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The Last Conjuncture

Organic Crisis and ›Postneoliberal‹ Tendencies

Meanwhile, over 20 years after Reagan and Thatcher, it is broadly acknowledged that the period of Fordism is over and that new modes of production and modes of life have developed. Depending on the theoretical approach, these developments have been characterised as a ›new production regime‹ (Dörre), a new financial market-driven regime of accumulation or even a financial market capitalism (Aglietta, Chesnais), a new post-Fordist period (Hirsch), a global empire (Hardt/Negri) or transnational high-tech capitalism (Haug) that is substantially shaped by neoliberalism (Harvey). In the final chapter of *Neoliberalismus – Hochtechnologie – Hegemonie*, first published in 2004, in which I tried to explain this constellation, I already concluded: “There are increasing signs of an organic crisis of neoliberalism ... these are foreshadows of ›post-neoliberalism‹.“ And indeed: for some time now, indications of a looming crisis are increasing in various areas, there are cumulations and condensations of the various crises with shorter intervals, not at the margins of the internal and external peripheries, but in the centres of neoliberal capitalism – and this is particularly shown by the turbulent developments in the course of the world economic and financial crisis (cf. Candeias 2009).

These developments indicate “incurable contradictions“ (Gramsci, *Prison Notebook* 7, 1557) in the structure of society, which lead to contradictions and blockages within the ruling bloc in power. By no means could neoliberalism be understood as a purely destructive force (Bourdieu) or “conservative restoration“ (Bischoff et al. 1998). Marx had always emphasised the contradictory amalgamation of destructive and productive forces in capitalist development. Even the neoliberal management of the transition to a transnational mode of production based on information technologies – neoliberalism's main function simultaneously promoting societal change and serving as hegemonic base – *productive forces* were still unleashed: the withdrawal of an extreme (Taylorist) division of labour in production freed workers from monotony, new forms of production

could integrate their knowledge, computerisation and automation could relieve the burden of hard physical work. The internationalisation culture, goods and consumption dissolved national narrow-mindedness, de-nationalisation dissolved state paternalism. For instance, following demands by the women's movement, neoliberalism ›liberated‹ housewives from patriarchal family relations and forced them into the labour market. However, since the end of World War II, the fruits produced by these forces were and are distributed more unequally than ever before. Neoliberalism has already lost its progressive and propellent social function in managing the transition to the transnational mode of production. This mode of production hardly offers sufficient possibilities for expansion and development under neoliberal conditions to meet both the needs of accumulation and social needs of the population to improve their situation. The potentials are there but their realisation seems to be blocked.

The current power block can no longer counter the erupting signs of crises and their complex entanglement with productive solutions that could take up the interests of the subaltern and thus restore the active consensus to the neoliberal project: we are facing the most far-reaching financial and economic crisis since the 1930s, closely linked to food and energy crises, and to the destruction of employment, which means further aggravating of the precarisation of working and living conditions that thrusts large parts of society into soaring insecurity and increasingly leads to revolt at the external and internal peripheries among those most affected. Protest and resistance is forming at all levels, still fragmented and without clear direction, but periodically rising.

Already, the ecological crisis is apparent in everyday life, not only in form of catastrophes threatening the lives of millions of people through storms, droughts, and floods but also in form of massive destruction of capital. Especially in the peripheries, mainly in South America, popular majorities and governments have

rejected neoliberalism, and are looking for new ways of ensuring a more autonomous development. The so-called Washington Consensus and its institutions, but also the Good Governance approaches are openly dismissed by an increasing number of states from the global South – those who can afford it, pay their debts before they are due and break free from IMF influence. This entails global political and economical shifts in the social power relations, and new capitalist centres are developing with the so-called BRIC and Gulf States. On the other hand, increasing sectors of the population in the old centres are turning away from parties and governments, some even from formal democracy itself. This has led to a constant crisis of representation that has remained unresolved for some time. Internationally, the limits of force-fully and violently securing neoliberal globalisation have become clear for some time. The US as the global monopolist of force is so overburdened that its difficulties in carrying out this task in the interest of the transnational bloc and in its own interests, led to Bush's unilateralism, destroying the ›soft power‹ of the so-called American way of life. The defeat in Iraq is only the most obvious example for the imperial overstretch. Even within the states, reinforcement of securitisation deployments, massive policing and prisonfare (Wacquant) is proving insufficient in maintaining social order, let alone organising the consent of the subalterns.

