



THE “THIRD WAY” AND A NEW LEFT

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There are fashionable terms that are at once misleading and revealing. The “third way” is one of them. There was a time when this concept had a genuine meaning. Back in the 1950s, for the so-called “revisionists” in Eastern Europe it spelled the search for democratic socialism that had nothing to do with its Stalinist perversion but was not a return to capitalism either. For some radical dissidents in the West it had the same significance: it was their way of telling Moscow and Washington “a plague on both your houses” during the period of the Cold War. But that conflict is over, the neo-Stalinist empire has collapsed and capitalism is triumphant. In its new reincarnation, the “third way” does not even envisage the dismantling of capitalism. All it proposes is to put a coat of varnish on top. As applied by its chief practitioner, the British prime minister, Tony Blair, and as interpreted by his guru, Anthony Giddens, the model has been described, unkindly though not unfairly, as that contradiction in terms—“Thatcherism with a human face.”¹

But it is not just a fraud; it is also a symptom. The term became fashionable once again when, on the international scale, the establishment began to lose the full control of the situation. Capitalism, now spread all over the planet, faced its most serious economic crisis since the war. In Western Europe, the drive to impose the American model was at once intensified while also meeting increasing resistance. The ruling ideology had lost some of its effectiveness. It was no longer enough to repeat that there is no exit

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<http://www.thenation.com/doc.mhtml?i=20001225&s=editors2>

¹ *The Third Way: The Renewal of Social Democracy*, Polity Press, 1998.

from our society, for people simply to resign themselves passively to their fate. This was one of those situations when the rulers must follow the advice given by the hero of Tomasi di Lampedusa in *The Leopard*: change everything so that nothing be altered. Or, to put it differently, the “third way” is akin to those non-alcoholic drinks, like Canada Dry, designed to give the consumer an illusion of alcohol instead of the real thing.

An instrument for deception then? Undoubtedly, but also the sign of an opportunity. The fact that, in 1999, thirteen out of the fifteen states of the European Union have “leftish” governments, including Social-Democratic ministers; that in eleven of them² leftists have a dominant position; that only Spain and Ireland are still ruled by conservatives; all of these have their significance. It means that people in Western Europe are rejecting the American model, that they are yearning for something different. True, it is the role of the Social-Democratic governments to temper their mood, to channel the discontent so as to prevent it from challenging existing society. But they need not necessarily be successful. With the gospel of globalization shaken by the Asian crisis and its consequences in Russia, Latin America and beyond, with the *pensée unique*, as the French call the ruling ideology, losing its monopoly for the first time in years, a new New Left now has a possibility to help the movement from below to search for an alternative that is both radical and internationalist and thus to put pressure on these governments. In other words, it can restore the “third way” to its original meaning—the search for a socialist resurrection.

We are living a complex period of transition, watching at one-and-the-same time the apparent revival of Social Democracy and its deepest crisis. To understand what is happening, and what is at stake, we must look at it all in a historical perspective. But I shall limit this recollection of the past to a minimum because those who are interested in my views on the subject can find them in a recent book.³

The quarter of a century or so after the last war was for the western world a period of unprecedented expansion, the so-called ‘golden age of capitalism’. For Western Europe in particular these were years of deep trans-

² Britain, France, Germany, Italy, Sweden, Denmark, Finland, the Netherlands, Austria, Greece and Portugal.

³ *Whose Millennium? Theirs or Ours?* Monthly Review Press, 1999.

formation: mass migration from country to town, the inflow of immigrant workers, major shifts in the patterns of consumption. Above all, it was a period of rapid growth, with the national product rising at an average annual rate of around five per cent. Part of that increment was passed on to the working people. Within a generation the Western Europeans acquired the symbols of the American dream: the car, the fridge, the washing machine, the tv set. Let us not idealize that “golden age”; with overcrowding, insecurity and the painful pace of assembly lines there were plenty of reasons for popular discontent. Still, as living standards were climbing, it was possible to argue: why change society when you can make so many changes within the existing social relations.

