

## Reflections on the Current European Crisis

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On the 21<sup>st</sup> May I circulated a series of theses on the situation created in Europe by the start, more than six months ago, of what it is agreed can be called the “Greek financial crisis”.<sup>1</sup> They can be summarized as follows:

1. The crisis began well before the announcement by the Greek Treasury of difficulties (at a minimum with the bursting of the American real estate bubble and the banking failures that it brought about). Fuelled by the existence of enormous insolvencies, it was not ended by the budgetary and austerity measures, imposed in Greece first and then in other countries, either. It was thus bound to develop, affecting the relations between States, nations and European peoples very profoundly.
2. The demonstrations by the Greek population protesting against cuts in salaries and the elimination of social services, affecting civil servants, workers pensioners, are essentially justified, because these measures do not target those principally responsible for the crisis (whether financial speculators or those who profited from corruption) and constitute a denial of democracy by the way in which they were decided on.
3. In a general way the policy of “saving the Euro” currently being implemented by governments and the European commission – not without some major internal tensions, arbitrated by the most powerful nation – rests on a mystification and a dissimulation. It makes a policy oriented by the interests of certain classes and certain nations pass for the “technical” expression of the general interest. It dissimulates the social costs and stakes of the recession that it will bring about, but also the problems that it would be necessary to confront once one wanted effectively to put to work a politics of European solidarity.
4. In the current phase of globalization, whose conflictual character is dramatically revealed by the crisis, the fate of European nations is determined by the place that they occupy in a long term, double economic process: the generalization of competition between territories (which evidently doesn't stop at the borders of the EU) and the displacement to the old “periphery” of centres of production and of accumulation of capital, which tends to diminish the importance of [secondarise] Europe, despite the massive population and resources that it represents. The question is posed of knowing if we will submit to this passively, or if we will be able to oppose it with original, collective political strategies.
5. But Europe as a political project is caught today in an almost insoluble contradiction: between the demand for strengthened institutional solidarity – that is to say, a *federalism*, the modalities of which are [yet] to be invented, but which alone would give consistency to the “economic government” called for from diverse parts, and the absence of any real *democratic participation* in its current institutions and in its political life, prey [as it is] to bureaucratization, “spectacularisation” and demoralization. There is no chance of federalism seeing the light of day without democracy<sup>2</sup>. That is why I have taken the risk of talking about the necessity of a “European populism” – a provocative

expression since what is developing in Europe today as nationalist populisms. The question which poses itself is that of knowing in which direction popular reactions to the aggravation of the crisis will orient themselves: will they contribute to sketching some ways out of the crisis or, on the contrary, bury us in it irremediably?

6. To finish – adding to this pessimism – I have noted the political disappearance in Europe of what is called “the left”. Attempting nevertheless to sketch out an alternative to the decline of viewpoints that the constitution of Europe at least nominally opened up, I have called on the intellectuals of our countries hailing from or identifying with the left, beyond their divisions into “revolutionary” and “reformist”, to move from the simple critique of neo-liberalism to the search for an anti-crisis strategy via an international debate.

To open the discussion I would like this evening to re-affirm these positions, which – it seems to me – are not invalidated by the developments of the last few weeks. But I would like also to try to explain the difficulties they raise, by returning to three points: democracy and populism, economics and politics, the centre and periphery of the European continent.

### *Democracy and Populism*

I am conscious of the formidable equivocations that using the term “populism” entails. But these equivocations belong to the very nature of the political “thing”, which cannot avoid the risk [of equivocating] once it leaves the realm of abstraction so as to take into consideration the real forces at the heart of a determinate conjuncture. And on the other hand they designate the very point on which a democratic politics must make its efforts at mobilization, organization and clarification bear. It is not only a matter of constructing (or reconstructing) the popular force that is lacking today, but - in the middle of a terribly hazardous historical passage – of giving ourselves (and giving it) the moral, institutional, theoretical means of resisting the drifting that it can entail, by trying to learn the lessons of an often tragic past. Other participants in the debate – the outline of which is starting to appear – have insisted on the necessity of a “citizens” initiative in counterpoint and counterweight to government actions: they have referred to a sense of *citizenship* [civisme] rather than to *populism*<sup>3</sup>. Elsewhere, I have myself pleaded the case for an extension of the category and demands of the *citizenry* on the transnational – and, notably, European – scale. I’m not renouncing that at all but I do believe that, even if one extends it beyond its traditional signification, this notion is not enough to prefigure the force that we have need of here.

