

# The radical left and the crisis - A tale of two journals

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This year marks the 50<sup>th</sup> anniversary of *New Left Review* (*NLR*). Not purely coincidentally, this journal also began its regular appearance (after an abortive launch two years earlier) in 1960. [1] Launched against the background of the rise of a New Left in rebellion against both Western capitalism and Eastern Stalinism, *International Socialism* and *NLR* represent contrasting trajectories for journals of socialist theory. Certainly since Perry Anderson first became editor in 1962, *NLR* has generally maintained a prudent distance from political practice, cultivating a rigorously intellectual style that, thanks to the talents of many of its contributors, has earned it a deserved international reputation.

No less serious analytically, *International Socialism* has, also virtually since its inception, been the journal of a revolutionary Marxist organisation, now the Socialist Workers Party. Consequently, it has always tried to make its content as accessible as possible and has concentrated on exploring issues whose clarification can contribute to a more effective socialist practice. As the editorial in our first issue declared, “the job we envisage for *International Socialism* is to bring together original contemporary social and political analysis that has special relevance to the waging of the class struggle and the deepening of working-class consciousness”. [2]

But the two journals have affinities as well as differences. Both have sought, from a British vantage point but an internationalist perspective, to use Marxist theory in order to illuminate the same world. The 50<sup>th</sup> anniversary issue of *NLR* is a case in point, starting as it does with a major piece by the editor, Susan Watkins, that seeks to situate the current stance of the journal within the context of the global economic and financial crisis. Watkins has no doubt about the severity of the crisis and the limits of the “recovery”. She describes the latter as “patently unstable: a jobless North Atlantic, with a crippled credit system at its heart; a bubbling East, yet to recalibrate to the shrinking market for its goods; a mountain of debt still to be settled; speculative funds at loose in the system, driving commodity-price spikes. Finance is still booby-trapped, while turbulence has shifted east and south”. [3]

Potentially serious though the economic prognosis for global capitalism may be, Watkins believes the political backwash of the crisis, when compared to the aftermath of earlier financial crashes such as 1873 and 1929, demonstrates the persisting strength of neoliberalism:

*“Perhaps the most striking feature of the 2008 crisis so far has been its combination of economic turmoil and political stasis. After the bank and currency crashes of 1931, governments toppled*

*across Europe—Britain, France, Spain, Germany; even in 1873, the Grant Administration was paralysed by corruption scandals after the railroad bust, and the Gladstone Ministry fell. The only political casualties of 2008 have been the Haarde regime in Iceland and the Cayman Islands authorities. As unemployment mounts and public-spending cuts are enforced, more determined protests will hopefully emerge; but to date, factory occupations or bossnappings have mostly been limited to demands for due redundancy pay. That neoliberalism’s crisis should be so eerily non-agonistic, in contrast to the bitter battles over its installation, is a sobering measure of its triumph.” [4]*

Hence, “meeting no opposition, the neoliberal programme has actually advanced through the crisis, the bank bailouts effecting a larger expropriation than ever before”. [5] The tilt towards Keynesianism at the height of the crisis has facilitated not a real change in economic policy regime, but the strengthening of a “regulatory liberalism” that is merely a variation on neoliberalism more broadly understood. Watkins sees this analysis as confirming what she describes as the “lucid registration of defeat” offered by Anderson when *NLR* was relaunched in 2000: “for the first time since the Reformation, there are no longer any significant oppositions—that is, systematic rival outlooks—within the thought-world of the West”. [6] She sympathises with the plight of young radical intellectuals today: “Flares of protest have been ephemeral; every mobilisation they have known—alter-globo, climate change, marches against the invasion of Iraq—has ended in defeat.” The article concludes by musing about the uncertain future of *NLR* itself: “Can a left intellectual project hope to thrive in the absence of a political movement? That remains to be seen”. [7]

Watkins’s article is interesting because it articulates in a particularly systematic and careful way a widespread view, namely that, confronted with a genuine (to quote Alan Greenspan) once-in-a-century crisis of global capitalism, the radical left has fumbled the catch, missing a major political opportunity. [8] This view has been expressed outside the radical left, but it has also been one of the issues at stake in recent debates within the SWP.

