capital adequacy standards, which didn't prevent crises but provided a certain framework, which would at least contain them when they occurred. This was also very true of Japan.

On the other hand the U.S. state, from 1940 on, saw itself as responsible for the spread and reproduction of global capitalism. Sure, this is rooted in self-interest — in a concern for the sanctity of U.S. capitalism if European capitalism was challenged. The Germans and Japanese didn't play that role. The Germans began to play that role vis-à-vis Europe, but even then, on terms which required the rest of Europe to take a German attitude towards finance. They agree to turn the mark into the euro on the grounds that the European Central Bank would look like the German Bundesbank, and behave like it.

So, when this crisis happened it's not surprising that it was Geithner and Bernanke who were openly putting enormous pressure on the European Central Bank (and they know that behind it sits the Bundesbank) to engage in monetary easing. I mean they did coordinate a fiscal stimulus—one should remember that before the austerity there was a coordinated fiscal stimulus, which was massive, and was very important in preventing this from turning into the Great Depression. It's been hamstrung by the fact that the United States hasn't been able to do it since the 2010 elections, given the make-up of Congress.

So if there's a variety of capitalism it's one that's not so admirable as the academic left thinks, in the German case.

AU: I wanted to move to assessing the implications and lessons for the left. Not just of the economic crisis, but then in the developments that have been, arguably, its result. I'm thinking both of the incipient electoral gains for the left, most notably in Greece, but perhaps also in France, even recently in Holland in the early stages. And also there's been, more widely, expression of that sentiment on the streets, again particularly in Greece, but also in Spain and Portugal, most recently.

We can take them in turn, if you'd like. What have you made of these developments?

LP: The first thing that one has to say is that what's significant about this crisis is that unlike the crisis of the 1930s, you haven't had a conflict between states. You haven't had a conflict between financial and industrial capital. You've had a conflict within states, between popular forces, and the elites, if you want to call them that. That's the form it's taken.

For the most part, it is very significant that it has taken the form of quasi-anarchist mass insurrections and protests. And I think partly that is a reflection of the legacy and institutionalization of the anti-globalization movement. But partly it has been spontaneous.

AU: Well, and partly isn't it a result of the fact that this crisis has occurred — certainly this contrast works best in the case of the United States — in a context where the left infrastructure of an earlier age has disintegrated?

LP: Well, yes, I was going to say: the whole reason it takes this quasi-anarchist form — and why the zeitgeist of the time for so many people is quasi-anarchist — is because of the failures of working class institutions. This is a very old story, dating to long before this crisis. I mean you need only think of their failures to energize generations of youth in the 1950s; by the 1960s that generation thought that social democracy and communism were already finished as the future of the left. So, yes, there's no channeling of that sentiment into the traditional working-class parties in Europe. It fits into our previous discussion.

Moreover, there's also the fact that where social democratic parties are in government they find themselves burdened with actually administering the crisis. This means that they're doing things that make them the immediate targets of popular outrage.

So you get this explosion, and it indicates a substantial crisis of legitimacy. This is not new; it's already been around, at least since the late 90s. Neoliberalism has had very little ideological purchase. Davos, remember, was spending its time trying to prove that the rich would engage in anti-poverty programs, rather than simply pushing free market ideology. After the World Social Forums in 2002 and 2003, Davos had to respond.

So ideologically it as already in trouble. Nevertheless, what you've seen is a reinforcement of neoliberal forms. There's now enormous pressure for austerity, even in the rich countries. And that has effects, which are very, very interesting, I think. And pregnant with possibilities.

The problem is that it isn't easy in liberal democracies, even if they're structured with proportional representation, to displace any existing parties. It's not impossible, but it's very difficult. It's very, very difficult. And you'd have to look at each particular case. But it's striking how difficult it is to make a breakthrough.

You saw it with Mélenchon. There you get an alliance between the CP, which still has a very large membership, the old Trotksyist left, and a portion of the Socialist Party left which came out of the

alliance they formed to defeat the European constitutional referendum in 2005. But even there, even if they make a breakthrough in the first round, it proves not enough of a breakthrough. They end up supporting the Socialist Party, which then reproduces the Socialist Party as an institution. It's very difficult.

I think it's tragic in the German case that Die Linke have not made a breakthrough. Partly this has to do with internal divisions within them, which coincided with the moment of the crisis…

AU: And then also the fact that the crisis hasn't been as severe, in Germany?