The dominant discourse – as Ernesto Laclau in particular has insisted – stigmatizes the notion of “populism” because of its visceral fear of the masses and of their intervention in the political field, supposing it to disorder the play of constitutional rules and of putting democracy itself in peril.<sup>4</sup> And even more profoundly, it is because of the menace that this notion, in the eyes of the privileged, casts over things, making the adoption and putting to work of anti-popular politics more difficult. What is called “populism” in dominant discourse, based on examples of demagoguery and dictatorship (they aren’t lacking), is thus in reality this *supplement of democracy* (in relation to its elitist and restrictive definitions) or even this *excess*, made up of participation, protests, demands, of spontaneous or organized mass movements, without which democracy is only a hollow word or even a mystification. It is the crystallization, in an active and passionate visible figure, of the *demos* or the *plethos* (“multitude”, “majority”) of which democracy wishes itself the expression. Not in order to *destroy*

representative or parliamentary institutions, the division of powers, the safeguarding of individual rights, but so as to re-establish the equilibrium of social forces and the conditions for an egalitarian distribution of power, by compensating for the power exercised at the heart of state and society by wealth and economic power, worldly and professional relations, expertise and university solidarities, the quasi-hereditary monopoly of public functions (what Bourdieu call the “State nobility”), international networks and support<sup>5</sup>. These last weeks we have seen what effects the crying absence of such participation and such a counter-weight produces: no-one has been able truly to contest the policies proposed, accepted or imposed by governments and international and communitarian organisms. The effect of such policies is to transfer the burden of debt generated by the anarchy of the markets or the imprudent (if it isn’t corrupt) management of public finances onto populations. This “democratic deficit” – to employ the current euphemism – manifested itself first in Greece, in the phase of bargaining between the Papandreou government and the institutions it called to its rescue. It manifested itself once again when a certain number of European governments, including France, Spain, Germany, the UK, decided to implement policies of social and budgetary austerity, which evidently have nothing to do with the commitments for which they had been elected (in particular with regard to the struggle against poverty and unemployment). No-one will deny that the conjunctures of unforeseen crises impose changes in political orientation. But one cannot consider as “democratic” the fact of putting the population – that is to say, the interested parties – practically out of the loop when it is a matter of determining the extent and the objectives of these changes. What holds at the national scale holds, a fortiori, at the supranational, “communitarian” scale, where one clearly sees that the truly constraining decisions are taken. For want of a European-wide debate amongst the population, of movements of opinion organized across borders, in short, of European democracy, the only things that play are the illusory oppositions and relations of force between governments, who are more or less dependent on transnational capitalist powers, and the prisoners of electorates, whose prejudices they try to use, instead of fostering their participation.

One touches here on a congenital flaw in the European Union, which is doubtless not the only cause of the degeneration of democratic life at the heart of each nation, but which it does nothing to correct. Governments utilize the institutions of the community when it is in their interests, particularly when making political choices appear as “technical” imperatives, but they short-circuit them when something like a transnational public sphere the procedures of which they alone would not be in control of, threatens to emerge. Also it has never been a question of having the plans for financial support or the orientation monetary and budgetary policies to come examined or discussed in the parliament in Strasbourg, which thus falls below the level of a consultative body! But this “hatred” or “fear” of democracy is extraordinarily self-destructive. In the long term it will cost dearly, in terms of the *delegitimation of politics* and of governmental and representative institutions themselves, whether that be at a national or European level, the fates of which here are indissociable. That is why in a certain fashion it belongs to the peoples of the European nations, the components of a virtual “European people” to give life back to the democracy without which there is no legitimate government or durable institutions, and firstly by expressing vigorously their rejection of politics founded on the continuation of privileges and even on their reinforcing by means of the crisis.<sup>6</sup> That is what I wanted to say in speaking of the necessity of a “European populism”. It is not the contrary of the sense of citizenship, it is its other face in a determinate conjuncture.

For all that, I make no secret of the fact that the “populism” with which we are dealing today – the

populism that develops most quickly in Europe – is not at all this peaceful insurrection of the citizens of different countries that we need in order to revitalize democracy and impose its demands on those who fear it and use any means to put obstacles in its way. On the one hand it is an aggressively xenophobic, nationalistic or regionalistic populism (which could become murderous if the social situation deteriorates further), which is directed against the “allogens” (immigrants, coming from Asia, the South of the Mediterranean in particular, gypsies, possibly even Jews). But it is also directed against *other Europeans* (North against South, West against East, neighbour against neighbour, including in the heart of the same nations – as in Italy), the manifestations of which one sees from one end of the continent to the other. On the other hand, it is what Giacomo Marramao, thinking of the situation in his country under the Berlusconi government, calls a “media populism”, the *mass media* manipulation techniques of which are like a *soft* fascism, that is reconstituted in different historical and cultural conditions.<sup>7</sup> It is totally illusory to think that one can oppose simple moral preaching, a hymn to the virtues of the State and to liberalism, to these more or less interconnected, reactionary populisms, which translate the demoralization of the working and middle classes, the cynicism of the ruling castes, and the absence of any post-national perspectives able to stand up to globalization and the regression of social movements. That would cover over the perpetuation of inequalities and the crushing domination of the interests of private property and finance. A popular remobilization, the motor of which, initially, can only be a protest, is needed. But it is true that such formulae involve a risk: this is why it is essential to associate them with an intransigent democratic engagement straightaway, and at the same time to open up viewpoints of positive construction, in the economic domain in particular. That is also why the programmes to which the components of such a movement would rally – contrary to what certain theorists think with regard to “populism” (Ernesto Laclau) – cannot be “empty”. On the contrary, it is necessary for them to be