One of the most important variables in politics is time. Answering the question of whether the radical left has missed the boat depends critically on the duration of the crisis. The Great Depression lasted from 1929 to 1939. Watkins is right that the immediate impact of the financial crashes of 1929 and 1931 was a surge in governmental instability (though in Britain the fall of Ramsay MacDonald’s minority Labour government led to the formation of a Tory-dominated coalition that dominated politics for the rest of the decade). This reflected not merely the severity of the crisis, but also the extent to which the structures of bourgeois rule had already been weakened by the First World War and the social and political upheavals that followed. Generally these governmental crises marked a shift to the right in official politics—thus social democracy was expelled from office in Germany as well as Britain.

But, as the Depression continued, intense class warfare developed, marked by the victory of National Socialism in Germany in January 1933 and the destruction of the Austrian workers’ movement in February 1934, but also by a surge to the left—the Popular Fronts in France and Spain, the New Deal and the sit-down strikes in the US, the mass strikes and factory occupations in France in June 1936, the Spanish Revolution of 1936-7. Defeat for the left in France and Spain only came towards the end of the decade, critically thanks to the restraints on workers’ combativity imposed by the Popular Front policies of the Communist parties.

By contrast, the present economic crisis struck at a time when bourgeois democracy in the advanced capitalist states had enjoyed several decades of relative stability after the upheavals of the 1960s and 1970s. Indeed, the geographical scope of liberal democracy has been hugely extended—to Southern Europe in the late 1970s and 1980s, to Central and Eastern Europe, South Africa and Latin America in the 1990s, and to South Korea and Taiwan in the 2000s. Moreover, the terrain of

bourgeois politics has narrowed with the rise of social liberalism—the acceptance of neoliberalism by the leading parties of social democracy. Of course, all is very far from well with bourgeois democracy—political convergence at the top, the erosion of living standards and the welfare state, and the corrosive influence of money on official politics have encouraged widespread popular disenchantment. Nevertheless, the crisis hit relatively robust structures of capitalist rule that allowed little space for the articulation of alternatives to neoliberalism, let alone to capitalism altogether.

So, if the crisis were simply a relatively short, though severe shock whose effects were largely absorbed by the bailouts, then Watkins's diagnosis of "economic turmoil and political stasis" would be broadly correct. But, although she discusses different scenarios, she herself doesn't seem to expect a rapid return to economic "normality". Yet a prolonged economic crisis will put pressure on bourgeois political structures, exposing their fault lines. So let's look more closely at the development of the crisis.

### **Stages in the crisis**

One of the lessons of the Great Depression is that a major economic crisis is itself a historical phenomenon that passes through different stages—in that case, industrial slowdown prior to the stock-market crash, the crash itself, an initial economic contraction, the banking crisis of 1931, further contraction combined with the collapse of international trade, a partial recovery in the middle of the decade, and then renewed recession in 1937-8 before rearmament and then war production lifted output and employment. Similarly the present crisis has evolved through a number of stages—the initial credit crunch of 2007-8, the financial crash of autumn 2008, a very sharp and generalised slump in the winter of 2008-9, and then a "recovery", more accurately a stabilisation thanks to the vast amounts of money pumped into their financial systems and broader economies by the leading capitalist states.

Moreover, the process is uneven. During the Great Depression, those states that were prepared rapidly to ditch free trade (Britain after 1931) or to rearm (Germany after 1933) recovered more quickly than others, notably the US. Today, China, thanks to a gigantic programme of state-funded investment, is growing fast again, to the benefit of those economies that have reoriented to become its suppliers, whether of manufactured goods (South Korea) or raw materials (Brazil, South Africa).

So what stage have we reached in the present crisis? At its immediate origins was the huge growth in private debt that fuelled the bubble of the mid-2000s. The resulting debt crisis has migrated from the private to the public sector. Government borrowing in the main economies has enormously increased—thanks not simply to the bailouts but also to the fall in tax revenues and increase in welfare spending imposed by the Great Recession. This is entirely in line with historical experience, as Carmen Reinhart and Kenneth Rogoff point out in a major econometric study of financial crises:

*"The aftermath of banking crises is associated with profound declines in output and employment...the value of government debt tends to explode: it rose by an average of 86 percent (in real terms, relative to pre-crisis debt) in the major post-World War II episodes...the main cause of debt explosions is not the widely cited costs of bailing out and recapitalising the banking system... In fact, the biggest driver of debt increases is the inevitable collapse in tax revenues that governments face in the wake of deep and prolonged output contractions." [9]*

How an increase in public debt is addressed is essentially a political question—in other words, it reflects the prevailing balance of class forces. The enormous government borrowing to pay for the Second World War was dealt with gradually through a combination of economic growth and inflation

(which reduced the real value of the debt). In the present situation, where neoliberalism continues to frame policymaking and the surviving banks have been reinvigorated thanks to the state support they have received and the elimination of many of their rivals, the growth in the budget deficit is defined as a major crisis that must be addressed immediately by massive cuts in public spending.

