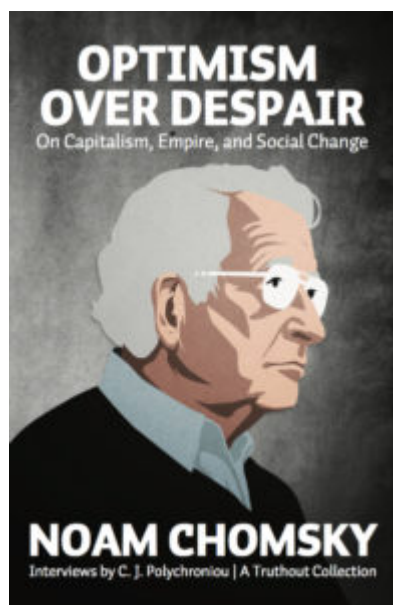


# The Future Of Europe And The New World Disorder: An Interview With Political Economist C.J. Polychroniou



Since the outbreak of the euro crisis, which was directly linked to the global financial crisis that erupted in 2007-08, Europe has been experiencing a host of contradictory trends and developments, which include efforts to contain the spread of systemic risk in the financial sector while the debt crisis remains unresolved for several eurozone member states, and calls for the creation of a European pillar of social rights while neoliberalism reigns supreme in EU's economic policy agenda. In the meantime, a wave of extreme nationalism and xenophobia have spread in several European countries, challenging in the process not just globalization, but the foundation of an open, liberal society.

Yet it's not just the state of Europe that raises concerns about the future political and social order. As political economist C.J. Polychroniou points out in this interview, in the US, Trump's militaristic attitude and jingoistic mindset puts the world on a very dangerous path, adding extra pressure to regions already beset by conflict and creating potential conditions not only for a renewed arms race, but for the actual use of nuclear weapons. Polychroniou has taught and worked in universities and research centers in Europe and the United States, and is the author of the recently published book [\*Optimism Over Despair: On Capitalism, Empire, and Social Change\*](#), a collection of interviews with Noam Chomsky that appeared originally in Truthout and have been published by Haymarket Books in the US and Penguin Books in the rest of the English-speaking world.

*Alexandra Boutri and Marcus Rolle: C.J., let's start with developments in Europe: Brexit, Catalonia independence, meteoric rise of extreme right in Germany, illiberal democracies in Hungary, Poland and elsewhere, and the ongoing crisis in*

## *Greece. Is Europe in crisis?*

*C.J. Polychroniou:* There is no question that Europe is facing severe challenges these days on several fronts that can affect the future of the continent on the whole. Brexit remains something of a conundrum; the push for independence in Catalonia is probably a very bad idea (although Catalans should have the “right to decide” on their future); the presence of 90 [Alternative für Deutschland \(AfD\) politicians in the Bundestag](#) is yet the strongest indication that the far right’s views have become quite acceptable among a growing segment of the German population, and the specter of illiberal democracy is haunting Europe. Indeed, I would go so far as to say that it is highly debatable whether or not Europe’s road to integration can proceed any more the way it has over the last 20 or so years.

The future of Europe is definitely one of multispeed and multitier, although President Jean-Claude Juncker, in his State of the Union Address in Brussels on September 13, made the case for a more united, stronger and democratic Europe, which includes an all-powerful president and an EU army, while an even far more impressive and comprehensive plan for a “profound transformation” of Europe was laid out by French president Emmanuel Macron at a speech he gave at Sorbonne University in Paris on September 26. Macron’s vision has the potential to turn Europe into the center of the world, but it is most unlikely that Germans would go along with some of his key ideas, such as creating a centralized eurozone budget and having a European finance minister.

Yet, these are precisely the things that are needed to revamp Europe as the specter of another euro crisis is a distinct possibility in the near future. In contrast to what many seem to believe, the euro crisis is not over and it can be reignited without any notice. Take, for instance, the issue of public debt. In Italy, it stands over 130 percent, while France’s public debt rose to the highest level in the first few months of 2017, reaching close to 100 percent of GDP. Moreover, Italy’s banking crisis remains unresolved, and Europe’s banking system in general remains quite fragile. As such, the next financial crisis could crash those economies, and that would mean a euro crisis 10 times bigger than the one experienced between 2010-2013. In fact, I dare say that a crisis in Italy — the eurozone’s third largest economy — is waiting to happen. In the meantime, you have central banks in Europe embarking on what is called the “Great Unwind” — the winding-down of quantitative easing programs that have sustained the continent’s economies, financial markets and banking systems since the outbreak

of the euro crisis. What happens next is anyone's guess. Will this development put a brake on EU economic boost? Most economists are worrying that it will. And what would happen if Europe went into a recession? Extreme nationalism and fraudulent populism, xenophobia and authoritarianism will surely be further strengthened.

*Why do you think that the Catalanian referendum is a bad idea?*

I see it as a very unfortunate development, and I am afraid that things could get quite ugly as Spain's central government will obviously refuse to allow an official referendum for Catalan secession to take place — or recognize Catalanian independence if the referendum does take place and a "yes" vote wins. Still, Catalans should have the right to "self-determination," but I am not sure at all that it is a good thing in this case. It is unclear to me what is driving the current sentiment towards secession among Catalans, and it seems to come down to money, in that Catalonia does not want to have its taxes go to the poor regions of the country. In any case, I think that both Spain and Catalonia will be much worse off without one another. And what would be Catalonia's place in the EU the day after? I don't think their membership should be considered a given. In fact, they would probably have to start from square one insofar as EU membership is concerned. And what currency would an independent Catalonia use? Some years ago, when the issue of independence flared up again in Catalonia, some government leaders insisted that an independent Catalonia would remain in the eurozone, but I find that to be more of a wishful thinking rather than a likely outcome. The EU has no interest in seeing Spain split up and will make life quite difficult for the Catalans if they do succeed in getting a divorce from Spain.

