EUROPE 25.04.2018 | Nils Heisterhagen

The liberal illusion

Why the German centre left needs to raise its voice against the abuses of modern-day capitalism

Read this article in German or Russian.

Hannes Alpen spoke to the German political scientist Nils Heisterhagen about his new book, Die Liberale Illusion (The Liberal Illusion), to be published in German in May.

In your book 'The liberal illusion', you say the left stopped criticising the prevailing capitalist system after the end of the Cold War. Wasn't that a logical move? Surely capitalism had won and it was time to embrace it.

A neoliberal 'take it or leave it' mentality has caused a great deal of damage in recent times. The moderate left has pretty much stopped being a counterweight to capitalism and standing up for ordinary people.

Lots of social democrats are seeking plaudits for their pragmatic and post-ideological policies. They're pleased if a few bankers commend them for being sensible.

That's the natural legacy of New Labour and the 'Third Way', which I would describe as 'neoliberalism lite'. But I think the age of the Third Way is now over. However, there are still strong reactionary elements who can't and won't accept this.

Why is that? Centre-left parties have sustained heavy losses almost everywhere in Europe. Isn't it time for a rethink?

It's actually fairly simple. A whole generation of centre-left politicians were swept up by the ideals of the Third Way in its heyday. They believed in false idols for years, but admitting that is hard. Also, there are a lot of younger social democrats who aren't truly left wing. They're what the political scientist Nancy Fraser calls 'progressive neoliberals'.

In Germany, 12 youngish MPs from the centre-left SPD have called for a 'retreat' from neoliberalism*[article in German]*. But they haven't yet managed to change the general social-liberal trajectory of the centre-left.

What do you think needs to change?

The financial crisis, the election of Donald Trump and the UK's decision to leave the EU marked a watershed. Even so, Europe's governing parties haven't changed their tactics or their message.

They need to. Centre-left parties won't survive if they only stand for the status quo. They are trapped between the extremes of liberal self-satisfaction on the one hand, and populism that seeks to overturn the system on the other.

We don't need another self-satisfied management party. Social democrats in Germany and elsewhere need to recognise the faults in our political system, and call them out.

We're a long way from achieving what we can achieve as human beings. So we shouldn't pretend we don't need ideology any more. What we actually need is a new vision. We need to revisit the utopian ideals that the Marxist philosopher Ernst Bloch set out in his 1950s work *The Principle of Hope*.

In your book, you write of a postmodern left wedded to a kind of moralising liberalism. What do you mean by that?

What have we seen in the last couple of decades? First, the moderate left was blinded by the liberal illusion of the 'end of history' – the idea that Western democracy represented the peak of humans' sociocultural evolution, and would be the final form of human government. After 1990, Francis Fukuyama – the political scientist who popularised the idea – pretty much said, 'that's all, folks.' The world spirit had reached its fulfilment and liberalism had won the last battle.

The centre-left in particular peddled this illusion through its 'Third Way'.

Then something else happened. A social policy defined by postmodernism slowly became the centre left's entire agenda. We needed to be tolerant, cosmopolitan. Multiculturalism got lots of hype. The message was: everything is good, and everything's going in the right direction. So sit back and watch liberalism win the day.

The only thing left was to find a sense of morality *within* the existing system. Even the 'conservative' Angela Merkel largely embraced the

Third Way agenda and is for many a figurehead of a kind of 'sunshine liberalism'.

Can you describe what this 'moralising liberalism' looks like in practice?

The Eurovision Song Contest is a great example. In 2017, the theme was, 'Celebrate Diversity'. There's no better way to describe the postmodern cultural battle that's gripped centrist politicians and some journalists. Anyone who doesn't sign up to this agenda is seen as morally inferior.

Hillary Clinton described Trump's supporters as a 'basket of deplorables'. The French President Emmanuel Macron is adept at treating ordinary people with arrogance and disdain. When the Essen branch of a German food-aid charity turned away foreigners, Chancellor Merkel, the Greens and some of the SPD went on the attack, impugning the morals of those in charge.