Thus in Britain the Tories, with considerable support from the media and big business, have used the deficit to set the political agenda for the general election campaign that should be under way by the time this issue appears. This fits into a broader analysis that identifies a bloated public sector as the source of Britain's problems. Promising "swingeing" cuts, however, hasn't proved that popular. Moreover, there is a major debate in leading bourgeois circles (reflected in a series of exchanges among economists on the letters page of the Financial Times) about the timing of any cuts, reflecting the fear that premature withdrawal of state support for the world economy would precipitate the "double-dip" recession obsessively anticipated by commentators and policymakers alike.

### **The eurozone fractured**

All the same, the necessity of public spending cuts is now taken for granted in official politics across the advanced capitalist economies. Moreover, the luxury of being able, to some extent, to choose the timing of retrenchment is not available to the weaker capitalist states. This is evident in the eurozone, where Greece has been targeted by the financial markets, the European Commission and the leading European Union states for fiscal profligacy, and huge cuts extracted from the social-democratic government of George Papandreou.

But the Greek crisis has exposed the structural flaws inherent in the construction of the eurozone. European economic and monetary union (EMU) locked the exchange-rates between the participating states as their national currencies were replaced by the euro and gave control over interest rates to the unelected and unaccountable European Central Bank. For the more peripheral members, this arrangement had the great advantage that the spread between the interest rates on their bonds and on those of the strongest European economy, Germany, narrowed sharply. In the conditions of generally low interest rates that prevailed during the credit boom of the mid-2000s, this facilitated a sharp increase in household debt (to 100 percent of national income in Greece, Portugal and southern Ireland) in the smaller eurozone economies and the development of housing bubbles in Ireland and Spain.

The increased consumption that higher borrowing made possible in southern Europe helped to provide a market for German exports (two thirds of which go to the eurozone). Germany, which avoided the debt explosions seen elsewhere in the eurozone, was able to regain its position as the world's biggest exporter in 2005 by squeezing labour costs against the background of high unemployment, the Hartz IV "reform" of unemployment benefit forced through by the Red-Green coalition of 1998-2005, and the shift or (often as effective) threat of a shift of production further east. Meanwhile, labour costs grew much faster elsewhere in the eurozone. The weaker economies ran up huge balance of payments deficits that were the obverse of Germany's ballooning surplus. As an important study of the eurozone crisis by Research on Money and Finance points out:

*"The euro and its attendant policy framework have become mechanisms ensuring German current account surpluses that derive mostly from the eurozone. Peripheral countries joined a monetary system that purported to create a world money, thus signing away some of their competitiveness, while adopting policies that exacerbated the competitiveness gap. The beneficiary of this process has been Germany, because it has a larger economy with higher levels of productivity, and because it has been able to squeeze its own workers harder than others. Structural current account surpluses*

*have been the only source of growth for the German economy during the last two decades. The euro is a “beggar-thy-neighbour” policy for Germany, on condition that it beggars its own workers first.” [10]*

According to Research on Money and Finance, the immediate precipitant of the eurozone crisis lay in the general response of member states to the financial crash, namely (with the exception of Germany) substantially to increase spending and borrowing. The surge in government debt pushed them onto the money markets to sell their bonds. But the weaker eurozone states found the spread between the interest rate they had to pay on their bonds and the rate on German government bonds widened sharply. Targeted by speculators, the costs of its borrowing soaring, the Papandreou government found itself caught in a vice. “The structural weaknesses of monetary union are apparent in this regard. All countries have the same access to the money markets; but they do not have the same access to credit, which is obtained at a different price by each country”. [11]