### *Economy and politics*

If there is one truth that the dominant discourse had endeavoured to dissimulate behind all sorts of more or less new notions (“network society”, “governance”, “management”, “market rationality”, to say nothing of “the end of history”, somewhat discredited today) and which the current crisis brings out into the cold light of day, it is the fact that *the whole of the economy is political*, but also that *all of politics is economics* (even if it isn’t only that – which is what my master Althusser called “overdetermination”). This is true not simply for the *conditions* and *consequences* but for the *processes* themselves, and thus for the contradiction that they contain, the relations of force and the alternatives that they impose on us. One may even think that one of the characteristics of the globalization whose laws we are now experiencing, is that this double, economic *and* political determination *immediately* extends to all aspects of existence: citizenship, work, culture, social security, everyday life... One mustn’t stick to generalities here, but try to render the stakes perceptible in actuality.

I do not want to repeat what is most well-known, in particular concerning the political choices that were made after the crisis started in America, and which we see today that by transferring the cost of private financial speculations onto the public finances and national economies, they have done nothing but multiply the risks. But – to say in a few words what needs lengthy analyses – I would like to bring out three structural lessons relative to the “capitalist” articulation of State and market, and to bring up two specific problems: that of continuity and rupture, that of forces present in the dilemma that presents itself to European nations, and without doubt also to others.

First lesson: the “crisis of public finances” is not an accountable phenomenon to which one can attribute an absolute magnitude. In fact, it is *relative* to the temporary “decisions” of the financial markets, to their rating of the abilities of States to service the interest on their debts, and to the agreed interest rates for the new loans that the debtor nations need to meet their financial commitments. The degree of indebtedness of States, their degree of autonomy or of economic “sovereignty”, *fluctuate*, then, as a function of the way in which they are permanently “evaluated” by the markets like businesses quoted on the Stock Exchange<sup>8</sup>. But whoever says markets says a system of exchange and of valorization for which the principal actors (dominant, if not all-powerful) are the big banks and the principal speculative funds. These have become, in a strong sense, *political actors*, in the sense that they dictate to a whole set of States, and even to central banks, the conditions of their social, economic and monetary policies. This situation has some crucial consequences on the capacity of traditional *political bodies* (peoples or nations of citizens) to *determine* their own development. Today perhaps only China - because of the virtually hegemonic position that it is in the process of acquiring in the “world-economy” – escapes from this reversal of relations between the political capacity of States and that of deterritorialised financial actors. But it certainly is not the case for the United States, and that explains many things about the “strategy” of the Obama administration after the shock of 2008.

This leads us directly to a second lesson, which has been forcefully underlined, notably by Michel Aglietta<sup>9</sup>: there is no middle term between the two logics which oppose each other over the “regulation” of operations on the financial markets. It must be noted that these are “markets” in a sense that is very particular and at the limit is in contradiction with the usual signification of the term, which nevertheless continues to guide their presentation by the “orthodox” discourse: competition does not lead to an equilibrium of supply and demand, but to a headlong rush into the capitalization of assets, the value of which grows indefinitely with the extension of credit...until the latter collapses. Either it is the public power that imposes rules of prudence and transparency on speculative operations. Or it is the unlimited demand for liquid capital, able to be transferred to the most profitable short term speculations, which forces a more and more complete deregulation. But it cannot be *both at the same time*. Here once again one is dealing with a *political* alternative in the field of the economy (via finance), which is linked to a conflict of sovereignties. But it must be noted – and this observation acquires a crucial signification at the current stage of globalization – that by “public power”, one no longer necessarily understands *nation States* (or national financial authorities): that depends on their size and their place in the world economy. Of course there are States that “prefer” to make themselves into the instruments of the deregulation of the markets, in order to acquire or to preserve their status as international financial centres, not seeing in that any “giving up [abandon] of sovereignty” (but not accepting for all that its limitation in an enlarged political frame). There is above all this difficulty, which Europe visibly comes up against: that States (even the “rich” ones) are *no longer in a position, in isolation*, to constitute authorities for the effective regulation of the financial markets, without one knowing, for all that, how to *institute politically* an authority and public powers at the supra- or trans-state level.

A third lesson, which for can be taken from the works of Pierre-Noël Giraud<sup>10</sup>, is that in the long term there is a fundamental correlation between the way in which *social inequalities* are distributed *between* national “territories” or on the *inside* of these territories (inequalities of income – direct or indirect salaries – and thus – taking into account historical and cultural conditions – inequalities in the

level and quality of life), and the policies put to work to increase their *competitiveness* from the point of view of attracting international capital (by pressure on salary levels – by means of immigration or State-union agreements, or both – and by the lowering of tax levies, which in the long run inevitably threaten social policies and protection). From this perspective, States regain, at least a part of their capacity to *determine politically the economic conditions of politics*, of which it was said above that it tends to escape from them to the profit of financial actors in the credit game. And one sees clearly that they make use of this capacity to privilege, for example, the defence of a model of social security, or, on the contrary, the adjustment for historical under-development by means of an industrialization turned specifically towards exports. *But this only takes place between the two* – more or less narrow – *limits*. On the one hand, one which derives from the fact that in the globalised economy, a mode of economic and social development maintained by the State (a “type of capitalism”, as Pierre-Noël Giraud) cannot be chosen at will, by a pure decision independent from what others do (paradoxically, then, at least in the eyes of theorists of the “sovereignty” of the State, this political capacity of inflecting the economy is all the more the real as States are *more interdependent*, and act in a more concerted fashion). On the other hand, one which derives from the fact that political “choices” about the matter of social inequalities (and at the limit, the exclusion or inclusion of entire populations) are more or less patiently put up with by citizens – in other words, they are exposed to what until recently was called class struggle.

