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Challenging neoliberalism in Europe: new coalitions of resistance in Greece and Spain

Abstract: Since the global banking collapse of 2008 the German-led Eurozone powers and institutions have spent billions bailing out their massively indebted banks while imposing harsh austerity regimes on the debt-laden states of southern Europe. The resulting mass unemployment and collapse in living standards has led to growing popular unrest, and, in Greece and Spain, to a political crisis where stable two-party duopolies cracked under pressure from new forces. In Spain, the new political formation Podemos bases its strategy explicitly on the work of Ernesto Laclau and Chantal Mouffe on hegemony and populism. In Greece Syriza, as a coalition with strong roots in the workers' movement, stands historically more in the Marxist theoretical tradition; however to this was added, in the two election campaigns of 2012 and that of January 2015, a powerful left populist message that led ultimately to government. This paper examines how Syriza and Podemos translated the transformative potential of the wave of workers and social movement struggles in Greece and Spain over the last decade into electoral success, and considers whether this new left populism has the potential to overcome implacable EU elite resistance and develop a new radical, plural democracy based around socially just models of economic relations.

The European elites and the Euro project

The thirty year period of economic growth in the core western capitalist countries following the end of the Second World War brought a balance of power between governments, employers and employees. For the first time in history working people, via their trade unions, achieved strong collective bargaining arrangements alongside significant input to government policy. Universal public services in areas such as housing, health and education were established alongside more or less full employment, bringing a level of security to ordinary people's lives and enabling a degree of social mobility. This stability consolidated a reformist political perspective where trade union officials acted within agreed industrial relations frameworks to negotiate better wages and conditions for their members, while broader political and social issues were the responsibility of social-democratic, "labour" parties (Streeck 2011). The radical left, though not without influence in the trade unions and on the shopfloor, or in significant international campaigns such as that against the Vietnam War, remained relatively marginal.

However by the late 1970s declining growth and a crisis of profitability within western capitalism led elites to seek to roll back the post-war social gains of working people. In the 1980s the Thatcher and Reagan governments in the UK and US led attacks on trade union organisation in their countries. With the defeat of the US air traffic controllers strike in 1981, and that of the British National Union of Mineworkers after a year-long strike against pit closures in 1984-5, the back of workers resistance was broken in the west. The days of tripartite consensus economic policy-making were effectively over and what became known as neoliberalism had become the driving ethos, with market exchange now seen in ethical terms as the model for all human action (Harvey 2005). The state's role became simply to preserve an institutional framework that allowed the free market to flourish. Behind the rhetoric of individual liberty and freedom, the real aim and result of this political philosophy

was to redistribute income massively in favour of the “haves” at the expense of the “have-nots”.

Once the success of the US and UK “test-bed” assault on workers’ organisation and public services was evident, European elites launched their own project to embed the “neoliberal turn” and re-establish the conditions for capital accumulation across the continent. The European Coal and Steel Community (ECSC) had been launched in 1953 as part of the US design to control the post-war world order; Germany was to be revitalised as an industrial power and become the key US economic ally in Europe (Varoufakis 2013). As the ECSC metamorphosed into the European Economic Community and then, through the Maastricht Treaty of 1992, into the European Union (EU), the project was sold to citizens as an open-bordered, cooperative community that would make the EU “the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion.” (European Parliament 2000)

However behind this façade the real aims of European integration were becoming clearer. In the Maastricht Treaty nation states agreed to surrender monetary sovereignty to an independent European Central Bank (ECB), and to converge fiscal policy, limiting debt to 60% of Gross Domestic Profit (GDP) and running annual deficits no greater than 3% of GDP (European Commission 2015). In practice this meant national macro-economic policies would be geared to wage restraint, reduced public spending and privatisation.

The Maastricht Treaty also agreed the introduction of a single currency within the EU, and the arrival of the Euro in 1999 locked the participating countries into the logic of neoliberalism. The ECB, located in Frankfurt and effectively under German control, imposed its single policy goal of combating inflation on the heterogeneous group of countries making up the Eurozone. There was a massive increase in borrowing in the southern European

economies, as trade-surplus countries like Germany lent to weaker states so that the latter could import even more of the surplus nations' production. With no mechanism in the European Monetary Union (EMU) to resolve the resulting trade and budget imbalances, when the 2008 world financial crash sent banks across the US and Europe into meltdown the peripheral European countries slid into a sovereign debt crisis, their economies collapsed and unemployment soared (Dodig and Herr 2015). The Euro Group's response, via the ECB and the International Monetary Fund (IMF), was not to readjust the EMU and to support the weaker economies in recovering, but to bail out the bad debts of (mainly German and French) lenders, thereby socialising the bad debts of countries like Greece and placing taxpayers throughout the euro zone at risk of sharing the losses should an indebted country default (Mouzakis 2015).

