

1. What has changed since the outbreak of the crisis, and why?

There have been several distinct phases.

(1.1) In the beginning, there was general irritation how something so unpredictable could happen; even hard core economists were full of doubt.

(1.2) Then a split in professional opinion (like in other elites) happened: only a minority began to think anew, acknowledging limits of their traditional canon of truth, and limits to what economics can (currently, or in principle) explain. The vast majority, however, refused to take the crisis also as a crisis of their belief system (which they misinterpret as a science) and used the opportunity every closed ideological system offers: to explain failure not as a failure of the concept, but as a result of insufficient implementation (closed systems cannot be falsified internally). Adding some caveats and minor extensions to demonstrate learning, they fell back to business as usual, radicalising it as lack of consequentialism was their explanation for failure.

The reasons amongst economists are more psychological: their whole reputation (individual and collectively), income, power and status has been built on a nonsensical theory – admitting that would be equivalent to the emperor admitting that his clothes were just a fake.

Power holders used their lack of insight to radicalise not theory but politics – things long in the planning could not be enforced. Their interest is clear as well: power and profit in the short and medium term, combined with the hubris that whatever longer term consequences would arise they would be able to manage them.

(1.3) It led into the next phase: a new model of post-democracy evolved, with radicalised, state enforced, authoritarian and nationalistic “liberalisation” (in fact, an oxymoron). As a result, less the Euro as a joint currency, but more so the broader institutions, the EU itself, are at risk of being dissolved – eroded they are already. The risk is created by shaping them in a way that the right does not need them anymore, and the left has no reason to defend them anymore.

2. Which have been the actual consequences?

On the EU level, a mix of unprecedented ruthlessness under German hegemonic power combines with dense smokescreens in other issues. In terms of economic policy, deregulation, militarised foreign policy, trade policy and dismantling of democracy, the assault is obvious. Fields like labour policy shy the light of the day; changes are minor and the pace is slow, while for fields like climate policy, symbolic action is taken (see the ETS: something is done, but always too little too late to be effective). Tolerating the well-known VW cheating for a decade, and when it was uncovered, raising the threshold for air pollutants is almost symbolic for this approach. For the main parts of post-democratic politics, the masks have been dropped however, compromises are no longer sought: the winner takes it all, and power is the name of the game, not democracy. For all opposing forces, the lesson is clear: fighting for compromises is a safe receipt for defeat as the other side won't grant them – all or nothing is what it's all about. This may sound overly ambitious, as often the result will be nothing – but otherwise this would always be the outcome. How long the EU still deserves left support under these circumstances is an open question; repatriating competences such as trade policy and agricultural policy, energy policy and others may become a political necessity for the left, despite the fact that it has been a demand from the extreme right for a long time.

3. Did other possibilities exist? Why have they not been realised?

Of course they existed – for instance, a full swing to Keynesian policy (in lack of a better one, we urgently need to develop) would have avoided the social unsustainability caused by austerity, enforced externally or internally, in so many EU member states. The half implementation (state spending to rescue banks and fuel the economy via spending even more money on banks, without the other half: stimulating economic development via increasing salaries, and thus increased purchasing power) was a massive degressive income redistribution – a very unkeynesian economic policy. In the meantime transition strategies towards a socio-ecological economic model should have been developed – admittedly, the concepts of the left are as far from reality as those of the right, they just lack the power to guide politics without being in fact suitable. Better concepts, doable, down to earth, are necessary to convince people that there is indeed an alternative. It is not enough to say that, shout that, write that and claim that, it must be shown. Why the left is emulating a right policy style is their secret, why the right is opposed to change is obvious: it is threatening privileges.

4. Which scenarios are possible, under which conditions?

Basically, four core scenarios are possible: the current trend towards authoritarian, militarised, post-democratic, post-social, post-environmental Europe can be radicalised, remain unchanged, be slowed down or reverted.

(4.1) A radicalisation and acceleration can be expected from external or internal influences. An external influence would be the outbreak of outright war in the Ukraine, with European/NATO involvement; neocons in the US administration and influential fascists like the leading contender in the Republican nomination race, Donald Trump, work towards that direction.

(4.2) If the balance of influences remains unchanged, that is the most plausible trajectory the EU Commission is likely to implement. When increasing problems find simple answers from the extreme right, Eurofascism is a plausible result if the left fails to mobilise against the problems before they have reached a state where the ancient regime is bound to collapse.

(4.3) Slowing down without changing direction can have two internal reasons: weakness or the lack of alternatives. Opposition forces fighting only against current policies will at best achieve a slowdown; they will not stop the trend nor get back to the status quo ante – which was inherently unsustainable itself. Trade unions are slowly waking up to that risk while other social movements still lack a broader social perspective for change.

(4.4) As back to the status quo ante is no solution, any problem solving reversal must be heading for new objectives (including, of course, some of the old and overdue, from gender equality to fair payment). A necessary precondition is breaking the power of the dominant elites – still too radical for many civil society organisations. Only if that insight becomes general, and mobilisation is successful on that basis, turning the tide becomes a (distant) possibility.