It is on the basis of these structural constraints, which are evolving very rapidly today, that – since the start of the crisis - the discussion has given rise to Neo-Keynesian propositions. These propositions haven't stopped insisting on the fact that it is impossible to reinforce the capacity of States (or coalitions of States, such as Europe) to limit “systemic risks” and increase their power to regulate the financial markets, without at the same time developing *on the one hand a new institutional capacity* for governing the economy and *on the other hand a set of policies for “counter-cyclical” growth* (as a consequence, going against viewpoints in favour of the reduction of deficits, deflation and measured depression, by means of which the neo-liberal orthodoxy envisages mopping up the insolvency that has been transferred from the private to the public since the beginning of the crisis). Now it is very difficult, not to say impossible, to conceive either the one or the other without radically calling into question *the current regime of economico-political power*, which has been displaced largely outside its official legal, administrative and parliamentary loci, referring the most decisive choices to a whole *shadow form of governance*, of which the role of the IMF in “setting up” of the European plan to “rescue” Greek finances is a good example.<sup>11</sup> It is just as difficult if the tendency to the *growth in inequalities of wealth*, which more or less uniformly characterizes globalization – despite the “catching up” of a whole part of the old “third world” – continues to become more pronounced<sup>12</sup>. Truth to say, the radicalness of the political changes implied by the putting to work of these conditions is such that one might conclude either that every Neo-Keynesian viewpoint is utopian in the current global framework<sup>13</sup>, or that such viewpoints have become indiscernible from a *rupture with capitalism*, or a reactualisation of the “socialist hypothesis” in forms to be invented (in particular, to dismiss the phantom of “socialism in one country” definitively). Although I don't doubt, for my part, that every political initiative able to make the financialisation of the economy and social life recede needs regulative ideas with a socialist or even communist character, I will not, however, enter into such speculation, which is of no use in the immediate conjuncture. On the other hand, to finish on the point which occupies us, I will say a word on a very closely related question: that of the nature of the *forces* engaged in a battle over different ways of facing the crisis, forces whose effect

will be to resolve or to aggravate the crisis, and which will evidently not benefit the same sectors of society...

A moment ago I said that class struggle really does haunt the underpinnings of the new relation between State and market. However, it is extremely doubtful that the forces or camps between which the political battle rages today can be defined as “classes” (as Nicos Poulantzas was still trying to do thirty years ago), or even simple antitheses between a capitalist *imperium* and a “multitude” or a *mass of people* which would be its victim, and because of this, would only be expecting an ideological offer or an organizational programme in order to revolt and to beat the power of money (the “Wall Street model”, as Aglietta says). Why are things less simple, and because of this the viewpoints much less certain than such a binary schema – which is profoundly anchored in the imaginary of the left (before passing from that to the many variants of the “third way” for a part of the left) - allows? It is not because of the *mystification* that the masses are [supposedly] prisoners of (for example: nationalism and religion, however harmful their influence may be), any more than it is because – here or there – forms of State clientelism plunging deep into the social fabric corrupt the civic spirit (even if it would be absurd to deny the reality of this phenomenon). It is, it seems to me, much more decisively, because the multitude or mass is *implied in the functioning of financial capitalism*, from the point of view of its *activities* (so, in its stable or precarious employment, its working conditions, etc), its *material interests* and its *survival*, to say nothing of its *leisure activities* and its *culture*. Nothing would be more false, in this regard, than to represent financial capital, as speculative, “immaterial” and “fictive” as it may be, to oneself as a parasitic or “rentier” capitalism, notions that were invented in the 19<sup>th</sup> century by an industrialist and productivist ideology from which Marxism has not been exempt. What the *subprime* crisis has made evident is precisely the fact that the most elementary conditions of life – housing, as it happens – of the whole population and most notably its poorest part (in the United States, but also the United Kingdom etc) depend immediately on the generalization of credit facilities and their capitalization by the banks (which have thus found another way to *make the poor pay*, the most fundamental recipe for getting rich throughout history).<sup>14</sup> Those who the system *rejects* are, in a certain fashion, even more strongly *included* (or if one wishes, their exclusion takes the form of an “inclusive exclusion”). And to take an example from immediate current events, when BP, the company responsible for the ecological catastrophe in the Gulf of Mexico is threatened with sanctions by the American government and sees its share price collapse, the pensions funds, which are built in part on the inclusion in their share portfolio of BP shares, which are considered particularly safe and profitable, panic and warn of the repercussions this could have for the pensioners they serve. What conclusions are to be drawn from these facts, which could, along with others, be ranged amongst what Marx called the development of the *real subsumption* of the workers, and of the population more generally, under the movement of capitalist accumulation?<sup>15</sup> In the first place, it seems to me, is this: that *there is no exteriority between the interests of capital and those of the population*. That doesn’t in the slightest mean that there is no antagonism, contradiction or conflict, but it does mean that antagonisms *traverse* the way of life, the models of activity and consumption, the interests and thus the forms of consciousness of social groups. Combat is thus not so much between two pre-existing groups (big and small, exploiters and exploited, those who hold power and those who are its victims) as it is *between two possible ways of “collectivizing” the interests of individuals* which in part concern the same classes, the same nations, the same professions, and which each time implies another mode of government for society. One is tempted to say, in the Gramscian language (taken up again today by Laclau) that the combat is between “historic blocs”