The disastrous impact of the Euro on the economies of the European periphery (Ireland and the southern European states, the so-called PIIGS), and the continuing failure of the ECB's austerity policies to work in terms of regenerating economic growth has led many leading economists worldwide, including Paul Krugman, Joseph Stiglitz and Amartya Sen to argue for a return to Keynesian policies of loosening financial controls and investing to create employment, give people money to spend and boost the economy. Thomas Piketty (2015) has also strongly criticised the refusal of the EU to offer debt relief in order to allow the Greek economy space to recover. He points out that Germany has never repaid its debts, and was only able to regenerate economically after the Second World War due to the London Debt Agreement of 1953, where Germany's internal debts were restructured and 60% of its foreign debt cancelled.

But these acerbic critiques have had no impact on the politicians and technocrats who run the EU. Their deafness to economic expertise can only be understood in the context of the EU as

a supranational construction whose purpose is not, as the vision offered to citizens had claimed, to create a prosperous, socially just, Europe, but rather to subordinate the peripheral economies of the continent to the interests of German manufacturing and finance elites and their allies. The EU institutions have become effectively a machine for defending the interests of German capital and its camp-followers and for maintaining the peripheral Euro states in neo-colonial subjection, as a source of cheap labour and assets (natural and industrial) to be picked up cheaply by rich individuals and corporations. The institutions ensure that any democratic attempts to change the rules of the EU political game will be blocked, and, if necessary, governments resistant to Brussels and ECB diktats will be replaced with compliant technocrats, as happened in both Greece and Italy in 2011.

This undermining of democracy follows, in Streeck's view (2013), from the fact that western capitalism has been "Buying Time" for the last thirty years. Successive mechanisms – inflation in the 1970s, public deficits in the 1980s, private debt since the 1990s – have been used to boost profitability while still maintaining an economic level that satisfies enough people's lives to generate consent within liberal democratic societies. However this period is coming to an end; elites are abandoning any commitment to democracy and are more and more turning to repressive internal legislation combined with pseudo-sovereign supranational powers (what the German philosopher Jürgen Habermas (2012) has called "post-democratic executive federalism") to force through neoliberal changes regardless of the wishes of a country's citizens. The EU has become a "post-democracy" (Crouch 2004) where supranational institutions like the EU are now run by technocrats in the service of capital, justifying their role with the argument that global economic policy is now too complex for ordinary citizens and national democracies and is best left to unelected financial specialists. Streeck (2015 p 26) argues that as citizen involvement in the political process disappears, then "where national democratic institutions are neutralized by international 'governance', as

under European Monetary Union, their de-politicized empty spaces are likely to be filled with new content, which may be public entertainment of the ‘post-democracy’ kind or some politically regressive sort of nationalism”.

Manufacturing consent – the construction of neoliberal hegemony

Given the misery inflicted on many ordinary people’s lives through the imposition of austerity, and the failure of neoliberal policies even in their own terms to regenerate growth and secure jobs (Dodig and Herr op. cit.), it would appear counterintuitive that resistance to the neoliberal turn should have been so weak in Europe over the past thirty years. Part of the reason lies in elites’ control of the monopoly of legally sanctioned force, and their willingness to use police violence to break protests. In the internet age they also use mass surveillance to monitor and prevent dissidence, and, as Edward Snowden confirmed in his 2013 revelations, spying agencies such as the NSA (in the US), GCHQ (in the UK) and BND (in Germany) operate outside any democratic control in the interests of the ruling powers (Greenwald 2014).

However, rather the direct use of force to control populations, more emphasis has historically been placed in modern democracies on what Chomsky and Herman (1988) called “manufacturing consent” - persuading citizens that any challenge to the status quo would be both misguided and futile. Over many decades, through economic thinkers such as Friedrich von Hayek and Milton Friedman, and secretive organisations, think tanks and conferences (such as the Bilderberg Group, the Trilateral Commission, the Davos World Economic Forum), elites have constructed and transmitted a vision of the modern neoliberal order as desirable for all its citizens. Amplified by the giant media corporations whose owners form part of the elite, they argue that other visions of social organisation (e.g. the Soviet state-controlled economic model) have demonstrably failed, leaving liberal market capitalism as

the best, and only, option. Or in the famous phrase used by UK Prime Minister Margaret Thatcher, “There Is No Alternative”.