The social-democratic mood that prevailed at the time rested on that argument. I am not using here the term social democracy in its historical connotation. After all, Lenin, Karl Liebknecht and Rosa Luxemburg were social-democrats. I am taking it here in the form it has acquired since the last war, namely the reformist management of the existing capitalist society. As long as in an expanding economy there was room for concessions, the climate was social-democratic even where the Socialists were not in office. The mood was contagious. After 1968 and the invasion of Czechoslovakia, with the Soviet model totally shattered, even Western Communists were resigned to the idea of merely seeking improvements within the capitalist framework.⁴

In any case, the historical paradox is that this general conversion to capitalism coincides with the end of an era, the end of economic and social developments which inspired that conversion. One may debate whether the actual turning point came at the end of the 1960s, with the profit squeeze, or at the beginning of the following decade with the jump in the oil prices. However, it is undisputed that a quarter of a century of unprecedented growth is over and the age of painful restructuring begins. True, at the beginning, in the “seventies,” efforts were still being made to salvage the smooth system of class collaboration that had been yielding such nice divi-

⁴ Francis Fukuyama with his *End of History*, after all, simply codified and pushed to the extreme long-standing propaganda. It is interesting to remember that the concepts of an unsurpassable capitalist horizon, and the absence of an alternative, existed well before the collapse of the Soviet Empire.

dends. The “eighties” witnessed the all-out offensive of capital against labor. It started in the United States with Reagan’s attack against Patco, against the striking air-controllers in 1981-82, and it climaxed with Thatcher’s ruthless defeat of the miners, after an epic battle, in 1984-85. Yet these were only highlights in a campaign waged on all fronts. Domestically, it involved anti-labor legislation to weaken the unions and, to use buzzwords, downsizing, re-engineering, the introduction of *kanban*, the Japanese system of just-in-time organization of work and of *corporate governance*, the new American methods of management for immediate profit and a good quotation on the Stock Exchange.

In Europe, to provide scope for profit, public property was privatized on a vast scale, starting with steel or banks and ending with railways and telecommunications. Everywhere the function of the state was changed—let us emphasize, not diminished, but altered; its role as the pillar of the existing system, if anything, strengthened, but its powers to control capital greatly reduced. Deregulation was the order of the day and it affected international as well as domestic relations. Foreign trade barriers having been removed earlier, controls over the movements of capital were almost entirely lifted. This led to a huge expansion of these transfers and to a frenzy of financial speculation, with investment banks, pensions and hedge funds leading the way. It also strengthened the power of the employers, notably the transnational corporations, thinking and acting globally, over a labor movement thrown on the defensive and lagging behind the demands of the new international situation.

Such a tremendous upheaval would have been unthinkable without a simultaneous effort by the establishment’s mighty propaganda machine. A visitor from Mars returning to the western world after a thirty years’ absence would not recognize the place, so great has been the political swing to the Right, so deep the change in the ideological climate. Gone is the talk about capitalism with a human face, growing eternally without crises and thus turning us all into a middle class. We are back to the laws of the capitalist jungle, where profit is the only judge and private enterprise the only value, where the winners take all and the losers deserve their fate. After years of steady rise in living standards, the official preachers found it difficult to sell the public a new model, based on increased polarization and involving mass unemployment in Europe or the spread of the working poor in America. In

the circumstances it was indispensable to convince the people that they had no choice and this was achieved with impressive success. The new philosophers’ *gulag* campaign, the collapse of the neo-Stalinist empire presented as the funeral of socialism, the end of history, all this helped to consolidate the triumph of T.I.N.A. – “there is no alternative,” or Tina, the nickname given Maggie Thatcher (you know, the lady who gave tea and cakes to General Pinochet). This premise, alas, has been accepted as the very foundation of our political debate.