and alternative “hegemonies”, which do not only imply that certain interests have priority over the others (thus competition or social security, capitalization of the stock exchange or durable development, imperial power or exchange between cultures...), but also that individuals and social groups “choose” between multiple ways of protecting their interests and ensuring their survival – a choice which is, of course, anything but ideally free, and the modalities of which depend very strongly on the *place* in which they are situated in a “hierarchised” world. The *identity* of actors or social forces is thus itself a function – as Marx had sometimes sensed – of the forms of their own “struggle”, which itself unfolds under given material “conditions”.<sup>16</sup> This leads us directly to the last question that I would like to evoke, if only very rapidly.

### *Centres and peripheries*

The discourse and institutions of the European Union are formally egalitarian (although the nature of this equality has always been a problem: does it concern European citizens, or the States whose “weight” varies as a function of their economic power, their population?) But what the current crisis has made strongly evident is that in reality it is a matter of a hierarchical structure, where the decision-making powers are concentrated in the hands of a “club” of founding nations (essentially France and Germany, who sometimes form a coalition, sometimes neutralize each other, while others exercise a more or less effective counter-power and England plays on its double belonging to the European and Atlantic worlds), and where inequalities have a tendency to deepen rather than be reduced. The dynamic of this structure has been profoundly transformed by its enlargement to the old countries of the East freed from the grip of the Soviets. It is being altered once again under our eyes by the developments of the financial crisis: the relations of domination are exacerbated and an acute question is posed of knowing how they might be modified, even transformed into the levers of a reconstruction on a different, more egalitarian basis. This evidently supposes a very profound change in the perception that the “Europeans” have of themselves, of what unites them and what opposes them to one another.

The most insistent schema for characterizing this internal hierarchy in Europe, in which symbolic, economic and political factors are combined, is that of the *centre and the periphery* (or rather *peripheries*, because it seems evident that despite the proximities and formal analogies Ireland and Greece, or Great Britain and Poland, or Spain and Portugal do not form a homogeneous ensemble). One of the implications of the schema which reoccurs insistently today is that the “peripheral” nations are in some way *less intensely, less completely “European”* than those of the centre, either because of their political history, or because of their type of economic development, or because of their culture (if not to say their “customs”). Hence the idea – which has just been applied to Greece in a large section of the American, German press and so on – that the peripheries, or at least certain amongst them are *less strongly attached* to the European construction, and are, for that reason, susceptible of being *detached from it* (willingly or by force). Related to the question of the “survival” of the Euro, one has thus seen the extrapolation of a kind of theory of the *externalization of the costs*<sup>17</sup> Against this representation, I recalled (in a paper given in Thessalonika in 1999) that in a very constraining sense, one accentuated by the transformations underway in the “political space” that it is precisely the “peripheries” which are “at the centre”, or whose *functions and problems become central*.<sup>18</sup> The current situation is not going to disprove this thesis. But it supposes, precisely, that one adopts a *political* point of view, in which the present always refers to the totality of its historical

factors: not only economic, but also cultural and ideological factors. It is the ensemble of these factors that defines the strategic function of *frontiers* – as zones of contact rather than simple lines of separation. It is their positioning, as much as the more or less great distance from a “centre” which determines what should be understood by “periphery”. Now, frontiers (national and above all “continental”) have today become the centres of the centres themselves. How, from this point of view, is one not to accord a very particular signification to the fact that shortly after the imposition on the Papandreou government of the draconian plan for budgetary rigour, the acceptance of which brought the “admiration” of the President of the IMF, <sup>19</sup> Greece received a visit from the Prime Minister of Turkey? Turkey, a country kept out of the EU by the determination of France and Germany, which is in the process of becoming one of the arbiters of Mediterranean politics? He had come to examine the conditions for reinforced cooperation between the two “traditional enemies” of the Aegean world, implying in particular a reduction in their military spending and thus contributing to their entry into Europe in the 21<sup>st</sup> century.<sup>20</sup>

It is from this point of view that we can return to what, without a doubt, constitutes the most sensitive point in the debate about the “place” of Greece and other “peripheral” countries (faced with analogous financial difficulties, or whose financial difficulties are accentuated in an analogous fashion by the pressure of the markets): the question of the articulation of interests, institutions and the foreseeable evolution of the *European Union* and those of the *unified monetary zone* (sometimes designated using the revealing sobriquet “Euroland”). As this question is – if the crisis lasts and worsens – likely to be transformed into a focus for very sharp tensions and because, on the other hand, it involves no simple solution, it may be useful to discuss it successively from two points of view: that of Greece itself, a “periphery” threatened with externalization, and that of Europe as a more or less shadowy system of domination, the evolution of which depends in particular on the policies decided at its “centre”.