What's wrong with celebrating diversity? Aren't you just playing into the hands of right-wing populists?

I've heard this argument a lot – people have hurled so many accusations at me. They say I'm reactionary, a bit right-wing, that what I say just bolsters right-wing populists.

It's nonsense. I'm calling for 'left-wing realism'. That means not sugar-coating the problems facing society or turning a blind eye to them. Problems can't be resolved unless they're first identified.

Another criticism I have of the postmodern left is its obsession with philosophical debates: 'Does Islam belong to Germany? Yes or no?'… 'Are you for or against refugees?'… 'Are you with us liberals or against us?'

All this is doing is pitting one kind of identity politics against another. But it isn't politics. In times of huge social injustice, we need to go back to 'social issues' and look at our political system with a critical eye. Euro-capitalism will fall on its own sword if there isn't a turnaround in European policy soon. The eurozone has structural problems. No amount of moralising will change that.

The centre left has never wanted to abolish capitalism. Its adherents gave capitalism an acceptable sheen and broadened its appeal through social programmes. How do you think social democrats should approach capitalism today?

We need a politics that democratises the economy and puts people

before markets. I envisage the restoration of the 'social democratic-corporatist consensus', as the sociologist Andreas Reckwitz recently described the economic philosophy that prevailed before neoliberalism. I want a new, socially-harnessed industrial capitalism.

I don't have a problem with capitalism *per se*. But I think that this neoliberal financial capitalism is a system that eventually collapse unless it is curbed and regulated. We need a Keynesianism for the 21st century.

If the left lets the financial sector carry on as before – believing Gordon Gekko's philosophy that 'greed is good' – and keep on doing pretty much whatever it wants, 'democratic capitalism' will end up being just 'capitalism'.

Look at the US: it's already a neo-feudal system. And Donald Trump. the postmodern star pupil of entertainment democracy, is now sitting in the White House.

I don't want that to happen here in Germany. The US needs to wake up. The political scientist Mark Lilla recently said Americans need to 'get real'. He's right. Listen to him. We have to counter the 'anything goes' of financial capitalism.

Do you want Bernie Sanders-style democratic socialism?

The SPD Chancellor Willy Brandt was never regarded as a socialist. But as recently as 1991, he said this: it would 'prove a historic mistake to write off the ideal underlying democratic socialism – the combination of freedom, justice, solidarity – as obsolete.'

I totally agree with him on that. Yet the political elite and the moderate left in particular have fallen victim to precisely that historical mistake. They've been calling for more liberalisation.

But does SPD HQ still see solidarity as the main driving force behind its policies? Probably not. And that's what I call the 'liberal illusion'. Large parts of the centre-left have nothing more to offer than vague left-wing liberalism.

What do you mean by 'vague' left-wing liberalism?

The centre left no longer really knows who it wants to represent. No major left-wing party can function as a post-materialistic party, as a Greens 2.0. Those who campaign for Berlin hipsters aren't too concerned by the needs of industrial workers in North Rhine-Westphalia and Baden-Württemberg.

But major parties need to integrate. France's Socialist Party failed at that completely. In Germany, it seems like Google interns are framing

SPD rhetoric and doing politics for the cosmopolitan jet-set middle class.

That's the wrong path to go down. The centre left needs to help those trying to hold down a job in the gig economy. They need to reassure those worried about how digitisation and globalisation will affect their jobs. We need to be defending them, not schmoozing with business.

If we take action to help those worried about new employment trends, we'll also attract votes from richer people who sympathise with the plight of the 'left behind'.

Middle class people are also irritated that they're propping up the state while much richer people escape taxes. And we have to show we understand.



Nils Heisterhagen
Mainz

Nils Heisterhagen is a social democrat author of the book 'Die liberale Illusion. Warum wir einen linken Realismus brauchen' (*The liberal illusion. Why we need a left-wing realism*) in Dietz-Verlag.