

The parties of the European left need to move beyond the politics of denouncement and prove to voters that they can deliver the solutions needed to address the crisis.

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Since the beginning of the crisis the European left has denounced the politics of austerity, which has often led to accusations from the right that it is 'in denial' of high deficits and public debts. [Andrew Watt](#) argues that the European left now needs to change its tone, to convince disaffected voters that they can offer solutions to the financial crisis at the same time as preserving traditional social-democratic values.



Along with many others I believed that the economic and financial crisis that manifested itself in 2008 and 2009, however great the hardship it immediately caused would usher in a more progressive politics across Europe. This proved overoptimistic, however.

Instead Europe was swept by a new wave of neoliberalism that, far from being cowed by the evident failure of key tenets of liberal thought, appeared in many ways re-energised. Left-of-centre governments were voted out in the UK, Spain and Portugal amongst others. The crisis was successfully redefined as one of fiscal profligacy rather than private-sector excess and failure. The answer to high deficits and rising government debt was austerity, primarily via a shrinking of government. The old '[usual suspects](#)' for high unemployment and low growth – stodgy welfare states, minimum wages, strong trade unions and unresponsive wage-setting mechanisms – were wheeled out and their removal, reform or weakening once again were [portrayed](#) as desirable (or at least as regrettably necessary) to get the European economy back on its feet again. The fate of Europe has been in the hands of Member State governments overwhelmingly of the right, and a Commission and Council dominated by the right and a centre-right majority in the European Parliament.

It may be, though, that the tide is turning. After [shifts](#) to the Left in Denmark, Slovenia and Belgium (well, sort of) last year, it now seems likely that France will soon be ruled by a [Socialist president](#) – for only the second period in its post-war history (so much for the idea beloved of 'les anglo-saxons' that France is an irredeemably socialist country). France is Europe's second power. Under President Sarkozy, France has been the vital lynchpin of the Merkozy alliance that has wreaked such havoc in Europe over the past few years: vital because Germany, even if it is the pre-eminent economic power in Europe, cannot politically run the European show on its own.

In other countries, too, disaffection with ruling centre-right governments is increasing. The Dutch ruling coalition has just failed. In Germany the CDU-FDP coalition is finished and at least a partial shift to the left (grand coalition) seems likely, even if the so-called Pirates are currently complicating forecasts. In the UK Labour is currently substantially ahead in the [polls](#).

What does this imply for the European left?

The point I would like to stress here is that European centre-left parties and 'progressive' political forces need to change their tone. They need to move on from what one might call the politics of denouncement to articulating a realistic, constructive political agenda that addresses voters' main preoccupations: not only in France, across the Continent, these are, I believe, unemployment, economic insecurity and fear of economic stagnation and even decline, and an outraged sense of fairness and social justice.

The Politics of Denouncement

It was all too easy to be embittered by the developments in the wake of the crisis. Not only were the left's traditional clientele, the socially vulnerable and working and middle classes more generally, particularly hard

hit by the real effects of the crisis, the briefly glimpsed prize of delegitimising financial and shareholder value capitalism while validating interventionist policies, was rapidly snatched away. Instead welfare states, the public sector and organised labour came under attack.

The result was predictable, understandable and, initially, also necessary: a focus on defending the institutional and substantive 'acquis', rejecting austerity and all so-called 'reforms' in areas targeted by centre-right governments and European institutions as far as was possible given the reduced bargaining power of labour.

There are two main risks involved in, or limitations of, such a strategy, however. The first is that such stances can readily be portrayed as being 'in denial' of reality – a regrettable reality, maybe, but one that has to be confronted nonetheless. A rejection of austerity on fairness grounds, for instance – 'workers didn't cause the crisis, bankers did, so workers shouldn't have to pay' – has moral force, but if a) high deficits and public debts threaten current and future economic performance, which hurts workers, and b) there are practical or political limitations on recouping the money from 'the bankers', then denouncing austerity can be equated with capitulating before the need to do what has to be done to save our grandchildren from debt peonage. Similarly, even if wage-setting institutions are not to blame for *causing* competitiveness imbalances in the euro area, denying the existence of such imbalances, or that they represent a problem, and thus the need for reform of wage-setting institutions is, on its own, an inadequate response.

The second risk is that centre-left parties and group-interest organisations such as trade unions come to be perceived as representing the interests of a specific clientele whose claims for social justice are inherently no more forceful than those of any other groups in society. In fact one of the great political successes of liberals and conservatives before and during the crisis has been to portray institutions and organisations associated with the centre left, ranging from trade unions, to welfare states to dismissal protection legislation, as inimical to the interests of *weak* groups in society. For instance, it is argued that trade unions bargain only for their members and don't care about 'outsiders', notably the unemployed. Strong dismissal protection for core workers was blamed for the spread of unprotected employment relations for the young and the low-skilled, while minimum wages allegedly price the same groups out of a job entirely. (See [here](#) for a critique.)