From the Greek point of view, pending a deeper discussion, it seems to me that one can say that the “decoupling” of the European political construction and the Eurozone assumes an essential, maybe vital, signification. This idea is paradoxical, perilous because the single currency is the only “marker of sovereignty” that Europe has at its disposal in the world. But in the catastrophe-scenario that certain economists envisage – that of the simple deferral of a “defaulting” by the Greek State, which would finally be precipitated by the recession that austerity may provoke and by the unendurable character of its social consequences, at the same time – it is imaginable – although not necessarily *desirable* (it’s the whole question of the “lesser evil”, which doesn’t necessarily exist, which precisely creates the obligation to try to *change the terms of the problem*) – that Greece may be led to *leave the Eurozone* so as to obtain the restructuring of its debt and to benefit from the advantages of a “competitive devaluation” like Argentina or Sweden. It is evident that in these conditions (which, once again, are “catastrophic” not only for the country but in its snowballing repercussions for other countries), it would be essential that “Europe” and “Eurozone” not be considered as synonymous concepts, and that Greece (or other nations faced with the same dilemma) not find itself “marginalized” or “minorised” at the heart of the European Union (for example, in the form of the suspension of its “voice” in the Council, a “threat” brandished by Germany at countries in deficit, apparently forgetting that that was its own case not so long ago). It would thus become necessary for this distinction *between Europe and the Eurozone* to become an essential demand for European democrats.

If we now move to the point of view of the “system” itself, the point of view which seems to be being sketched out, and which in many ways is just as catastrophic, is that of an increasingly accentuated divergence between the two heads of the famous “Franco-German” couple. It is evidently not reducible to the personal antipathy between Angela Merkel and Nicholas Sarkozy, but rather refers to heterogeneous political cultures which are surfacing again in the experience of the crisis, and to the disequilibria or power which have deepened since the reunification of Germany, the opening of the EU to the ex-socialist countries of the East, and the adoption of different rules faced with the 1997 “norm” concerning budget deficits (the Stability and Growth Pact included in the Treaty of Amsterdam). In a striking article, Habermas recently wondered about the “growing indifference” of German politicians towards the European construction – to put it plainly, their tendency to make the nationalist point of view of the reinforcement of their own power prevail over European interests (which in his eyes are also the long term interests of Germany itself).<sup>21</sup> One could say as much about the French, even if they give themselves the fine role of defending “the weakest”, should the occasion arise. Apparently the French government relies today on several of the countries in the Eurozone weakened by the crisis (Spain, Greece, Portugal) so as to advance the idea of a monetary and budgetary policy coordinated by the “Eurogroup” and to take several steps in the direction of European protectionism.<sup>22</sup> That, at least, is what its adversaries reproach it for. Inversely, the German government relies on countries that are not part of the Eurozone (Poland, Great Britain, Sweden, Czech Republic) so as to advance the idea of European budgetary control, decoupled from monetary policy and forbidding “financial transfers” between States. North-Eastern versus South-Western Europe? It is to soon to know if the German thesis is a prelude to a reversal of its position in relation to the centrality of the Euro in the construction of Europe. That depends precisely on the result of this “tussle”, even if certain commentators speculate on the interest, for a Germany that is more and more oriented towards an export market essentially constituted by other European countries, of an “exit from the top” of the common currency, symmetrical to an “exit from the bottom that other predict or advise for Greece.<sup>23</sup> What is most likely is that despite the advantages that they get from their “condominium” and the degree of interpenetration reached by their economies, the two central powers will enter into a long phase of divergence and chronic conflict (even if they endeavour to mask it with protestations of understanding and to avoid it degenerating as far as a rupture, for which they would both pay a high price). What then becomes of the idea of a “centre” of Europe, even if it is occulted? One may think that the interest of European peoples is to upset this face off, by making other voices heard and by proposing other projects. In this way, one finds the burning question of democracy again, in the form of the equality of nations as well as that of the circulation of alternative hypotheses in a transnational public space, one which is not strictly controlled by governments and their electoral machines.<sup>24</sup> Perhaps one should go so far as to call into question the very figure of the “centre” and “periphery”, in other words, the hierarchical structure that finally prevailed in the history of the construction of Europe, although it was a figure that was not inevitably implied by this history. Not so as to overthrow it, term by term, but so as to confer priority on the interdependent development of member countries, the complementarity of their regions and the catching up after internal “inequalities of development”, which is also the condition for a collective guarantee against “systemic risks”, and which would also allow an attack to be made against the phenomena of demagoguery or corruption in such and such a country, with some chance of success, instead of these becoming an instrument of blackmail.