EMU’s deeper flaw is that it is at most a monetary union. Fiscal policy—dependent on the power to tax and spend—remains firmly in the hands of the nation-states. But, in times of crisis, when the state needs to step in to rescue the market, fiscal policy becomes central: the bailouts and stimuli were underpinned by the ability of the leading capitalist states to extract resources from their economies and to borrow on the strength of this ability. Hence the EU’s response to the financial crash was dominated by national governments’ rescues of their banks and subsidies to their firms. [12]

This set-up begs the question of what happens when a member-state of the eurozone is threatened with bankruptcy. The financial markets didn’t just force up the interest rates on the bonds of the weaker eurozone economies: they also pushed down the euro. This made the Greek crisis a problem for the entire eurozone. The dominant continental states, France and Germany, were divided over how to respond: France supporting a coordinated loan to keep Greece afloat, Germany resisting. Greece threatened to humiliate the EU by going to the International Monetary Fund for help, a bluff that was called by Germany.

The eventual agreement on a joint IMF-eurozone rescue reflected the fact that a Greek default would not be in the interest of the German banks, which have lent heavily to Greece and the other weaker eurozone economies. But the debate within Angela Merkel’s chronically weak conservative-liberal coalition in Berlin (which was accompanied by ferocious nationalist exchanges between the German and Greek media) tilted towards the hard line taken by Wolfgang Schäuble, the finance minister.

He proposed setting up a European Monetary Fund that could come to the rescue of eurozone members in Greece’s plight, in exchange for a tightening up of the Growth and Stability Pact, under which EU states are not supposed to run budget deficits greater than 3 percent of national income. In particular penalty clauses would be inserted allowing states that broke the rules to be deprived of access to EU cohesion funds or even to have their voting rights temporarily suspended. States could also opt to leave the eurozone while remaining in the EU.

As the economic commentator Wolfgang Munchau puts it:

*“This is not about helping countries in trouble. This is about helping them to get out.*

The political message of the Schäuble plan is that Greece will be the last bail out ever. As preparations for a bail out reach an advanced stage, the German public reaction has become progressively more hostile. If the Schäuble plan had already been in place, Greece would already have headed to the exit. It is hard to conceive of a situation under the plan where a country

simultaneously fulfils the criteria for aid, and needs it.

Also, the Schäuble plan contains no provision that would ever be binding on Germany. It would allow Germany to press ahead, unhindered, with its unilateral economic strategy to eradicate the budget deficit by 2016. Even if southern European governments were to wake up and accept the need for deep reforms, they would have a hard time closing a competitiveness gap that is still widening in Germany's favour. I cannot see, therefore, how the plan will ever find political acceptance." [13]

In effect, the German ruling class is defending at any price its economic strategy of trying to maintain export leadership (which it lost to China in 2010) on the basis of wage repression. This has been locked in place domestically by a constitutional amendment passed last year that requires the federal government to reduce its budget deficit to 0.35 percent of national income by 2016: this blocks any shift to an alternative strategy based on stimulating the home market. The Schäuble plan expresses Berlin's determination to lock this strategy in place in the eurozone as well. If other eurozone states are too weak to cut public spending and labour costs to try and keep up with Germany, they will be ditched.

## Global dilemmas

The eurozone crisis is a European version of a global conflict. The World Trade Organisation recently congratulated itself on the fact that the initial surge in government subsidies and other forms of protectionism in response to the slump of 2008-9 hasn't developed on anything like the scale of the drive of the imperialist powers to close their markets to their rivals during the 1930s. But this ignores the fact the most important trade conflict today is over currencies.

It's a cliché that the most important economic relationship today is that between the US and China: America provides a huge market for Chinese manufactured goods and in turn borrows back the dollars it spent on these goods to help finance its balance of payments deficit. But both states have responded to the slump by allowing the value of their currencies to fall against those of others in order to make their exports cheaper. Since the summer of 2008, the renminbi has been pegged to the dollar, which itself has till recently been drifting down on the foreign exchanges.