Economically, the most problematic effect for the ruling power bloc may be that the accumulation on an expanded scale is no longer guaranteed: a study by the Bank for International Settlements (BIS) shows that growth was lower after each crisis than following the previous crisis. In the US, for instance, the level of economic power achieved before the New Economy crisis 2001, was not reached again until 2006. The BIS calls this the “myth of economic recovery”: “If economic performance declines, it tends to remain far below its previous level after recovery” (Cerra/Saxena 2007, 16). Economic recovery occurred more slowly, especially in countries with a strong liberalisation of capital transactions and financial markets. After each financial crisis, long periods of recovery are to be expected, often taking too long to return to the previous level before the next crisis hits. This myth means that increasing profits can only be achieved by constant redistribution of the surplus value at the expense of the wage-earners, the state and nationally or regionally restricted capital. Ever growing areas of socially necessary work, public infrastructure, and social services dry up. Whereas over-accumulation cannot be reduced substantially, and new areas of investment are opened up insufficiently, the crisis of social reproduction deepens in a way as to endanger the foundations of capitalist accumulation itself (lack of infrastructure, qualifications, cohesion, and prospects for profit, etc.).

Because of the interaction and entanglement of severe crises this appears to be a structural or organic crisis. The reserves of still dominant neoliberalism as the organising ideology in the transition to a transnational mode of production based on information technology are exhausted – neither a new accumulation stimulus nor a new consensus in society can be expected from it. Its institutions will continue to have effects (similarly to the end of Fordism), their position is now only “ruling”, still dominant, but not “leading” (Gramsci, PN 2, 354) anymore. Just as in the crisis of Fordism after 1968, various crises moments are cumulating that are countered by an intensification of the old regulation mechanisms, and at the same time, something new is emerging: Keynesianism only fully evolved in the moment of crisis while neoliberals already prepared the end of “embedded liberalism” and its institutions (the regimes of fixed exchange rates, capital controls, etc.), cancelling the old class compromise. Similarly, the effects of more than 30 years of liberalisation and redistribution from ›below‹ to ›above‹ are being countered by an intensification of this redistribution through rescuing banks and socialising debts and risks. At the same time, a new state interventionism appears to be emerging within the management of the crisis. This is already opening up the conflict on ›post-neoliberal‹ forms of regulation, since crisis management within neoliberalism is reaching its limits. Even if the ruling power bloc keeps its government positions, it is threatened with the loss of cultural hegemony which is more than a passive consensus and consumerism. The contradictions within the power bloc are deepening, such that a reconfiguration is likely and possibilities for intervention by the left may appear. Of course, overcoming neoliberalism will globally be characterised by fierce social struggles. However, it would be imprudent to rely on the collapse of neoliberalism and to assume that the crisis will make things easy for the left. Projects, tendencies, scenarios are being developed from different sides in order to reconstitute and/or develop bourgeois capitalist rule. At the same time, the following tendencies within neoliberalism but reaching beyond are being developed simultaneously:

New State Interventionism

The financial crisis brought an end to deregulation and liberalisation and gives state intervention a different direction and meaning. Because of the threatening ›meltdown‹ of the financial system, neoliberal dogmas are abandoned by the dozens: inflation of money supply, nationalisation of banks, state and central bank credits without guarantees, anti-cyclical stimulus packages, abolishing all public borrowing limits including the ever

so holy Stability Pact and the Maastricht criteria, more strict controls, ceilings for CEO payments and interventions into bonus systems, but also in investment and credit policies, sometimes partial government ownership of corporations, etc. For neoliberals of conviction, this constitutes socialism. In actual fact, it can more appropriately be seen as the attempt of the ›ideal universal capitalist‹, the state, to save capitalism. In the words of the leading conservative German newspaper FAZ: “The state rescues capitalism“ (5 Oct. 2008, 38f) – not quite voluntarily, more likely by necessity due to the pressure of the markets, capital and the fear of losing legitimacy. This state interventionism no longer functions in the sense of neoliberal dynamisation of markets but in the good old fashioned way of flexible liberal Keynesianism which compensates market failure, but continues to foster the redistribution and appropriation of surplus value to the benefit of the wealthy (by socialising debts and risks), and at the same time directly intervening in the investment and accumulation strategies of capital, especially when the state becomes (the main) shareholder. The conflict over the role of state intervention is in full swing: the government – especially in Germany – is undecided on whether the more active role of the state should be applied temporarily or permanently; the forces involved are pushing in varying directions. It is questionable, for instance, whether the far-reaching nationalisations in the US banking and insurance sector can actually be reversed in mid-term. But so far, long-term concepts for state-run financial institutes do not exist yet.