But there is another reason why this figure ought no longer to be tenable: this is because it dissolves in the context of globalization. What is in the “centre” or the “periphery” in the world is not necessarily so in Europe, and vice versa, while Europe as such finds itself in an unstable equilibrium between the “central” (or dominant) and “peripheral” (or subordinate) regions of the new world-system. The figure of centre and periphery at the heart of Europe touches here on its absolute limits, because it ignores [the fact that] internal relations of force are determined permanently by exchanges and contacts with the exterior. Or, if it doesn’t ignore it, the figure is content to instrumentalise the fact. If there are several divergent “centres”, it is because their strategic relation to the tendencies of globalization is no longer the same. And if there are several types of periphery – if, for example, *Polish low wages* and *Greek low wages* do not have the same signification – it is because the international division of labour, like the “layers” of culture and historical traditions, runs across the European continent, inscribing multiple frontiers in it, that are both mobile and irreducible.

This multiplicity of situations and of statuses with regard to power, work and culture may become the damnation of Europe, if it serves to aggravate and exploit inequalities, and ends up by degenerating once again into insoluble antagonisms, as at other moments in its history. It could, on the contrary, become one of the instruments of its vitality and of its communication with the rest of the world if – even through the violent experiences of a crisis – it issues in the invention of an original combination solidarity and diversity. This is why it seems so important to me that we reflect together, as European citizens, on the tests that you are going through and on the means which you have at your disposal to overcome them, but also on what they reveal that concerns us all. It is in order to contribute to this reflection that I came here this evening, on your invitation, which I am touched and feel honoured by. But above all it is so as to learn to better engage in reflection. I have acquired the long-standing conviction that a sort of “right to inspect” the affairs of our neighbours was one of the conditions for European citizenship. But I also know that one can never claim to know better than another what makes for the singularity of his or her historical experience.

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## Notes

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<sup>1</sup>‘Europe: crise et fin?’ published on the website *Mediapart* ([www.mediapart.fr](http://www.mediapart.fr)) 24/5/2010; ‘Europe: Final Crisis?’, shortened version published in *The Guardian* 25/5/2010; ‘Europe: Final Crisis. Some Theses’ published in *Theory and Event* 13 (June 2010).

<sup>2</sup>This is the inverse of what certain pro-European editorialists maintain – such as Bernard Guetta in *Libération* (5/5/2010): ‘The uncertain birth of Europe’: “we are in the process of going from principle to the viewpoint of an economic government (...) This will be so delicate and difficult to implement that the European Union will not succeed. If that was the case, it would be the beginning of its end but (...) if Europe became integrated, instead of disintegrating, then the question of democracy, too indirect today to be complete, would be posed”.

<sup>3</sup>Cf for example J.K Galbraith ‘Quelle Europe pour briser les marchés’ in *Le monde diplomatique* June 2010.

<sup>4</sup>The examples of what is today called ‘populism’ covers a very broad spectrum, going from European nationalist and neo-fascist movements to the anti-imperialist mobilisations of a Hugo Chavez or of the neo-Peronist Argentinians, who freed themselves from the yoke of the IMF when the peso collapsed, even as far as the attempts attributed to Barack

Obama to get support from public opinion to impose regulations on the financial operations of Wall Street. Cf Ernesto Laclau *On Populist Reason* (London, Verso, 2005) and my account of it, in *La proposition de l' égaliberté* (Paris: PUF, 2010) 'Populisme et politique: le retour du contrat'.

<sup>5</sup>Cf the article by Alain Duhamel in *Libération* (10/6/2010) 'L'électorat populaire et l'électorat financier'.

<sup>6</sup>Vigourously does not mean violently, even if this possibility cannot always be excluded (in any case, it cannot serve as an alibi for preventative repression). But then alternatives are needed: one may ask oneself what parties on "the left" and European unions (or other associations) are waiting for in order to think about demonstrations and campaigns petitioning Brussels and Strasbourg against the plans for austerity, which will devastate the social elements of the "European model".

<sup>7</sup>Giacomo Marramao used this formulation in his presentation during the 'Marx aujourd'hui' study day run by Groupe NoSoPhi at the Université de Paris I, 4<sup>th</sup> June 2010.

<sup>8</sup>Frédéric Lordon correctly remarks on this point that the Greek debt saw itself multiply suddenly because it was "chosen" as the first target in Europe for Stock Exchange speculation on a bailout by Europe and it could be the same tomorrow for Spain or the United Kingdom ('Crise, la croisée des chemins' <http://blog.mondediplo.net/2010-05-07-Crise-la-croisee-des-chemins>). Joseph Stiglitz makes the same remark in 'L'austérité mène au désastre' in *Le Monde* 22/5/2010.

<sup>9</sup>Cf his book *La crise. Les voies de sortie* (Paris: Michalon, 2010) and his article 'La longue crise de l'Europe' in *Le Monde* 18/6/2010.