This has become an increasing source of conflict between Beijing and Washington. The Obama administration, struggling with a sluggish economy and unemployment at 10 percent of the workforce, has put increasing pressure on China to lift the peg and to allow the renminbi to appreciate against the dollar. Obama has said this could create hundreds of thousands of American jobs. In his speech at the closing session of the National People's Congress in March, Wen Jiabao, the Chinese Prime Minister, said, "What I don't understand is depreciating one's own currency, and attempting to pressure others to appreciate, for the purpose of increasing exports. In my view, that is protectionism." Wen also repeated the concern he had expressed a year earlier about the security of Chinese investments in the US: "We are very concerned about the lack of stability in the US dollar. I was worried last year... I am still worried this year". [14]

One hundred and thirty members of the US Congress reacted by writing to Treasury Secretary Tim Geithner demanding that he designate China as a "currency manipulator" in a report due in April. Following a buildup of friction between Washington and Beijing over various issues, the currency quarrel has developed an edge that no doubt reflects the growing tensions between the dominant imperialist power and its most serious potential challenger. The Democratic economist Paul Krugman has become particularly aggressive in campaigning for the US unilaterally to impose a 25 percent surcharge on Chinese imports, a step that probably would provoke a real trade war. [15]

In fact, China allowed the renminbi to appreciate against the dollar between 2005 and 2008, and may do so again, possibly in response to the fear of rising inflation caused by the mammoth government stimulus that Wen also expressed in his speech. Economists think a rising renminbi probably would not seriously affect China's export performance. But what the row indicated is that the Chinese leadership, like the German, remains committed to a high-export strategy, though one that is based on far lower wages and a far higher rate of accumulation. Martin Wolf of the *Financial Times* highlighted the parallels:

*"China and Germany are, of course, very different from each other. Yet, for all their differences, these countries share some characteristics: they are the largest exporters of manufactures, with China now ahead of Germany; they have massive surpluses of saving over investment; and they have huge trade surpluses... Both also believe that their customers should keep buying, but stop irresponsible borrowing. Since their surpluses entail others' deficits, this position is incoherent... I am beginning to wonder whether the open global economy is going to survive this crisis.*

Surplus countries insist on continuing just as before. But they refuse to accept that their reliance on export surpluses must rebound upon themselves, once their customers go broke. Indeed, that is just what is happening. Meanwhile, countries that ran huge external deficits in the past can cut the massive fiscal deficits that result from post-bubble deleveraging [reducing borrowing] by their private sectors only via a big surge in their net exports. If surplus countries fail to offset that shift, through expansion in aggregate demand, the world is inevitably caught in a "beggar-my-neighbour" battle: everybody seeks desperately to foist excess supplies on to their trading partners. That was a big part of the catastrophe of the 1930s, too." [16]

Of course, the Chinese and German ruling classes retort by claiming that the roots of the problem lie in the profligacy of the Greeks and the Americans, happily borrowing and spending their way to disaster. But the basic point stands: every state is seeking to get out of the slump by cutting spending and borrowing and by exporting, but this begs the question of who will buy these exports. Wolf is quite right to draw a parallel with the 1930s. Writing at the time, the Marxist economist John Strachey highlighted what he called "the dilemma of profits or plenty": "The measures which will maximise profits will minimise plenty: the measures which will maximise plenty will minimise profits". [17] In other words, cutting wages to boost profits restricts the demand for the goods and services. One way out of this dilemma is to export, but if everyone tries to do this the result is too many goods chasing too little money.

These tensions don't simply highlight that what Reinhart and Rogoff call "the Second Great Contraction" is far from over. They also underline that a major obstacle to "recovery" lies in the conflicts among the leading capitalist powers. This was also demonstrated at the Copenhagen Climate Change Summit in December, which is analysed in detail by Jonathan Neale in this issue. Despite the emergence of the G20 as a forum that includes the big economies of the South, and despite Obama's more consensual rhetoric, the international capitalist class remains a band of hostile brothers.

### **Stages in the struggle**

Whatever these tensions, it's clear who has been marked out as the fall guy. Workers and the poor, squeezed by unemployment, wage repression and public spending cuts, are expected to pick up the bill for the crisis. But of course this assumes that they will accept this appointed role. One reason why the Greek crisis is so serious is because of the resistance it has evoked from the most combative workers' movement in Europe. The general strikes that have been mounted against Papandreou's

austerity packages have fused the militancy of the organised working class with the insurrectionary spirit of the youth revolt that swept Greece in December 2008.

This is not the place for an extensive analysis of the response by the workers' movement internationally to the crisis. But it is worth saying a little about the situation in Britain. Here too one can distinguish several stages in the evolution of the class struggle since August 2007. The first, in 2007-8, was dominated by what in retrospect seems like one of the after-effects of the credit boom—the very sharp rise in the rate of inflation that put significant pressure on living standards throughout the world. In Britain this produced a revolt over public sector pay that reached its highpoint in spring 2008.