Relegitimation of Neoliberalism or a Bretton Woods II

Conflicts over the future are especially evident in the search for new forms of regulating the global financial system: restorative forces that wish to use the state to reinstall the previous order, and want to plunder its finances, are intertwined with reformist initiatives that clearly go beyond the status quo ante. This simultaneously reveals the attempt to re-legitimize neoliberal global financial markets and their regulative containment. The US, as main originator of the crisis, but also the G7/G8, have lost the legitimacy to create a new global financial structure. Consequently, the group of those involved needs to be expanded to the G20. Even if they still lack democratic legitimacy (for instance, through the UN), this represents considerable progress compared to the small group of G7/G8: after all, the G20 not only provide nearly 90 per cent of global economic performance, but they constitute 63 per cent of world population and about 50 per cent of the world's poor. It seems

to be clear that after this disaster, the US on its own can no longer dominate the rules of the game. Economically, the model of high consumption rates, financed through debt by massive capital imports from all over the world cannot be reinstated (just as unlikely as the German or Chinese model with its unbalanced focus on export growth and neglect of domestic demand). The Washington Consensus for free capital transactions as in the US paradigm has been discredited. The Europeans, on the other hand, are divided: The Germans especially are still mostly following neoliberal concepts, whereas the French advocate authoritarian state intervention. Additionally, the new capitalist centres of China, India, Brazil and the Arab oil states want to have their say – in various ways, they all advocate open but controlled financial markets. The West at last acknowledges the altered economic and political global power relations by officially involving these states. Even if the decisions of the G20 have so far been slight, and it is still unclear as to what extent there will be a rupture with neoliberalism, the most extensive re-regulations over the last 30 years lie ahead. Obama wants to have a leading role in this process – whether this will actually be the case is unclear. Because of the uncertainties of the world economic crisis, we can expect that pressure will further promote shifts towards re-regulation which has been only small so far, as well as increase the contradictions between the states and capital groups involved. Especially the BRIC states – in alliance with the IMF – are trying to challenge the US-Dollar as world currency in search of a new global monetary regime. Thereby the IMF has achieved re-legitimation and is looking for a new role. Especially the so-called UN-based Stiglitz-Commission has elaborated far reaching proposals for re-regulation. The transnational fractions of capital feel challenged and have founded the B20 as an attempt to reclaim a leading role in solving the crisis and forming the post-crisis order. Similar struggles around reinstating neoliberalism with only small concessions and minimal political changes (predominant in Germany, for instance) versus far-reaching attempts of re-regulation can be observed on the national level as well. If they succeed in re-legitimizing and restoring neoliberalism with only small adjustments and regulations (even only temporarily), and in blocking a far-reaching new construction of the global economic and financial relations, of production and consumption, then the crisis will only be made worse.

New Public Deal

A New Public Deal is reacting to different processes of crises even beyond the financial sector: Certain groups around president Obama are trying to ameliorate the

decline of the US economy with the renewal and expansion of the public sphere, especially with new investment programmes in public infrastructure, reforms in education and health systems and with the creation of new jobs in those sectors. Thus they are simultaneously trying to tackle the reproduction and employment crisis (that are particularly severe in the US), as well as to offer a new consensus to the subalterns. The strengthening of the state, tax reforms and a slight redistribution towards those below are supposed to contain discontent and even revolts, to foster the hope for change and to secure consent. Additionally, the measures serve to improve economic conditions with infrastructure, re-qualification and possibilities for profit through Private-Public-Partnerships (so-called PPPs where the state acts as a financier and owner, private investors manage construction and operation, and the state guarantees their profits). It is not clear who might be the agency for such a project. Is this only about a new conjuncture of neoliberalism with only slight adjustments and concessions or is it an element of the ›post-neoliberal‹ project (as the term New Deal seems to imply)? Will investment be sufficient to also absorb the over-accumulation considering the lack of social pressure from the left? The struggles around the health system reform (especially around a state-run health system) have not been encouraging so far. But there is some consent to the idea, that the state has to play a different role than in the last 30 years and provide better basic public infrastructure.

Green New Deal

The general re-orientation of investment towards energy efficiency and reduction of CO₂-emissions would be the necessary technological and accumulation base to create millions of jobs and to construct a new consensus in society – a ›Green New Deal‹ that is already being strongly advocated as an answer to the financial and economic crisis, as well as the crises of reproduction, employment and the ecological crisis – and thereby to re-legitimize the free market economy (see details in Candeias/Kuhn 2008). Among others this project was proposed by the Green New Deal Group as a solution to a “triple crisis“, a “combination of credit-driven financial crisis, accelerated climate change and increasing energy prices in view of peak oil“. This group is an alliance of journalists, party and NGO functionaries.¹ These ideas are driven by the Stern Report on