This is not a new phenomenon – Marx and Engels had argued (1970 p 64) that “the ideas of the ruling class are in every epoch the ruling ideas, i.e. the class which is the ruling material force of society, is at the same time its ruling intellectual force”. The Italian Marxist Antonio Gramsci developed this idea much further through his concept of cultural hegemony, describing the ways in which an alliance of political classes in society - a “historical bloc” grouped around specific institutions and ideologies - consciously plans to dominate through presenting their definition of reality in such a way that it is accepted by the great majority as “common sense”. The aim is to ensure that the political and economic status quo of society is perceived, however disadvantageous it may be for many people, as if it were a natural, inevitable and perpetual state of affairs. "Culture for both thinkers [*Gramsci and Freud*] is an amalgam of coercive and consensual mechanisms for reconciling human subjects to their unwelcome fate as labouring animals in oppressive conditions." (Eagleton 1991 p 179)

Gramsci stressed that hegemony is never final, as dominated groups will always find ways to challenge those in power. The victory that a historic bloc achieves is always precarious, the ideological terrain has to be constantly re-won. However, neoliberal hegemony in Europe was not significantly challenged for many years: partly as a result of trade union defeats and the resulting loss of confidence among workers to resist employers and governments, partly as a result of the social-democratic parties abandoning their origins and historic commitments to equality and social justice, and fully signing up to the neoliberal consensus. But a third, key reason was a crisis of ideas on the left. The western world had changed, as the old “Fordist” national economies based on smokestack industries with heavily unionised workforces were replaced by technology and service industries, with many workers now employed in new

sectors such as IT and finance where unions found it harder to organise. Globalisation, with the ability of capital to move rapidly around the globe in search of more profits, led to insecurity for workers, and precarious work increasingly replaced secure contracts. Finance capital, where trillions of dollars criss-cross the world daily through modern information technology, increasingly dominated. The traditional methods of workers' struggle no longer seemed to function, with some arguing that the social changes had brought an end to the working class and that therefore the Marxist theory that had sustained many struggles at both workplace and political level over the previous century was now redundant.

The left historian Perry Anderson (2000 p 6) thus bleakly summarised the ideological landscape at the turn of the millennium as “the virtually uncontested consolidation, and universal diffusion, of neo-liberalism....For the first time since the Reformation, there are no longer any significant oppositions - that is, systematic rival outlooks - within the thought-world of the West”. Or, as the Marxist cultural critic Fredric Jameson cited (2004 p 76) “it is easier to imagine the end of the world than to imagine the end of capitalism”.

Hegemony and Socialist Strategy

Despite the general gloom in the western labour movement and the Left, around the world new struggles continued to emerge. The 1990s saw the Zapatista rebellion in Chiapas in south east Mexico, while Hugo Chavez was elected to power in Venezuela on a left populist, anti-imperialist platform. The alter-globalisation movement organised mass protests, often attacked violently by the police, from Seattle to Genoa against the international institutions (World Trade Organisation, G8, etc.) which were seen to embody and drive the neoliberal trade agenda. Millions who were inspired by these movements continued to explore ideas that might enable workers to recover from the decades of defeat and build an effective challenge to elite power.

“Hegemony and Socialist Strategy”, originally published in 1985, was conceived as a theoretical contribution to this urgent question. In the book, and subsequent works, Laclau and Mouffe argue that the Left needs to rethink its political strategy and focus its project on a “radicalisation” of existing democracy. They critique the Marxist conceptualisation of the working class as the privileged agent of social change, seeing this as an erroneous, “essentialist” reading of society, an economic determinism where “first there is ‘class’ established on the basis of the economy (ontological primacy) and then the identification of subjects with their structural position, hence class struggle. Or – first there is class, then class interest and then ‘recognition’ of this interest” (Contu 2002 p 170). Marx had anticipated a natural evolution of workers’ consciousness driven by the ever-widening sphere of capitalist production, leading inevitably to the revolution and the abolition of class society. As this did not happen, Marxists have had to introduce a range of concepts to build bridges between their theory and historical reality. For example, “false consciousness” is used to explain to explain why workers are sometimes fooled into adopting ruling class ideas that do not reflect their “real” social and economic class interests.