This phase came a brutal halt after the collapse of Lehman Brothers in September 2008. The left-wing leaderships of the main unions involved—the PCS, NUT and UCU—reacted to the financial crash by killing off industrial action over pay. In effect, the trade union bureaucracy abandoned the field of battle. This created a vacuum that was filled in the first half of 2009 by a series of struggles—notably the strikes by Lindsey oil construction workers and the occupations at Visteon, Vestas and Prisme—that were marked by rank and file workers taking the initiative and adopting methods of struggle that have been rare since the 1970s. Whatever the political ambiguities involved—above all, the slogan of “British Jobs for British Workers” that dominated the first Lindsey strike—these struggles, though on a relatively small scale, marked a qualitative shift.

In autumn 2009 a third phase began. This is marked by the return of the bureaucracy to the battlefield. Very largely this is in reaction to pressures from managements squeezed by the crisis into pressing for work reorganisations that increase the rate of exploitation. This pattern is very clear in the big confrontations at Royal Mail and British Airways and on the railways. In higher and further education there has been a rash of disputes provoked by the fact that in these sectors the cuts began to be implemented well before the election. So far the picture is mixed—a serious sell out at Royal Mail, an uncertain outcome at British Airways, victories at Tower Hamlets College and Leeds University—but resistance is on a large enough scale to encourage the Tories to claim that Britain is facing a “spring of discontent”.

In any case, the evolution of the struggle in Britain is very different from the passive condition of supine acceptance portrayed by Watkins. The task of revolutionaries in this situation is to do everything that they can to enhance the ability of rank and file workers to resist. In particular, this means building networks of solidarity that can help sustain a particular group of workers when they are in dispute. The emergence of the Right to Work Campaign, which held a conference of some 900 delegates in January, is an important step in this direction.

### **The plight of the radical left**

But of course what is needed is more than simply resistance and solidarity, essential though these are. A break has to be made in the political dominance of neoliberalism. In the early years of the previous decade, radical left parties began to emerge throughout Europe as significant electoral challengers. This was made possible by two factors—social liberalism, that is, the shift to the right of social democracy, which created a vacuum on the left, and the rise of the anti-capitalist and anti-war movements in the wake of Seattle, Genoa and Florence.

The nature and strategies of these parties have been extensively discussed in the pages of this journal. But it is clear there has been a shakeout over the past three or four years, which has been especially brutal in Italy, with the eclipse of Rifondazione Comunista, and Britain, where both Respect and the Scottish Socialist Party (SSP) suffered devastating splits. How is this related to the



two enabling conditions of the radical left parties' rise? The first—social liberalism—hasn't gone away, but the success of Pasok in the Greek elections of October 2009 and of the French Socialist Party in the regional elections of March 2010 confirms that embracing neoliberalism doesn't stop social-democratic parties manoeuvring to capitalise on working class discontent (though the subsequent fate of the Papandreou government shows that they remain, as ever, impotent in the face of capital).

What about the second condition, the rise of the movements? Again, addressing this question properly would require a longer discussion than is possible here. But Watkins is plainly wrong baldly to assert that they "ended in defeat"—particularly in the case of climate change, where the Copenhagen summit saw the first demonstrations of any size on the issue, in Copenhagen itself and in London, and where the summit called by Evo Morales, the Bolivian president, in Cochabamba in April may act as a focus for further mobilisations. It is true that in most of Europe the anti war movement declined rapidly after the fall of Baghdad, although in Britain it persisted at a relatively high level for several years longer. The impasse reached by the anti-capitalist movement has already been discussed in this journal: it was always true that, unless matched by a comparable rise in the level of class struggle, the political radicalisation that the movement represented was unlikely to sustain itself. [18]

But even if the picture of the movements is thus mixed—anti-war and anti-capitalist undeniably in decline, climate change just beginning—the ideological radicalisation that they both reflected and reinforced has not gone away. The renewed intellectual vitality displayed in a variety of Marxist theoretical debates is a symptom of this. Moreover, the surviving radical left formations represent a kind of political deposit left behind by the forward surge of the first half of the 2000s. So we aren't stuck at the political degree zero that Anderson asserted we were at in 2000.