<sup>10</sup>Cf Pierre-Noël Giraud *L'in égalité du monde* (Paris: Gallimard, 1996), *La mondialisation. Emergences et Fragmentation*

<sup>11</sup>But of which the corruption of the intermediaries of the major public markets, or high income inflation are also an aspect. It will be recalled here that it took the courageous insistence of the Green MEP Daniel Cohn-Bendit to draw attention to the "unsaid" of the plan to restrict public spending imposed on Greece last April: these restrictions would not affect the enormous military spending of the Greek State, from which essentially French and German arms companies profit...

<sup>12</sup>Cf Giraud op. cit. See also the results of the investigations published in *Libération* 14/6/2010, with the commentaries from Daniel Cohen and Gilles Finchelstein.

<sup>13</sup>This is Toni Negri's position. See his article in the special issue of *Radical Philosophy* devoted to Keynes 'No New Deal is possible'. *Radical Philosophy* 155 May-June 2009 ('Return to Keynes?').

<sup>14</sup>Cf Frédéric Lordon: *Jusqu'à quand? Pour en finir avec les crises financières* (Paris: Raisons d'agir, 2008).

<sup>15</sup>Karl Marx *Resultate des unmittelbaren Produktionprozesses* (Frankfurt am Main: Verlag, 1969). Cf my commentary in Balibar *La proposition...op. cit* 'L'antinomie de la citoyenneté' p. 42 – 43.

<sup>16</sup>I referred to the Gramscian notion of the "historic bloc" and consequently to its development by Ernesto Laclau. But there is a fundamental difference between the schema proposed by Laclau and the one I am trying to put to work here: I share the idea that politics is played out in the confrontation between alternative hegemonies, each of which constructs a "chain of equivalences" between heterogeneous interests and demands, by imposing on them a common form (by making of them a "people"), and by subsuming, in part, the same groups. I believe that this idea is fundamental in the current conjuncture, and that it contains one of the keys for our reflection on the coming developments in the European crisis. On the other hand, I do not at all believe that the condition for the construction of a determinate hegemony ("populism" for example) is the emergence of a *nomination that is as empty as possible* and which is thereby susceptible of being interpreted in different terms by each social group – something which would leave the "substance" of the basic

demands of each group intact, and simply unified *by analogy* with the others. On the contrary, I believe that political choices *divide the interests of each group* between contradictory alternatives, and the historically transformative (or conservative) hegemonies have really distinct forms of life and modes of production as their content.

<sup>17</sup>See the declarations of the European Commissioner Karel de Grucht in the *Süddeutsche Zeitung* of 6/5/2010: “it is not a matter of criticizing Germany, it is a matter of imitating it by developing the export capacity of every country (“*Deutschsland macht, was alle mächte sollten*”)... There are many variants on this theory, which sometimes go as far as turning it the other way around. Thus part of English public opinion periodically perceives Great Britain as a “detachable periphery”, but in the name of the idea that it naturally belongs to another grouping, or that it is in its interests to privilege this other grouping. And on the other hand, the point at which one passes from the “centre” to the “periphery” is by definition completely floating. In certain extremist scenarios, it is a question of “starting all over again” with the construction of Europe beginning with a highly restricted “core”: the famous “Franco-German couple”, the solidness of which is presented as the “motor of Europe” or a sort of “Mark zone” reconstituted at the heart of the Eurozone itself...”

<sup>18</sup>Etienne Balibar ‘Aux frontières de l’Europe’ in *Nous, citoyens d’Europe?* (Paris, La Découverte, 2001) pp. 15 -26.

<sup>19</sup>Declaration reported by *Le Monde* 4/6/2010

<sup>20</sup>Cf *Le Monde* 15/6/2010: “A ‘New Era’ in Greek-Turkish relations. Turkish Prime Minister Erdogan visits Athens. At the centre of the discussions, the question of defence.” The press used the occasion of the Greek crisis to come back to the circumstances and the conditions of the entry of Greece into the ‘European community’ in 1981, shortly after the end of the dictatorship by the colonels, recalling that it was essentially determined by the will to consolidate democracy on the Southern flank of Europe, but also to reinforce the “common front” of members of NATO in the face of what, at the time, was still perceived as the “Soviet threat” to the European continent. This reminder takes on its full signification when one brings it into relation with the regional function that the normalization and reconciliation of Greco-Turkish relations is in the process of acquiring.

<sup>21</sup>‘Deutschlands neue Gleichgültigkeit’ published in *Die Zeit* 20/6/2010.

<sup>22</sup>Or of a “communitarian preference” explicitly inscribed in the electoral programme of Sarkozy in 2007.

<sup>23</sup>Cf the article of J.P. Vesperini in *Le Monde* 11/6/2010 (‘The least bad solution would without doubt be the German exit’).

<sup>24</sup>One might think that, at least ideally, the interest of European peoples would be to explore the means for a ‘common currency’ distinct from the ‘single currency’ currently managed as a function of a sole norm of stability that is less and less tenable. Cf Frédéric Lordon ‘Crise, la croisée des chemins’ op. cit. Let us recall that at the time of the constitution of the European Central Bank, the inclusion amongst its statutes of the objective of full employment beside the objective of struggling against inflation was explicitly refused.