Laclau and Mouffe argue that this failure of the growing homogeneity of the working class to materialise, and the increasing complexity of society in the age of imperialism, led Marxists from the turn of the 19th century to see achieving hegemony over a diverse range of social forces as the key to bringing about revolutionary change. For Lenin, hegemony involved a class alliance, a united front where previously-constituted classes and “class interests” came together to fight for specific demands under the leadership of the working class and its party. For Laclau and Mouffe, the key theoretical step beyond this approach was made by Gramsci with his concept of cultural hegemony. Gramsci believed that Marxists had often underestimated the complexity and depth of defences of the modern capitalist state – in

reality, it was unlikely the working class could take power in one blow in a “war of movement”, a sudden assault and capture of the state modelled on the Bolsheviks storming of the Winter Palace in 1917. Instead, Gramsci argued that the working class had to establish intellectual and moral leadership of an historic bloc of social forces, aiming at “the attainment of a ‘cultural-social’ unity through which a multiplicity of dispersed wills with heterogeneous aims, are welded together with a single aim, on the basis of an equal and common conception of the world” (Gramsci 1971 p 349). This counter-hegemonic bloc should wage a long-term “war of position”, challenging elites in all their positions in the state, in order to weaken and eventually overthrow them.

Laclau and Mouffe’s starting point for their own theory of hegemony starts from Gramsci’s “break with the reductionist problematic of ideology. For Gramsci, political subjects are not — strictly speaking — classes, but complex 'collective wills'; similarly, the ideological elements articulated by a hegemonic class do not have a necessary class belonging. Concerning the first point, Gramsci's position is clear: the collective will is a result of the politico ideological articulation of dispersed and fragmented historical forces”. (Laclau and Mouffe 1985 p 67). *Hegemony and Socialist Strategy* thus rejects Marxist essentialism in favour of a post-structuralist approach, where the process of creating meaning, whether in regard to people or objects is seen as never finally fixed, but always in an unstable flux. As a consequence, the creation of a “discourse” - meaning in this context not just words and ideas, but all “systems of meaningful practices that form the identities of subjects and objects” (Howarth and Stavrakakis 2000) - through the drawing of political frontiers, of a definition of “them and us” is a key political task for those wishing to create a new hegemonic bloc that can challenge elite rule. To be successful in drawing together broad layers of society in a common democratic project the discourse must be “articulated” around distinct “nodal points” which carry meaning across diverse groups, thus making hegemony possible. For

Laclau and Mouffe the class struggle in the workplace (à la Marx) still plays a significant role, but connected as an equal with other democratic struggles such as those for women's and gay rights, against racism, or in defence of the environment.

In practical terms then, Laclau and Mouffe (1985 p 176, authors' italics) insist on the primacy of the political, of the need to engage in the political process and try to capture electorally the institutions of the modern democratic state rather than waiting for a "Winter Palace" moment that will never come. "In the face of the project for the reconstruction of a hierarchic society, the alternative of the Left should consist of locating itself fully in the field of the democratic revolution and expanding the chains of equivalents between the different struggles against repression. *The task of the Left therefore cannot be to renounce liberal-democratic ideology, but on the contrary, to deepen and expand it in the direction of a radical and plural democracy*".

In their later work Laclau and Mouffe emphasise the importance for achieving hegemony of creating a "populist" discourse – that is, one articulated around the nodal point "the people". This discourse presents society in antagonistic terms, divided into two main blocs: the elites, the power bloc, versus the underdog, conceived as "the people". With the continued failure of traditional left parties in Europe to make a breakthrough - neither broad lefts like Die Linke [the Left] in Germany (8.6% of the vote in the 2013 national elections), the Front de Gauche [Left Front] in France (6.9% in the 2012 elections), Izquierda Unida [Left Unity] in Spain (6.9% in the 2011 elections), nor the smaller revolutionary left groupings have seen support grow significantly – it was the adoption of a left populist discourse in the two countries in southern Europe worst hit by the crisis that led finally to the irruption onto the political stage of new forces that would genuinely threaten the established order.

Syriza – 2008 and the crisis in Southern Europe

The EU's stated aim of becoming "the most competitive and dynamic knowledge-based economy in the world" never materialized, with the EU lagging behind almost every other world region in economic growth before the 2008 banking crash. With the subsequent turn to austerity GDP has still not recovered to its pre-crisis level, making it one of the worst economic crises in recent world history.