One can identify two main axes of the European radical left. The first is occupied by Die Linke in Germany, the Front de Gauche in France, SYRIZA (the Greek Coalition of the Radical Left) in Greece, and the Bloco de Esquerda in Portugal. Their main reference point is left reformism, though to differing degrees they shade off into the far left. The second is defined by the Nouveau Parti Anticapitaliste (NPA) in France, the project through which the Ligue Communiste Révolutionnaire (LCR) launched a broader party on a revolutionary programme.

All these formations represent real forces, and have made an impact in electoral politics in their countries. This is a significant crack in the neoliberal consensus. But it is only a beginning. Moreover, the balance between left and right in the radical left on both a European and a national scale changes over time. Thus the French regional elections in March saw the Front de Gauche—a coalition of the Communist Party and Jean-Luc Mélenchon's left social-democratic Parti de Gauche—gain a significant lead over the NPA.

One final thread in the tapestry is that the two main parties of the European revolutionary left, the NPA and the SWP, have both recently experienced splits. At issue in both cases was whether or not to persist with the project of building a revolutionary party. In the French case, this was the outcome of a long struggle between right and left within the LCR, with the minority faction headed by Christian Piquet, whose main reference point is the French republican tradition rather than revolutionary Marxism, departing to join the Front de Gauche. [19]

The divisions within the SWP were of much more recent origin, arising during the crisis in Respect but developing into an argument over perspectives. A small minority, including several former members of the leadership (one an ex-editor of International Socialism, John Rees), refused to acknowledge the decline of the anti-war and anti-capitalist movements. While repeating the mainstream claims that the radical left had missed the boat, they rejected the majority's arguments

in favour of a change of tactics in response to the economic crisis, and eventually resigned from the SWP.

These episodes bear witness to the pains of reorientation in a complex and rapidly changing situation. For the SWP at least, a main political conclusion is that building a revolutionary organisation is in no sense counterposed to continuing to support and indeed to initiate broader united fronts in the different fields of struggle. The most difficult of these is the electoral field. Here the Trade Unionist and Socialist Coalition represents an important attempt to reassemble the scattered forces of the radical left after the implosions of Respect and the SSP. The campaigns of its candidates in the general election can help lay the basis of a much stronger left alternative to social liberalism in future. Given the advance of the fascist right—the broader background to which is explored by Richard Seymour in his article on contemporary racism, developing this alternative is an urgent task, and not just in Britain, as the revival of the Front National in the French regional elections shows.

But the forces of the radical left in Britain are much too weak for revolutionaries to ignore the millions of organised workers who continue to look, however grudgingly and reluctantly, to Labour. The slogan “Vote left where you can, vote Labour if you must” does not imply any illusion that, should Gordon Brown manage somehow to cling on to office, his government’s policies would be qualitatively better than those of an administration headed by David Cameron. It is rather a means of pursuing a political dialogue with the vast numbers of militants who have yet to break Labourism. This dialogue will be all the more important if, as still seems most probable, the Tories form the next government and intensify the attacks that New Labour has already mounted.

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## **P.S.**

\* From International Socialism, Issue: 126. Posted: 14 April 10:  
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## **Footnotes**

[1] Birchall, 2008.

[2] Quoted in Callinicos, 1977.

[3] Watkins, 2010, p12.

[4] Watkins, 2010, p20.

[5] Watkins, 2010, p21.

[6] Watkins, 2010, p23; Anderson, 2000, p17.

[7] Watkins, 2010, p27.

[8] See, for example, a piece by the Guardian's Andy Beckett, and my reply: Beckett, 2009, and Callinicos, 2009.

[9] Reinhart and Rogoff, 2009, p224.

[10] Lapavitsas and others, 2010, p28.

[11] Lapavitsas and others, 2010, p46.

[12] Callinicos, 2010, pp97-101.

[13] Munchau, 2010.

[14] Financial Times, 14 March 2010.

[15] See Drezner, 2010, and the exchanges it provoked, and for a different, Marxist take; Hart-Landsberg, 2010.

[16] Wolf, 2010.

[17] Strachey, 1935, p101.

[18] Callinicos and Nineham, 2007.

[19] The death of Daniel Bensaïd in January deprived the NPA of its leading Marxist theorist. Our next issue will carry an assessment of Bensaïd by Sebastian Budgen.