*Are you surprised by the election outcomes in Germany? And what's your view on AfD? Is it like Golden Dawn in Greece?*

Everyone had expected Angela Merkel to win a fourth term as German chancellor, and astute observers were sensing that the Social Democratic Party of Germany (SDP) was in trouble. In fact, the party has been in trouble for many years, as it has been unable to offer an alternative vision, and one could hardly think of a less inspiring leader than Martin Schulz! But in addition to the fact that SPD began to lose working-class voters to the far right and the far left, Germany's working-class population has shrunk significantly over the last few decades (there has been a huge decline in factory jobs since the 1970s).

The surprising element is how well AfD did, although most polls anticipated that it could indeed reach the 10 percent mark. AfD started out as an anti-euro party, drawing support even among German academics, but once the euro crisis subsided, its leadership turned to immigration and became something of a single-issue party with an anti-Islam platform. Its anti-Islam policy was adopted at its 2016 conference when its delegates announced that Islam was “not part of Germany.” It is clearly a racist, xenophobic political party, and has moved ever so closely to fascism since the far-right wing of the party pushed aside the “moderates.” Still, the question remains whether AfD represents a “reactionary populism” or something more akin to neo-Nazism like Golden Dawn in Greece.

My own view is that there is still something of an ideological gap separating Germany’s AfD from Greece’s Golden Dawn, an unmistakable neo-Nazi, criminal-in-actuality organization, but the gap can certainly close in the future if the extremist elements inside AfD take complete control of the party. Before it entered Parliament, AfD was mainly a single-issue party, but that will surely change now that it has entered the Bundestag. It will now be compelled to take a stance on many issues and the party’s ideological profile will have to be crystallized if it wishes to make an impact on German politics and society. Be that as it may, the fact that a political party that calls on Germans to view WWII Nazi soldiers as heroes entered the parliament for the first time in almost 60 years by having captured almost 13 percent of the popular vote is a shocking development (Golden Dawn pulled 7 percent of the vote in the last elections held in Greece), and makes one wonder if Nazism is making a comeback in Germany. Indeed, overwhelming sales of a special edition of Hitler’s *Mein Kampf* that went into circulation about a year ago surprised everyone in Germany.

*Clearly, Europe’s political landscape has changed in the last few years, as voters everywhere seem fed up with old structures and the traditional political establishment. In your view, what are the underlying factors for the shifting political landscape in Europe?*

There are several factors that can probably explain the changing political landscape in Europe. The first — and by far the most important — is a sense of profound uncertainty about the economic future as jobs get harder to come by and no longer provide long-term security as they used to during the era of industrial capitalism. People also sense that the social contract is dying, if it’s not already dead, and that their standard of living will most likely decline. This is

especially the case among the youth everywhere, both in the core and the periphery of the European Union. Hence, people are turning their back on the traditional political parties. We saw something similar even in Germany, where both Merkel's party and the SPD lost significant shares of votes. Merkel received only 33 percent of the vote, which suggests that not only does she not have a popular mandate for charting the future course of Germany, but makes a mockery of the view of those who like to see her these days as the leader of the "free world." The issues of immigration and globalization are also surely major factors behind the shifting political landscape in Europe, and I expect that they will become even more contentious and divisive issues in the years ahead.

*Do you think the left has a future in Europe?*

It all depends on what we mean by the "left" these days. The communist left (Marxism-Leninism, vanguardism and all that stuff) is surely a thing of the past, and the social democratic left is in deep crisis in most European countries because of profound changes in the structure of contemporary capitalist economies and societies. As far as I can see, the future of the left rests with unified mass movements that can articulate a concrete vision about post-capitalist society. Both command economies and neoliberal capitalism have failed to create fair, just, equitable and harmonizing social orders, but we don't know what form or shape a socialist society needs to take under an advanced stage of capitalism. In the meantime, the left needs to contest neoliberalism, but must also come to terms with economic globalization. Neither free trade nor protectionism should be the only options left to those bold enough to envision an alternative social order based on cooperation, prosperity and solidarity. In sum, the future of the left rests with its ability to provide answers to specific questions about economic and political arrangements under an alternative social order away from possessive individualism, unlimited accumulation of wealth, and brutal competition for survival and economic prosperity.

*Shifting to the global arena, how do you think the world sees the Trump presidency, and what do you think of Donald Trump's foreign policy agenda?*

Governance under Trump has made the US the world's laughingstock, and the administration is so beset by chaos and confusion that it is virtually impossible to speak of Donald Trump's foreign policy. Can anyone say that the Trump administration has a foreign policy toward China? I don't think so. Yet Trump is

clearly a dangerous figure to have in a position of executive power because of his obvious militaristic attitude, jingoistic mindset and unpredictable personality. Take, for instance, his speech at the 72nd Annual UN General Assembly in New York on September 19. It was so outrageous that most world leaders have opted to stay silent about it. Previous US presidents had also used harsh words against the North Korean regime and its leader, but never even came close to launching the kind of threats that Trump did, which amounted to complete annihilation. In fact, Bill Clinton had actually accepted the deal that former president Jimmy Carter had struck with Kim Il-sung, promising to lift sanctions for an end to the regime's weapons program. Trump's remarks about Iran, calling it a "murderous regime" and claiming that the deal negotiated by the Obama administration is an embarrassment to the United States also prepares the groundwork for a military confrontation with Tehran, possibly through an initial attack by Israel itself. In sum, not only has the US entered a new era of political authoritarianism, but the world is now a far more dangerous place than ever before, thanks to the new occupant in the White House. We've entered a new world disorder.

Previously

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