Within the grim overall EU picture the situation of Greece was worst of all. In the twentieth century the country had been ravaged by the Nazi occupation and subsequent civil war, and later by seven years of military dictatorship. It was dominated by non-taxpaying business oligarchs and their media empires. Greece had only been allowed to join the Euro in 2001 after extensive "fixing" of its economic figures by Goldman-Sachs (Levine 2015) in collaboration with local elites, and like other southern European countries it then saw a huge influx of loans from German and other banks looking for easy returns as Greek elites splashed out on corrupt purchases of military equipment and infrastructure projects. Despite this the Euro was massively popular in Greece in the early years, as it seemed to symbolise, to the countries of the south and the periphery, an image of prosperity – Greeks could feel, in using the same currency, that they were reaching the same economic level as the Germans or the French. The reality was different - by 2010 Greece was effectively bankrupt, and after a €110bn Troika rescue package went to bail out the exposed German and French banks, ordinary Greeks were left in a worse situation than before. Ever harsher austerity was implemented on behalf of the EU by the two establishment political parties, Pasok (social-democrat) and New Democracy (conservative).

Historically the Greek left had led struggles to defend workers interests, with the Greek Communist Party (KKE), which had played a courageous leading role in fighting the Nazis and the military dictatorship, the dominant force. Following the debates around

Eurocommunism in the 1980s, and the disintegration in the 1990s of the Soviet Union, there followed a period of splits and recompositions on the left. In 2004 the Coalition of the Radical Left (Syriza), an alliance of several different organisations, came together to contest the legislative elections; Synaspismos (the largest group, led by Alexis Tsipras) was joined by several smaller organisations from the ecology movement and the revolutionary left. Many leading members came from the communist tradition, and many of the party cadre retain a strong theoretical Marxist tradition, with its focus on the working class and trade union struggle. However Syriza also related strongly to the new social movements that have emerged in recent decades, including the feminist and LGBT movements, anti-racism campaigns and alter-globalization. This coalition of old and new struggles was reflected in the colours of the Syriza flag - red for socialism, green for ecology and purple for feminism and the other new social movements.

By the time of the 2009 elections Syriza was attracting 4.6% of the national vote, while Pasok and New Democracy took nearly 80% between them. However the following three years saw a huge rise in the party's support; the elections of May 2012 saw a rise to 16.79%, rising in June 2012 to 26.89%, just behind New Democracy. A key reason for this growth in support lay in Syriza's opposition to the Memorandum, the 2010 agreement in which Greece's budget deficit and debt were declared unsustainable by the Troika, and severe austerity measures enforced. Syriza not only opposed the New Democracy coalition government formed in 2012, but rejected any potential government alliance with the social-democratic (but austerity supporting) Pasok party. A second reason for the party's growing strength lie in the support Syriza offered to social movements and collective actions, especially the city square occupation movements of 2011, where thousands of Greeks, inspired by the occupations in Puerta del Sol in Madrid and the Arab Spring in Tahrir Square, Cairo, assembled in Syntagma Square in Athens and across Greece to debate and to challenge the government's

austerity measures, against a background of two general strikes. Syriza respected these movements' autonomy, including their new and often spontaneous forms of mobilisation, while the traditional communist left in the KKE isolated themselves from this new radicalism by denouncing the movement as “anti-political” and “petty-bourgeois”.

Syriza activists also participated in building solidarity at a local level to counter the impact on those hardest-hit by the cuts, through initiatives such as food kitchens, social medicine centres, or defending those threatened with electricity cut-off. Syriza members mobilised alongside anti-racists to defend immigrants threatened by the fascist Golden Dawn party. All of this contributed to building the party's credibility as a force capable of transforming national politics.

Ex-Syriza Central Committee member Stathis Kouvelakis defines Syriza as a political front, with a practical approach allowing the coexistence of different political cultures. “Syriza is a hybrid party, a synthesis party, with one foot in the tradition of the Greek Communist movement and its other foot in the novel forms of radicalism that have emerged in this new period” (Kouvelakis and Budgen 2015). Kouvelakis argues that the key theoretical influences on Syriza were Gramsci and the Greek Marxist Nicos Poulantzas, whose writings analysed the capitalist state and the possibilities for political action within capitalist relations of production. Syriza thus placed emphasis on combining mobilisations from below with electoral alliances and success at the ballot box, with the aim of seizing the state from the outside and the inside.