How did the *gauche respectueuse*, as the French nicely called the Left respectful of the established order fit into this new pattern?⁵ At first, it was bewildered. It stuck to the middle of the road, to compromise and collaboration, while the radicalized Right had completely altered its strategy. Then it resigned itself to the new order of things. The electoral victory of the French Left in 1981 was probably the last one achieved with a program of fairly radical reforms. But as these were not conceived with the new economic situation in mind, and as nothing was done to mobilize a mass movement to back them, the experiment rapidly ended in total surrender. Indeed, where in office, like in France or Spain, the “socialist” governments took an active part in deregulation and, in opposition, in Britain, Germany or Italy, the leftist parties followed the same trend. The Respectful Left everywhere was ready to play according to the new rules of the game. (The Swedish Social Democrats were the last ones to fall into line).

The snag is that this respectful Left was now being asked to switch from the reformist to the counter-reformist management of capitalist society. Its job was not to make new concessions but to take back those that had been made in the period of prosperity. This, in turn, probably implied the transformation of Europe’s traditional mass political parties into electoral machines like in the United States. The Americanization of Europe, it was argued, suggests taking the Democratic Party as a model. We shall see that the leaders of the European parties have been following this road with varying degrees of enthusiasm. The blessing of the leaders, however, was not sufficient. While the pressure existed earlier, the ‘nineties witnessed a

⁵ By analogy with J-P Sartre’s play, *La Putain respectueuse*, the Respectful Whore.

real campaign by the international financial establishment urging western Europe to follow the American example, to dismantle its welfare state and to deprive the working people of all safeguards interfering with the newly sacred “flexibility of labor.” But this drive met popular resistance. When Silvio Berlusconi, the tycoon turned prime minister, attacked their pensions, the Italians staged huge demonstrations in 1994. Two years later, when they felt their rights threatened, the German trade-unions showed their strength. Yet the ideological turning point, at least in my opinion, was reached in 1995, during the French winter of discontent, when Paris was paralyzed by a transport strike and the French provinces shaken by mass demonstrations. If that is the future you are offering us and our children—the French protesters were really proclaiming on that occasion—to hell with your future, alternative or no alternative. This was in fact the first big rebellion against T.I.N.A.

At the end of the millennium the moderate Left thus finds itself in a complex and contradictory position in Western Europe. On one hand, as we saw, the leaders of that respectful Left have fully endorsed the new rules of the game, heavily twisted in a reactionary direction: bowing to the gospel of globalization, they accepted the uncontrolled flows of capital over frontiers and, domestically, they became the eager practitioners of the religion of the market and of the cult of private enterprise. On the other hand, they got into when this new orthodoxy began to be questioned and when the international financial crisis could no longer be concealed. Furthermore, their own victory introduced a new factor. Hitherto, a Socialist prime minister in France or in Spain could claim that his intentions were genuinely progressive, but he was helpless on the European stage dominated by Conservatives. Now that center-left governments are dominant, notably in the four key states of the European Union—Germany, France, Britain and Italy—that plea can no longer be used. Social Democracy faces its real test, its moment of truth.

Its leaders knew that they would be judged by their capacity to reduce unemployment and to defend the welfare state. Hence their temptation, once in office, to promote expansionary policies. These, however, clashed, particularly in the new framework of a single market and a common currency, with the provisions of the Maastricht Treaty and the Stability Pact imposed by Chancellor Helmut Kohl. In fairness, it must be added that,

after years of retreat and concessions, just merely to revive Keynesian policies or to defend—not to expand, but to *maintain*—social benefits would now require a mass mobilization of support and an international strategy that none of these parties had practiced for years. It is this contradiction that offers scope for a New Left within the labor movement, but in order to appreciate this opportunity we must first take a closer look at the ruling Social Democracy to perceive beneath its uniformity the genuine differences, say, between Britain with its pure version of the Third Force and France showing the political consequences of a social movement.