1 However, the slogan Green New Deal was already coined more than 15 years ago in West-Germany for the attempt “to achieve a ›sustainable‹ economic expansion without abolishing capitalist accumulation as such [...]“ (Brüggen in *HKWM* 5, 1063). At the beginning of the 1990s, the German Green Party, together with the social-ecological wing of the SPD, hoped to develop a reformist solution strategy for the ecological crisis which was already visi-

climate change 2006, by the analyses of the IPCC and transnational research groups as well as the popular activities of Nobel Prize winner Al Gore. Support comes from the European Green Parties – the German Greens decided at their party convention in November 2008 to call for a Green New Deal to overcome the financial crisis (for a critique of the concept, see Candeias 2007), and also from large NGOs such as the WWF or Friends of the Earth, transnational networks of ecological scientists and from the UN. Even Obama has appointed known advocates of ecological change to the positions of Secretary of Energy, Administrator of the Environmental Protection Agency and the Chair of the Council on Environmental Quality in the White House. This is backed by capital groups such as internet and IT companies (Google, MySpace or Microsoft that are among the main advisers to the new President on these questions), pharmaceutical, genetic engineering and biotechnology corporations, the renewable energy sector (including the ›green‹ spin-offs of the large energy providers and engineering corporations), the large insurance companies, car manufacturers such as Toyota and Renault, nanotechnology and chemical corporations such as BASF (who are developing new, light and energy-efficient materials), even oil corporations such as BP (who have renamed themselves to ›Beyond Petrol‹) as well as venture-capital funds or the small but growing sector of ethical investment houses (including large pension funds).²

A Green New Deal could mean more than an ecologically-conscious, short-term programme to contain the crisis. Moreover, it could mean a state initiated and massively state subsidised transformation to an ›ecological‹ mode of production, that opens new areas for accumulation of capital, such as the further commodification of

ble at the time, in a way that could additionally provide a foundation for a “new alliance between the distribution-oriented workers' movement and the more ›postmaterial‹ interests of the middle classes“ (ibid., 1064). Apart from ecological investment programmes and efficiency increases, the main aspects of those drafts of a Green New Deal were proposals criticizing growth with a radical reduction of working time. Today's drafts mostly neglect such approaches and concentrate on strategies for capitalizing ecological resources. This would open new spheres for accumulation and increase resource efficiency.

2 The financial and economic crisis does indeed temporarily result in a reduction in emissions and the consumption of resources and oil – more effectively than the Kyoto protocol and emission trading, but at the same time it blocks ecological modernisation through lack of credit, cancelled initial public offerings on the stock market and withdrawal of investments in environmental technologies. For instance Toyota cancelled the construction of a factory for hybrid cars in the US, and the shares in the sector of renewable energies dropped even faster than for the stock market as a whole – mainly because of the governments' refusal to tighten environmental regulations and due to the relapse into classical industrial and growth policies. Many companies in the field of solar energy are in a big trouble, but the governments are rescuing only banks and the car industries.

natural resources in biodiversity or genetic engineering; technologies to improve efficiency in production and energy utilities; new investment and market outlets in emission trading or in ecological consumption (organic food, ecological construction, green cars, etc.). The market for investment in low emission energies and green technologies promises to grow to several trillion dollars.

In effect all these strategies turn nature and the environment into a commodity, thereby restricting the possibilities for solving the ecological crisis.³ Consequently, green capitalism cannot be the solution to the ecological crisis, instead, it is a procedure to restore expanded capitalist accumulation and hegemony by involving progressive oppositional groups and interests of the subaltern. Changing the whole structure of production, the practice and culture of consumerism, the economy of the car society, the structure of our cities, our societal relations to nature, without impacting on the capitalist mode of production as such, just reproduce its inherent contradictions (e.g. the dangers of a ›green‹ financial bubble, according to Susan George; Janszen 2008).

In view of the challenges of the tasks ahead, rapidly overcoming the world economic crisis and the even greater task of reducing greenhouse emissions of industrial states by 80 per cent or more before 2050, which means catapulting the entire economy from the fossil fuel based age of more than 150 years to a solar future within three decades, this will not be possible without great disruptions and crises. This time pressure leads to decision-making problems between a thorough conversion which means destruction of old sectors and capital, including the risk of economic crises, or a conversion which is too slow, thereby aggravating environmental and socio-economical crisis effects. Furthermore, the valorization of nature and ecological measures leads to a restriction of possible solutions to the crisis by concentrating on further marketization, more growth, increased resource consumption and simultaneously to the neglect of non-profit areas.