The bottom line is that centre-left parties will have to convince voters that they have solutions to such problems as getting deficits down, resolving competitive imbalances and sorting out problems and perceived injustices on labour markets, and can do so while respecting traditional social-democratic values of equality and solidarity. And if they are to be more than short-term beneficiaries of frustrated voters kicking out incumbents, centre-left governments will have to deliver the goods and amongst other things that means reaching effective problem-solving solutions with European institutions (such as the Commission, ECB) and social forces (such as employers' organisations) that retain a – in the European sense – 'liberal bias'.

The need to move towards a more constructive Agenda: A European Example

A recent example at the European level shows, though, that the politics of denouncement remains worryingly prevalent. Last week the European Commission presented a so-called [Employment Package](#) in the form of a Communication initiated by DG Employment and Social Affairs, but approved by the entire Commission.

The whole tone of the document marks a major departure from the neo-liberal-inspired language we have become used to from the [Commission](#) since (at the latest) 2010. The problem is that no-one seems to have noticed. Reactions to the Communication – entitled '[Towards a job-rich recovery](#)' and which is supposed to stake out the ground for an on-going debate – have been largely negative and some organisations have roundly denounced the package.

That is a pity. A selection of the proposals includes:

- Reduce the tax wedge on labour in a budgetary neutral way by shifting towards environmental, consumption or property taxes with proper monitoring of redistributive effects.
- Transform informal or undeclared work into regular employment.
- Use internal flexibility to reduce insecurity and fiscal costs. The crisis has shown that internal flexibility can be very effective in times of economic contraction as a means of maintaining employment

and lowering adjustment costs....

- Decent and sustainable wages and avoiding low-wage traps. (...) Setting minimum wages at appropriate levels can help prevent growing in-work poverty and is an important factor in ensuring decent job quality.
- Make transitions pay. Labour market flexibility requires security in employment transitions. (...) The quality of the transitions will determine the quality of a worker's career.
- Reinforce the involvement of the social partners. (...). There is scope for further improving the mechanisms for social partners' involvement in the coordination of economic and employment policies at EU level(...)

Even if the selection is not necessarily representative, a neoliberal document this is clearly not. On the contrary, many of these proposals have long been on the wish list of European progressives.

And even where the talk is of reforms and necessary adjustments, the language is notably nuanced. For instance in emphasising the need to align wages with productivity, a [symmetrical approach](#) is taken: "although wage moderation or adjustment might be necessary for some sectors or Member States, targeted increases, which help sustain aggregate demand, might be feasible where wages have lagged significantly behind productivity developments". The Commission didn't actually mention Germany by name, but the message is clear.

Or on dismissal protection reform:

There is therefore a need for measured and balanced reforms in employment protection legislation in order to remedy segmentation or to halt the excessive use of non-standard contracts and the abuse of bogus self-employment. More generally, all types of contractual arrangements should give jobholders access to a core set of rights (including pension rights) from the signature of the contract, including access to lifelong learning, social protection, and monetary protection in the case of termination without fault.

It is not my intention to offer a blanket endorsement of this document, nor would that be appropriate. There are a number of very weak areas; for example there is nothing really new in terms of mobilising EU funds for job creation and investment. And the more fundamental point, of course, is that without a resolution of the sovereign debt crisis and the problems in the financial sector there will be no recovery that can be job rich, or job poor for that matter. It is also understandable after the events of the past few years for people to be skeptical about new initiatives emanating from institutions that bear responsibility for policy failures.

Still, I cite it as an example of a sign of a shift in approach by, in this case, a crucial European-level actor, one that needs to be recognised and that requires *constructive engagement* and not dismissal by progressive political parties and organisations. This initiative also points out a number of issues – labour market segmentation, youth unemployment, resolving imbalances – for which centre-left parties will have to offer concrete, feasible solutions if, as I hope and expect, they increasingly find themselves wielding political power in European countries.

It was right to try as far as possible to blunt a resurgent neo-liberalism whose project has now visibly failed. But the challenge is now to move beyond the politics of denouncement and present credible alternatives. Some of the work done in a politically more optimistic earlier phase of the crisis may serve as a useful starting point (two examples are [here](#) and [here](#)).

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and

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About the Author

Andrew Watt - *European Trade Union Institute*

Andrew Watt is senior researcher at the European Trade Union Institute, where he coordinates research on economic, employment and social policies. He edits the ETUI Policy Brief on economic and employment policy, coordinates the European Labour Network for Economic Policy, and writes a column for the Social Europe Journal. He has worked as a consultant/adviser to the European Commission, Eurofound, and the European Economic and Social Committee.



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