To see how far New Labour has moved to the Right it is worth glancing at the little book mentioned earlier, written by the director of the London School of Economics, Anthony Giddens, and supposed to provide the theoretical justification for Tony Blair’s practice. Theory is a big word for this exercise in political propaganda. The argument of Mr. Giddens rests on all the fashionable clichés of the recent period such as “the final discrediting of Marxism” or the ‘dissolution of the “welfare consensus.”’ The question he puts on the agenda is what should one do in a world where, by definition, “there are no alternatives to capitalism”? Where, then, does the Third Way, his solution, lie? Between neo-liberalism—read Reagan or Thatcher—and the old Social Democracy “with its ethos of collectivism and solidarity.” Where is that? While rejoicing over the fact that a growing number of issues now “escape the left-right divide,” Professor Giddens still talks about such a division, though the line he draws can hardly be seen. He is in favor of occasional state intervention but for the sake of building “an infrastructure needed to develop an entrepreneurial culture.” “Providing tax breaks for corporations...utilizing the dynamism of the market...a society of responsible risk takers...responsible business ethos.” The style is so eloquently obvious that it needs no elaboration. Our professor would accept a reduction of working time, but “not in the form of limits on the working week fixed by government.” He is, naturally, against “an obsession with inequality.” Indeed, if you take away the local gimmicks (the old British hat about the “radical center” and the now fashionable references to “civil society”), this is a boring discourse that would not disturb anybody in the American Democratic Party, or even at the local Rotary Club.

Tony Blair is undoubtedly a skillful performer, yet how can he get away with such a shoddy script? The answer does not lie simply in his charisma,

his gift for sound bites and the skill of his spin-doctors. The deeper reason is that, in all of Western Europe, it was in Britain that the labor movement had suffered its most serious setback. It started with the defeat in 1981-82 of the attempt by the Labour left, headed by Tony Benn, to radicalize the party and render it more democratic by giving more power to the militants, to the rank and file.⁶ A year after, in 1983, the Tories won another election and a triumphant Mrs. Thatcher at once prepared for a major confrontation with the labor movement. The miners took up her challenge, but without the full support of the party and union leadership they were doomed. After a year of bitter struggle, the striking miners were defeated. Conflicts of that nature and scope leave their mark on the political life of a country. In such a climate it was easier for the allegedly leftist Neil Kinnock to proceed with the normalization of the Labour Party, thus preparing the ground for the Americanization of New Labour by Tony Blair. Naturally, even traumatic experiences do not last forever and there are already some signs that the Blair euphoria may be coming to an end. But there is so much to be redressed that time will be needed and, meanwhile, smooth Tony can act as the peddler of the American model dressed up as the third way. Or, to put it in the language of his guru: since “Thatcherism shook up British society” rendering “political discussion...more free thinking...the British could be a sparking point for creative action between US and continental Europe.”

The trouble is that the continentals are not enthusiastic buyers, with the French usually singled out as the example of that reluctance. Not that Lionel Jospin is a sans-culotte or a builder of barricades. Very far from it. He was an important member of Francois Mitterrand's team which tamed the French Left and normalized the Socialist Party. Fundamentally, Jospin accepts the rule of capital in its current globalized version as does his English counterpart, but whereas the British prime minister is the ultimate result of a defeat of the labor movement, the French one is a by-product of a relative success. Without the strikes and mass demonstrations of the French winter of discontent in 1995, there probably would have been no snap, anticipated parliamentary election in 1997 and no government of the “plural Left.” New Labour accepts the heritage of Thatcherism and tries to fit into it. Unlike

⁶ For an excellent analytical description of that campaign, written with sympathy for Benn, see Leo Panitch & Colin Leys, *The End of Parliamentary Socialism*, Verso 1997.

Blair, Jospin is hankering after the era of the reformist management of capitalist society.