Varieties and Competition in Post-Neoliberalisms

The Washington Consensus had already been de-legitimized before the crisis, and will have disappeared after the crisis. Neither the USA or Europe can determine the

³ A ›solution‹ is not even intended: the general aim of the G8 to restrict the rise in global temperature to a tolerable level of 2 degrees means accepting 40 to 60 million victims in Africa alone, according to the Stern Report – “victims of minor economic value“ (Kaufmann 2008, 2).

rules any longer, nor is there a visible transnational consensus. The South American countries as well as the BRIC states have too obviously been looking for different ›post-neoliberal‹ forms of integration into the world market and of economic and social policies. Strong social movements in South America have toppled governments, brought centre-left governments to power, established approaches to participative policies and solidarity economies, and indigenous movements have enforced another way of dealing with representation, state and property. These initiatives have been acknowledged in different and contradictory ways by the governments concerned: by Venezuela's Oil Socialism of the 21st century, through to the left state projects strongly supported by the indigenous populations in Bolivia and Ecuador, and the left-social democratic project of Lula and Kirchner, etc. In different ways they all rely – despite stronger orientation towards export – on shifting internal power relations, with more participation, progressive reforms and stronger social redistribution policies that partially expand the subalterns' capacity to act (*Handlungsfähigkeit*) – even if the problems of inequality, poverty and limited possibilities for development of the people persist.

Powerful movements have also formed in India: movements of peasants', the landless, Dalits, and global social justice networks. However, they are not linked to a left state project, apart from very contradictory experiences in the regions controlled by Maoist groups or in communist-ruled states like Kerala. Nevertheless, the state has a different role in India's high-tech mixed economy in comparison with the neoliberalism of the US or Europe. China's state capitalism or the Gulf States with their public investment policies – practically top down – are even more clearly trying to bring capitalist dynamics and state-controlled development with selective market access into a different relation, and thus determine the future of the country (more) autonomously. Even in Scandinavia, different approaches of another type of capitalism have developed despite neoliberal hegemony. This kind of capitalism has not only rejected the trend towards liberalisation, it is moreover extraordinarily successful on the world market. Yet, it has simultaneously achieved higher labour and social standards. There is a stronger focus on public and social infrastructure, education and state intervention than elsewhere and this guarantees a still higher standard of living for large sectors of the population. The Scandinavian experiences should be considered – even critically – in view of ›post-neoliberal‹ reforms that can be generalized in the industrialized countries.

Internationally, another G20+ was already formed within the WTO framework some years ago, as a loose co-

operation of countries of the ›Global South‹, as a countermeasure to the bargaining power of Europe, the US and Japan and thus strengthening the position of the ›Global South‹. After the collapse of the WTO negotiations in Cancun/Mexico in 2003, Brazil, China or South Africa relied more strongly on so-called South-South co-operations. They do not want to uncouple themselves from the world market, but want to autonomously code-terminate the conditions and forms of further integration of their economies into the world market and at the same time reduce their dependence on the old capitalist centres. By diversifying its foreign trade, Brazil, for instance, was able to reduce the proportion of exports to the US, the EU and Japan by 12 per cent within just five years, even though exports to these countries also increased clearly. This strategy is a shining example for smaller countries, for instance in Africa, that want to free themselves from a one-sided dependence on the EU, the US or the IMF, by cooperating on difference nevertheless hierarchical basis with China or Brazil. Furthermore, regional integration projects such as Mercosur or ALBA in Latin America are being promoted as a counterweight to transnational institutions such as the IMF, World Bank or the WTO. Cooperations between China, Japan and South Korea or the Asean States are being strengthened. Regional development banks such as the Banco del Sur are being founded. The transregional institutions are not always functioning in every case; especially in Africa the integration projects practically face insurmountable obstacles. Nevertheless, successful projects will lead to further projects.

The world economic crisis and neoliberal deligitimation promotes the turning away from blind adherence to liberalisation, privatisation and extreme export orientation as well as the search for alternative paths for development. As with all countries with a strong orientation towards export, the countries mentioned above were massively affected by the crisis: the decline in global demand, the fall in prices for raw materials and oil, the withdrawal of capital by the old capitalist centres, etc. Increasingly, it will be decisive for these countries to promote social justice by refocussing on the domestic economy, unleashing its productive potentials, in developing them as self-supporting economic factors and in using – where available – their wealth in resources and oil for this purpose. This also requires strengthening the elements of self-organisation, civil society and democracy – especially in China and Venezuela (or the Gulf States). The BRIC States and the countries on the peripheries must link this to policies of food sovereignty, consistent land reforms and ecological re-orientation. If not, there is a risk of escalating severe social unrest, whether it be in China, India, South Africa or Bolivia.

At the same time, this re-orientation in government viewpoints has to occur without confrontation with the world market-oriented capitalist groups and investors – the chances for this are not at all bad, considering the growth prospects of the BRIC states.