LP: Yes, I think that's probably true.

Anyway, so the one breakthrough has come in Greece. And that has very much to do with the fact that the Eurocommunists in Greece had already established a strong institutional base through the 1990s — certainly by 2004. That had very much to do with the dynamics of Greek politics; it can't be generalized. Perhaps above all it had to do with the trajectory of PASOK, which got elected on a very radical program in the 1980s (as radical as Mitterand in 1981), under Andreas Papandreou. It had absorbed a good part of the Greek left. Some had been suspicious of it, but people in general were very happy in 1981. They weren't quite the celebrations that they had at the Polytechnic when they brought down the dictatorship in 1974, but they were close.

What happened very quickly was that PASOK was absorbed into the clientelism of the Greek state. What one has to say about the Greek state is that it's not a Weberian state. Very few of the states that came out of the Ottoman Empire look like a bureaucratic-rational state. So, for example, the Greek state does have a problem collecting taxes. Votes are bought through a clientelist system of a kind that certainly Canada and the United States have known, but not quite since the 19th century. It is terribly blatant in Greece. The logic is "I'll give you and your family jobs if you ensure that we get the votes in this village."

PASOK very quickly accommodated itself to that form of Greek state — very, very quickly. So you got a break, by the end of the 1980s, by Eurocommunists who were modernizing forces. The CP was utterly Stalinist, and although it entered very pragmatically into a coalition government in 1991, it became more and more entrenched in its Stalinism, especially after the Gorbachev experiment failed. It's very openly Stalinist, it's quite staggering, really.

As a result there was a big institutional void, and that was eventually filled by the most impressive forces in Greece—by the coalition which became Syriza, which grew out of the largest party that had broken away from the Communists, which was SYNAPSISMOS, together with various social movements.

It's all very impressive. Take, for example, its economic program, a four hundred-page document written in consultation with the social movements, in 2008. It's like the kind of program Greg Albo, Sam Gindin, and I wrote about in the last two chapters of *In and Out of Crisis*. Something like a transitional socialist program to be carried out by an elected government—including, perhaps most importantly, nationalizing the banks and then socializing them, by which you're trying to say that they would no longer act as traditional banks.

So Greece is the one case where you saw that there was the requisite institutional capacity. They didn't know how much institutional capacity they had, at the time, but it turned out to be a lot.

AU: If you were to generalize the lessons from their success, then, what are they? Is the simple implication, then, that where you have infrastructure in hand, you are well placed to take advantage? And that, otherwise, the consequences of crisis are generally bleak?

LP: Yes. I say this and I believe it because it confirms the politics I have failed at for most of my life. Since the 1970s I and many comrades have been trying to found — and I'm in Canada, so I do it there, but I speak of it much more broadly — to found a post-Leninist, post-social democratic type of working class political organization. One which is non-insurrectionary but committed to social transformation. And my generation has failed to do that. There are others of my generation who have tried to build a better Leninism. And they were mostly Trotskyists, and that too has failed.

What's happened in Syriza is what I've always wanted to happen, and called for. I have always thought it is a very difficult and slow process. In this country, for example, I meet activists who agree that we need to get beyond localism. Who agree that we need to build a cadre right across the country who are committed to building a socialist organization. In fact I've seen more of them here in the United States than I see anywhere else. Certainly more than in Europe, and usually more than in Canada. They're often black activists out of these kinds of local worker action centers, or their equivalent.

AU: The challenge is to give that political coherence, is it not?

LP: To give it political coherence — in this specific case to make sure it's not laden with the odd, weak kind of third worldism that is so blatant on the American left. It has to shed traces of being enthralled with certain Leninist principles. But it's a long and slow process. People are quite right to ask, "Well, what about in the interim?" That's why they end up voting for Obama. It's a very long and slow process, but if we're ever going to get anywhere, we have to build those sorts of institutions.

AU: Just briefly I'd like to return to the issue of Syriza's economic program. You published a piece in the 2012 Socialist Register by Costas Lapavitsas, which made the argument that the left needs to break with its Europeanism. The only true radical strategy, he argues, is a strategy of default. This is obviously not what Syriza was thinking. It was of course the source of much tension with others on the left, notably ANTARSYA. What do you make of that argument?

LP: I think Lapavitsas is objectively right but has no politics. So, I too felt that if the Greeks had only defaulted immediately they could have saved themselves tremendous hardship. It also would have been exemplary, in terms of exhibiting the necessity of introducing capital controls, not only in terms of inflows/outflows, but also capital controls in the sense of controls over investment.