But his zeal should not be exaggerated. He pleads for expansion and the struggle against unemployment, but he accepts Europe's Stability Pact with its deflationary constraints. He introduces a compulsory 35-hour work week imposed by law, but then tries to placate the employers by allowing them a greater flexibility in the use of manpower. His left-wing government has privatized more than its conservative predecessor in the same period and is pushing through a reform of the welfare system that the former government, that of Alain Juppe, was unable to carry out. As soon as pressure from below is relaxed the Jospin government swings back to the Right, thereby suggesting that it might also be bullied beyond its present positions, but in the opposite direction.

We can now deal briefly with the two countries in between. Italy, which in the 'sixties had the most dynamic and sophisticated labor movement, is for the moment a disappointment. The ex-Communists, now re-christened “Left Democrats” have gone so far to the Right that, under the leadership of the current prime minister, Massimo D'Alema, they sit on the conservative side within the Socialist International, quite close to Tony Blair. Fausto Bertinotti's *Rifondazione Comunista* (a regrouping of the unconverted Communists and remnants of the New Left) as well as radical trade unionists are all on the defensive; there has been no important social movement in Italy since 1994. Germany may prove crucial for the social future of the European Union. At least since the 'sixties, it has had no important political movement questioning the system as a whole, but it has strong trade unions trying to defend their interests. It will be interesting to see how the social-democratic government of Gerhard Schroeder will reconcile the demands of the financial establishment—domestic and international—with those of its rank-and-file, particularly in the labor unions.

This return of the social-democracy to office may be seen in two ways, which are in a sense two sides of the same picture. On one hand, the capitalist establishment seems to have realized that it can no longer easily bully its counter-reformist project through and that it might be better to smuggle it in disguised as a third force, even if this involves some non-fundamental concessions. On the other hand, it is a sign of resistance, of potential opposition, the signal that the hand of these social-democratic governments could

be forced and the phony experiment turned into something more serious—provided a new, radical Left proved able to help the movement from below in its search for a genuine alternative.

In Western Europe, the space to the left of the Socialists is not empty. You have the many ex-Communist Parties, like Spain's Izquierda Unida (United Left) or Sweden's Left Party (the Vanster Partiet), or splinters from the CP like Italy's Rifondazione which, seeking new horizons, have opened their ranks to feminists, ecologists and fragments of the New Left. You have the various groups of the revolutionary Left, alternative Greens and different shades of progressive Women's Liberation. I am not listing them all not only because of lack of space but also because I think the potential of that new New Left is infinitely greater than its present reality, a point I shall now try to illustrate with the admittedly particularly favorable example of France.

In the first poll of the presidential election of 1995 the rest of the Left captured almost as many votes as the Socialist Jospin. The Left received 17.4%, (Communist Robert Hue 8.73%, the Trotskyist Arlette Laguiller 5.23% and Dominique Voynet, the Green 3.44%) compared with Jospin's 23.31%, but at the last moment many people switched to the Socialist so as to have a candidate of the Left in the second round, when only the two top contenders are allowed to compete. By now the Greens and the Communists are junior partners in the plural government dominated by the Socialists and in the regional elections staged last year—an unfavorable occasion for small parties—Trotskyist candidates again got around 5% of the vote. This repeated success was not a sudden conversion of the French to the ideas of the prophet of permanent revolution. It was a warning—dangerous for the CP and serious for the Socialists—a reminder that they were elected to change things and not just to carry on as before. One could also add to this list of warnings a perceptible change in the ideological climate, criticism of globalization, the popularity of books questioning the *pensée unique*, the development of associations defending the interests of the *sans*, of those without (without a home, without identity papers, without a job), notably the entry of the unemployed on the political stage at the end of 1997.⁷

⁷ See Marie Agnes Combesque: *Ca Suffit*, Plon 1998, and Bernard Poulet: *A gauche de la gauche* in *Le Debat* nr.103, January-February 1999