In regard to the design and impact of Syriza's election campaigns, Stavrakakis (2014) argues that the theory of Laclau and Mouffe also played a pivotal role; “from a psychosocial rather than a policy point of view, Syriza's emblematic pledge lay in their *recognition* of the suffering of the lower and the rapidly impoverished middle classes, with their *construction* as

a political subject proper of 'the people' with a *voice* that deserved to be heard. Syriza promised to restore their *dignity* and represent their interests against the Greek and European establishment, thus breaking the *omerta* that surrounded the 'success story' of the Eurozone". Via a discourse analysis of the messages promoted in Syriza's election material and Alexis Tsipras' speeches, Stavrakakis and Katsembekis (2014) show that references to "the people", from a minimal number in the electoral campaigns of 2004, 2007 and 2009, had become central by 2012. Headlines in the party paper during the 2012 elections such as "The People and the Left for the new Greece", "Victory for the Left, victory for the people" and the 2012 election poster "The people can do everything. Vote Syriza" reflect this.

Stavrakakis and Katsembekis argue (ibid. p 129) that this increasing centrality of 'the people' in Syriza's discourse, with its division of society into two opposing camps - "them' (the establishment) and 'us', the establishment and the people, the power and the underdog, the elite (domestic and European) and the non-privileged, those who are 'up' and the others who are 'down'." - enabled Syriza to move from a relatively marginal coalition of the left to government. The Troika and its representatives in Greek society were clearly identified as the enemy which "the people", the emerging collective will under the leadership of Syriza, must defeat. Tactically, this brought Syriza its electoral breakthrough in 2015 when Tsipras advocated constituting an "anti-austerity government of the Left", offering an alliance to the KKE, the far left, the parliamentary left, and the small dissident elements of Pasok. This put Syriza on the front foot with the other parties having to react to a concrete political perspective aimed at shaking off the straitjacket of the Troika's Memorandum. Specific policy proposals included raising taxation on the rich, ending salary and pension cuts, and bringing the banking sector under public control. In the January 2015 elections Syriza took 36.3% of the vote, taking 149 seats in the Greek parliament and was able to form a

government in coalition with the small Greek nationalist party ANEL with a clear mandate to negotiate debt forgiveness and an end to austerity.

Podemos – left populism as theoretical practice

Like Greece, Spain suffered massively from war and dictatorship in the course of the twentieth century. The defeat of the Second Republic in 1939 led to decades of repression under Franco's rule. Following the dictator's death in 1975 the new constitution agreed in 1978 sidelined the radical movements which had led resistance to the dictatorship, and effectively preserved the privileges of the old order under the new democracy. This transition was overseen by a social-democrat and conservative duopoly represented by the Partido Socialista Obrero Español (PSOE) [Spanish Socialist Workers' Party] and the conservative Partido Popular (PP) [People's Party].

Spain joined the European Union in 1986 and was one of the original participants at the Euro launch in 1999. Like Greece it attracted huge amounts of northern European investment and followed a development model based on corrupt urban projects and real estate and credit bubbles. The 2008 crisis led to a huge increase in national debt following state bailouts for the bankrupt Spanish financial institutions. Millions of people lost their jobs, and PSOE and PP governments in turn imposed austerity policies, dismantling and privatising public-health and education systems.

Against this background, 2011 saw the beginning of a wave of protest actions against austerity. The demands of the *indignados* [the outraged ones] or 15-M movement (named after May 15, 2011, the day of the first protest that ended in the occupation of Puerta del Sol square in Madrid) resonated with wide layers of Spanish society, as did their slogan "*no nos representan*" [they – the politicians – don't represent us]. The protests were marked by fully participatory democracy, with regular assemblies where everyone could speak, and no

identified leaders. The mood of resistance led to further campaigns, involving strikes and huge demonstrations, such as those to defend public hospitals from corrupt privatisation and to defend public education from cuts. The “March for Dignity” in Madrid in 2012 mobilised up to two million people, while a long strike of Asturian miners in defence of jobs saw huge country-wide support as well as violent confrontations with the police. The PAH (Platform of those Affected by Mortgages) mobilised protests across Spain to defend the tens of thousands of families facing eviction as the housing price bubble burst.