Authoritarianism

The last conjuncture has already been described as authoritarian neoliberalism (Candeias 2004/2009, 412ff): for some years now, it has been observed that certain social groups have been increasingly turning to the right (evangelists in the USA or the radical right-wing in Europe). The precarisation of labour and of modes of living and the thinning out of the so-called middle classes has been linked to further social division and a return to strict lines of respectability (Bourdieu), authoritarian education concepts, tougher migration policies and marginalisation. With countries being ruled by right-wing governments (Austria, France, Italy, the US under Bush) there are attempts to forge a social consensus between those above and those below through nationalistic appeals (invocations in the Althusserian sense) with the aim of excluding others, to the detriment of all kinds of minorities. In foreign policy, imperial policies such as the “war against terror”, the “clash of cultures“ are linked to strengthened security and control policies. Repressive measures (violence and judicial persecution) to compel opponents to conform, as well as social policies (obligation instead of assistance, workfare) are increasingly being used: soaring policing and “prisonfare” (Wacquant) to ensure their compliance and prevent social unrest. Growing social tensions and crises enforce the tendency to confront them with authoritarian measures and a national chauvinistic consensus or to contain them militarily at an international level.

In view of the difficulties in restoring neoliberalism, and also of the New Public Deal and Green New Deal, especially with regard to global competition and unimagined consequences of the crisis, authoritarian trends may grow in significance – with a simultaneous decline in the rhetoric about clash of cultures and antiterrorism. Nevertheless, unhindered imperial appropriation of oil and resources will remain an essential objective of the old and new capitalist centres. The unequal distribution of the unavoidable impacts of the world economic crisis and the climate crisis on the social classes and groups leads to an emphasis on security policies by the ›ruling class‹. “Nobody has any idea how a planet full of slums⁴ with growing food and energy crises [...] can secure its

4 According to forecasts, half of the world population will be living in slums within the next 40 years. Today, there are already over a billion people living in slums.

very existence” wrote Mike Davis (2008). He assumes that a selective adaptation will occur, which will allow the “first class earth inhabitants to continue to lead a comfortable way of life with permanent abundance in green oases, securely fenced off, on an otherwise barren and inhospitable planet”.

Authoritarianism is certainly not sufficient for a hegemonic project, since its attractiveness and economic potential remain limited. The enormous costs of security systems, imperial overstretch, and the anticipated costs of natural catastrophes already stretch budgets at least as much as the global financial crisis. The possibilities of a new military Keynesianism that could unfold new dynamics are limited. Equally, environmental dictatorial measures are conceivable only as a trend within other hegemonic projects or for enclosed spaces/regions. However, like military Keynesianism or authoritarianism in general, they could develop complementary effects to other projects. These are not desirable development trends, and the left must acknowledge them to oppose them early enough and find emancipatory answers.

Socialist transformation and revolutionary Realpolitik

A constellation of interregnum will evolve first from the various tendencies and projects which are developing in parallel, secondly as a result of the blockage, de- and re-composition of the power bloc. Meanwhile the crisis can persist for a long period, perhaps even a decade, before a hegemonic direction develops out of the competition between the different projects to dissolve the crisis. This new hegemony will encompass a certain band width of different paths but the terrain and the direction of development will be largely determined.

Therefore, “post-neoliberalism” (see Brand, et al. 2009) does not characterise a new period of capitalist development. Instead, it is a transition period or interregnum in which numerous search processes occur and the future organisation of society is in debate. A new term must be coined as soon as a hegemonic project becomes apparent. In my opinion, at the moment there is only one potentially hegemonic project which can provide the required resources, accumulation dynamics and potential for consensus: the Green New Deal, a period of green capitalism. It is necessary to work on criticizing its features now, to intervene effectively with left positions, and at the same time to develop a “*revolutionary Realpolitik*”, as Rosa Luxemburg demanded, towards socialist transformation. Currently, we are still

in a relatively open historical situation where no hegemonic direction has yet been taken.

When dealing with too simplified concepts of reform on the level of money circulation, Marx already warned that it is “impossible” to remove the entanglements and contradictions resulting from the existence of money as long as the exchange value remains the social form of the product. It is necessary to see this clearly in order to avoid impossible tasks and to recognise the limits within which money reforms and circulation transformations can reform the relations of production and the social relations based on them (MEW 42, 80). Consequently, it is no longer sufficient to only demand an important and indispensable re-regulation of the financial markets.⁵ Even the expansion of accumulation into new spheres and new sectors of the economy over the last 30 years has not been sufficient to diminish over-accumulation significantly. Susan George assumes that a market-conform and finance-driven green capitalism would be accompanied by new waves of speculation. Just like the Chinese or the US model, the German growth model of ever-increasing exports with stagnant domestic demand cannot be easily restored. Consequently, more far-reaching projects, including steps towards a socialist transformation are necessary (examples in Candeias 2008a) to confront the problem of over-accumulation and the numerous social crises.