The problem facing the new radical Left throughout Western Europe is not one of potential support. The problem concerns its capacity to offer an alternative that is credible, coherent and comprehensive. In other words, it must break the persistent stranglehold of Tina. As long as one accepts profits, the market, and private enterprise as the foundations of our society, radical proposals rapidly reach their limits. This is particularly true now in the European Union with its single market and its common currency. If you propose higher taxes on profits, bonds or shares, it will be objected that you merely encourage the flight of capital. For a firm to remain competitive, it will be argued, a reduction of the work week must be combined with greater "flexibility," notably the calculation of overtime on an annual and not a weekly basis. As to a decent minimum income for everyone, irrespective of whether she or he has a job, it is clearly incompatible with the workings of the labor market. I am not suggesting that one should abandon these objectives. On the contrary, however, the movement must be aware that their fulfillment, in the long run, clashes with the logic of our system, that these demands take us beyond the confines of capitalist society.

Indeed, it is important that people should learn this contradiction through their own daily struggles, not just the industrial workers defending their wages, their employment and their welfare. The Greens must discover in their own action that the rule of capital, its mechanism of accumulation, driven by exchange value and not human needs, is incompatible with the ecological limits of our planet. The feminists must find out that, ultimately, they cannot eliminate the oppression of which they are the victims, within the hierarchical framework of capitalist society. It is only when they have learned it through their own experience that the different social movements can really get together and work out a joint project, elaborate a common vision, strive to gain mastery over their fate.

But are we not smuggling through the back door our old friend—the model handed down from above to obedient rank-and-file? I don't think so, firstly because the project is to be elaborated democratically, from below, with the active participation of the people involved; secondly, because the project will not be a neat blueprint to be implemented, but rather a draft to be revised time and again as the movement advances and develops its political consciousness while it proceeds. People, let us have no illusion, won't be converted at once by a program, however beautiful it may be. It is through

their own struggles, their setbacks that they must learn their lesson, realize that their demands, desires and dreams cannot be fulfilled within the confines of capitalist society. Besides, nobody now envisages the transformation as an instant revolution, the seizure of the Winter Palace followed by immediate results. Profits will not vanish at once, the market will not disappear overnight, the state will not wither away within a season. The important and crucial point that the new radical Left must develop from the start is that there is, or at least there could be, another logic, another coherence, that something can be built beyond the capitalist horizon. It must also revive the idea, once fairly common, but today cleverly stifled, namely that people can change their own lives by reshaping society through collective political action.

It is the logic of our times
 No subject for immortal verse
 That we who lived by honest dreams
 Defend the bad against the worse.

I think these words of Cecil Day-Lewis in *Where Are The War Poets?*, though written long ago, are perfectly suitable for our bewildered age, today more than ever. The complaint should not be interpreted as meaning that we should now stop voting for Labour against the Tories, for France's respectful Left against the Right, for Italy's Olive Tree against the coalition of the ex-fascist Fini and the tycoon Berlusconi. But this is not all nor is it the most important. For the radicals to erect this defense of the lesser evil to the rank of a categorical imperative is a form of political abdication. To carry any weight whatsoever, they must make it quite plain to the alleged leftists in office that some concessions and compromises are unacceptable, that beyond a certain point they will lose their support.

In order to exercise a real influence on the moderate Left, and hope one day to take its place, the radical New Left must go much further. Rather than revive the poet's "honest dreams," it must provide the vision of another society, a radical alternative, a realistic utopia. In doing so, it will show this caricature of the "third way" for what it is, the latest gimmick of the capitalist establishment to perpetuate its rule. With the Stalinist model shattered, and the social-democratic one bankrupt, it may, by the same token, give this

term back its original significance—the search for a socialist solution. The fact that there are now new opportunities does not mean that the New Left will be up to its task. The challenging period at the turn of this millennium will be a test not only for Social Democracy.