But the problem is that most Greeks don't want it. Very genuinely the leadership of Syriza doesn't want it. There's a strong psychological and emotional attachment to being part of the Euro zone.

Moreover, any serious politician has to be aware of the costs. You know, in a way you're back in 1917. That is, the weakest link would break, but the question remains: would there be a shift in balance of forces in Germany, which would at least lessen the pressure on Greece? They after all have to secure imports, and the consequences of being frozen out of financial markets might well be severe. It's a real dilemma.

Now one should not at all be naïve, and accept the mendacious reporting of most of the bourgeois press: that what Syriza intends is to pull out. The danger is in fact that Syriza might accommodate in order to avoid pulling out. But if they are to be believed, and if the pressures inside the party are such that they hold their feet to the fire, I think they'd be kicked out for refusing to engage in these negotiations with the Troika. They would introduce the legislation that they promised, which would repeal the legislation that implemented the previous structural adjustment reforms. And it's not impossible that they then would be pushed out.

But one shouldn't have any illusions: the consequence of that would be very severe. For them not to

be very severe they would then have to do some very radical things. But then the big question is whether they have the institutional capacity in the State to do those things.

AU: And whether they have the political capacity, as well.

LP: To mobilize the population, yes. But even if they did, I mean.

And there's a dilemma there, too. Because if they took the best cadre and put them into the state knowing that they need to reform the state desperately, the party would suffer. You would be taking the most honest people, the most capable people out of the party. So could the party, then, be doing the mobilizing that it needs to do? It's an old problem.

So this is a great dilemma. One should never look at this stuff with rose-colored glasses. The worst thing that the left can do — and I think it's really important now in the case of Syriza, because it is not unlikely that they'll get elected — is to do what they tended to do with the Workers' Party in Brazil, which is to romanticize the experience. One needs to look at developments from the point of view of the difficulties that the party will have, what contradictions they will run into, and not regard whatever as terrific because they're nice people.

AU: This is my last question. If we take a step back and look more generally at what the effects of the crisis have been politically, in Europe, it's certainly important to note there has been this incipient left radicalization, in some places, both electoral and street. And there's also been the rise of the right, in some parts. But then there's also been — and there are different ways of cutting this — a level of stability in bourgeois politics. The center is holding, in some ways, in many places. Do you think that says anything? About liberal democracy, maybe?

LP: I do. I think there's a great danger that we'll scare ourselves out of our wits if we point to Golden Dawn too much. At the moment, thankfully, the far right has not made enormous strides. There's a tendency on the left to try to look at how bad things are. That can only have the effect of producing a popular front politics again. Although that may be necessary in the long run, at the moment it's not. The effect of producing a popular front politics now would mean that you would have to accommodate to that wing in the popular front that was furthest to the right. Which, of course, is the nature of popular front politics. When we need mobilization, socialist education, and the development of class capacities, this is not a path that we want to be on. So I don't think we should scare ourselves about Golden Dawn or other tendencies inside Europe.

And I think your point is therefore very important. What is very striking — while there is this enormous protest — is, as you say, the stability of the bourgeois democratic form. Despite, again, the reinforcement of the neoliberal form of economic rule.

And maybe that's fortunate, for us. Because we need time. If the catastrophists, of which there are a great many, are right that we've only got five or ten years, we're screwed. I mean, really screwed. Whether that's the ecological crisis, or before fascism takes over, or what have you.

If we're to be successful in the tasks ahead of us, we have to hope for a certain stability of the liberal democratic form.

CRUSADERS FOR JUSTICE



"My life is like a movie, full of dreams. I used to dream of becoming famous, to see my valley freed from the clutches of Taliban, to see girls flying like butterflies, free from any restrictions."

— **Malala Yousafzai,**
15-year-old activist for girls' rights and education, upon receiving Pakistan's 2011 National Youth Peace Prize, renamed the National Malala Peace Prize

Malala Yousafzai and her father are activists for the right of Pakistani girls to be educated. In the face of death threats, Malala wrote and spoke publicly about life under the Taliban's reign of terror, and vowed to "never stop working for education for girls." On October 9, 2012, Malala was shot by a Taliban gunman. She is recovering in an English hospital. The Taliban have announced that if she survives, they will target Malala again. Their actions prompted an outpouring of outrage around the world.