Public confidence in markets and governments has clearly suffered, neoliberalism has been discredited and its dogmas are crumbling. This opens discursive opportunities for left alternatives in the sense of a revolutionary Realpolitik. However, these opportunities have hardly been used to date. The left in Europe and abroad has gained ground from the social crisis in recent years, but not from the financial crisis. The global social justice movements which initiated a new cycle of trans-national struggles at the beginning of the 1990s and activated the search for new paths of globalisation appear to have passed their zenith or are themselves in crisis at the very moment of the crisis of neoliberalism (see for example, the stagnation or erosion of activism in Attac). In Europe, the old left socialist or communist parties in many countries could not benefit from the

5 As far as re-regulation is concerned, the global social justice movement is furthest advanced on the question of what should be done (cf. Wahl 2008): from the ending of further liberalisation plans within, for example, the EU framework, the tightening and de-privatisation of bank and financial controls, shutdown of tax havens and off-shore financial centres, to the introduction of stock exchange transfer taxes (like the Tobin tax) and capital controls, up to the establishment of an International Clearing Union, and concepts for future-oriented investment programmes or a new UN-based Bretton Woods agreement that allows global capital and technology transfers, equalisation of trade balances, promotes sustainable development and guarantees minimum social and political standards.

difficulties of the parties of the neoliberal bloc: they were pulled down into the abyss with the social democrats, or are marginalised, decomposing themselves. Some smaller countries such as the Netherlands or Norway are an exception, perhaps – and Germany: Many hopes of the European left (left parties as well as movements) refer to the success of the German Left Party (Die Linke). The understanding of a productive relation between the party and the movements, of self-organisation, participation and representation, of civil society and state is facing unsolved and new questions.

But considering the intertwined crises processes, as well as the numerous initiatives pursued by those in charge to deal with the crisis, we cannot proceed with the old demands. The demand for more money or simple nationalization will not succeed unless it is given greater content, for example by a demand for linking bailouts and economic stimulus packages to ecological conversion, extended participation, expansion of public services, a ban on dismissals, etc. The connection between the multiple crises must be emphasised, the connection between ecologic and economic crises, between all these crises and the capitalist mode of production and our way of life. The ruling bloc always tries to separate these correlations, to deny social conflicts and changes, to isolate problems and social groups. In addition to this, the left must find a new strategic position with regard to the changed situation. This requires far-reaching proposals and imagination together with practical initial projects that can be initiated from a minority position. Otherwise, the demands of the left are taken over by the ruling elite, as often seen before. An intervention in public debate must draw on concepts and perspectives.

Socialization of the investment function:

Who actually decides on how to use the resources in society and what work is socially necessary? The market has failed as the most efficient mechanism to allocate investment. Although the neoliberal credit and

financial system still accumulates the isolated latent productive capitals, however, it is no longer able to direct it into sufficiently productive investment. Instead, the over-accumulation of capital produces waves of speculative bubbles followed by a destruction of capital and employment while large sectors of social reproduction (e.g. education and training, environment, infrastructure and public services, combating hunger and poverty, etc.) are increasingly neglected or destroyed by austerity programmes. Therefore, the investment function is to be socialized, must become a public duty.

Re-organisation and expansion of the public sector: Privatization has proved unsuitable as an efficient form of providing public goods and services. It caused the reduction of public employment, the transformation of regular employment into precarious employment inflated the cost of necessary public services from previously affordable levels, restricted social rights and democratic decision-making (cf. Candeias/Rilling/Weise 2009). It is necessary to expand the physical and social infrastructure to counter the crisis of reproduction. Public employment must be increased to contribute to the de-precarisation of the workers and the unemployed.

Radical Ecologisation: The private sector has failed in ecological conversion of production and providing of employment security, especially with regard to the transport and energy sector. Consequently, a radical ecologisation of the mode of production and the way of life is not achieved by commodifying and privatising natural resources. Instead, a preservation of the general and public character of the natural commons and other basic reproductive conditions (public goods) is necessary, as well as the expansion of collective free or low priced public services (for example, expansion of free public transport systems instead of subsidising the car industries).

Solidarity Care Economy: Complaints have been widely made about the poor state of education, the lack of kindergartens, increasing poverty and ecological degradation. Nevertheless, things have only become worse over decades. The reorientation towards the expansion of the public sector with regard to health, education and training, research, social services, care, environmental protection, etc., as mentioned above, is also a contribution to an ecologisation of our mode of production (since working with people, caring, and preserving nature does little ecological damage). This reorientation also counters the crises in employment and reproduction, de-commodifying these and pushing back market forces. This contributes to the emancipative rearrangement of gender relations by focussing on reproductive functions. The orientation towards the domestic market,

6 In 2007 and 2008, the German Left Party heatedly was discussing whether a 20 billion investment programme made sense or whether budget discipline was more important and there were disputes in Attac concerning regulation concepts. Now it is the neoliberals who no longer want to be neoliberal, and have, so to say, bypassed and overtaken the left. The left is unable, neither rhetorically nor practically, to quickly react to the ruling bloc now overthrowing all of the old beliefs: monetary austerity and high interest policies – passé, the stability pact and the Maastricht criteria – not so important, the nationalisation of risks and banks – why not?, and debt guarantees higher than national budgets – lets do it, huge stimulus packages – how huge should they be?, a new Bretton Woods, or at least a European economic government – about time!, nationalisation of key industries – was that not socialist in some way? The rulers present themselves as critics of capitalism and courageous rescuers, and gather a population anxious about job and asset losses around themselves and preach a global, social market economy or even the Green New Deal.

regionalisation and a partial trend to de-globalisation will contribute to reduce the fixation on exports and equalize trade and current account balances.

Public social insurance and global social rights: The neoliberals preached that the public pension fund system is inefficient and expensive; consequently it was necessary, according to them, to switch to private pension schemes (Riester pension scheme in Germany). However, the pension fund losses in the US due to the current crisis are even higher than at the time of the Enron scandal and the New Economy crash. In any case, in Germany, only a minority relies on private provisions for old age, and the euphoria concerning popular shares, such as those of Telekom (German telecommunications) or Deutsche Bahn (German train services), has long since vanished. What is needed is a rescue package with a new solidarity public social insurance for all instead of private individual provisions, with a comprehensive concept of a Social Europe and transnational social rights beyond the national framework.

Democratization of the state: The expansion of the public sector must simultaneously be accompanied by a participative transformation of state structures. Neither a well-intentioned paternalistic and patriarchal Fordist welfare state, nor an authoritarian state socialism, and certainly not a neoliberal reorganization of public services (based on competition and pure economic efficiency) were particularly emancipative. Consequently, a left state project must expand participation and transparency (to finally absorb the state into civil society, as Gramsci wrote). Decisions on budgets and finance must be more strongly democratized, *real* participative budgets are a possible approach. The crisis of political representation has much to do with the fact that essential needs of the population are not considered and that there is no opportunity for individuals to participate in political decision making. Consequently, a new comprehension and distribution of what we consider as socially necessary work is essential – not by increasingly expanding wage labour, but instead, by expanding collective and cooperative, as well as publicly financed employment, directed towards efficiently contributing to human development, enriching mutual relations and not towards producing surplus value. What do we want to use our social resources for, what do we consider indispensable basic needs that should be made available to everyone either free of charge or reasonably priced, what must be used communally, etc. – this should be debated and decided commonly in everyday life.

Democratization of the economy: For years, it has been said that politics should largely keep out of the economy. But doubts about management ›performance

and the concept of shareholder value strategies have grown in view of short-term thinking, manager bonus scandals, tax frauds, bankruptcies and mass redundancies. Even the classic German workers' co-determination could not sufficiently withstand the pressure of transnational competition and finance-driven control, and sometimes itself became involved in collaboration and corruption. The redistribution of wealth towards business and the wealthy in the course of stagnating (or falling) real wages and social benefits has promoted an enormous over-accumulation, which led to the financial crisis. Thus, it is time for a democratization of the economy that goes further than classical workers' co-determination towards genuine participation by workers, unions, public consumers and other stakeholders in company decision making (concerning the whole transnational production chain). The goal is to displace the capitalist boards of directors with collective boards of directors on company, regional, transnational and other levels (cf. Wolf 2009). This is also important because uncertainty and short-termism as well as deficient participation of the existing relations of production impede the productivity, creativity and development of individuals, of productive forces, and thus of society as a whole.

The depth of the crisis and the conflict over ways to overcome it will determine the next years. It marks a historical break in capitalist development. Therefore, within the framework of revolutionary Realpolitik, it concerns the whole societal organisation, the common disposition about the immediate conditions of life. This orientation towards the whole of the social structure is more than just a long term objective, it is an essential element to prevent the restriction or the relapse into corporatist interests (that is group interests in a narrow sense) or towards single reforms which regularly intensify subalternity, what is always the case when struggles are not seen as hegemonic conflicts over the whole mode of social organisation. Then what happens is the integration of partial interests into the ruling power bloc by compromise. This is also difficult to avoid. However, conditions for at least partial steps to the left are favourable in these times, since the active consensus is eroded and splits between groups in the ruling power bloc impede or reduce their capacity to act. The search for new social coalitions has started. Given the circumstances this is an opportunity and at the same time an especially difficult and dangerous moment for left forces.

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