Although these protests were able to gain some victories, overall there was little political threat to the dominance of the austerity politics of wage, pension and social security cuts enforced by the PSOE/PP duopoly on behalf of the Troika. This hegemony was shattered in the European elections of May 2014, where a new movement, Podemos, campaigning against austerity, inequality and corruption, attracted 1.2 million votes (around 8% of the total) and saw 5 members elected to the European Parliament.

Podemos had been founded only a few months earlier by a small number of activists, many of whom were political science lecturers at the Complutense University of Madrid. It grew from a manifesto “*Mover ficha: convertir la indignación en cambio político*” [Making a move: turning outrage into political change] (2014) launched by a range of intellectuals, cultural figures and social movement activists, which called for a rupture with the bipartisan PSOE/PP austerity regime and for a new politics from below based on the widest possible citizen participation. Podemos’ theory was explicitly based, as set out in the writings of Íñigo Errejón, one of Podemos’ founders, on the work of Laclau and Mouffe on hegemony and populism. In a 2011 article he argued that “the task of the left, therefore, has much to do with the production, diffusion and adaptation of discursive frameworks which give an antagonistic sense to social reality: which construct a narrative aimed at the consolidation of political

identities which set the dispossessed majority against the powerful and privileged minority” (Errejón 2011 p 78¹). In his PhD thesis addressing the way Evo Morales’ Movement for Socialism fought for hegemony in Bolivia, Errejón analysed how left populist social movements in Latin America had created a new “historical bloc” in which the previously marginalised indigenous peoples of the region played a central role. This bloc proved powerful enough to displace the local elites who had driven neoliberal reforms under the direction of, and in the interests of, the US and multinational corporations. According to Podemos founder Pablo Iglesias (2015), “Errejón’s analysis “offered us new theoretical tools for interpreting the reality of the Spanish crisis, within the context of the Eurozone periphery; from 2011, we began to talk about the ‘latinamericanization’ of Southern Europe as opening a new structure of political opportunity”. Podemos’ founders reached the conclusion that “Assuming that, under determinant conditions, it is possible to generate discursively a popular identity that can be politicized along electoral lines, then in Spain, in the context of the incipient regime crisis produced by the Eurozone disaster, those conditions seemed to be met. The task, then, was to aggregate the new demands generated by the crisis around a mediatic leadership, capable of dichotomizing the political space. Given these factors, our hypothesis is not difficult to understand. In Spain, the spectre of an organic crisis was generating the conditions for the articulation of a dichotomizing discourse, capable of building the 15-M’s new ideological constructs into a popular subject, in opposition to the elites” (ibid.).

The discourse Podemos used to generate a new political identity focussed on a critique of the “*casta politica*” [the political caste]. This term was used to refer to Spain’s political and economic establishment – the PP and PSOE, bankers, wealthy construction bosses and

1 My translation. Original: “La tarea de la izquierda, por tanto, tiene mucho que ver con la producción, difusión y adaptación de marcos discursivos que den un sentido antagonista a la realidad social: que construyan una narrativa destinada a la consolidación de identidades políticas que enfrenten a las mayorías desposeídas con las minorías poderosas y privilegiadas”

industrialists – who were identified as the cause of the misery in Spain through their corruption and promotion of the Troika’s austerity agenda. Counterposed to this caste were “the people”, all those fighting to defend jobs and public services, to end corruption and create a genuine democracy. This movement of the people from below was to be given form through the figure of a charismatic leader - in this case Iglesias himself with his media-friendly youth, his ponytail and assured television performances.

To spread their discourse effectively Podemos’ strategy emphasised political communication through the media, especially television via their talk show *La Tuerka* [the screw]. Perry Anderson had noted in the millennium *New Left Review* (op. cit. p 8) that “there has been a massive displacement of dominance from verbal to visual codes, with the primacy of television over every preceding means of communication, followed by the rise of subsequent electronic media in which the same shift has been technologically replicated”. Podemos also argued that this shift from “verbal to visual” had led to a fundamental shift in the way people engage in politics – rather than reading the political debates, then joining political parties along a left-right axis, people now get their understanding and concepts through the (mainly visual) media. Podemos aimed to use the political space offered by *La Tuerka* to introduce their own definition of the political struggle underway in Spain.

After the spectacular entry onto the political stage at the European elections Podemos transformed itself into a more traditional political party, with Pablo Iglesias elected as Secretary-General. Results in the regional and local Spanish elections of spring 2015 were more mixed – broad local people’s coalitions built from below were successful in winning control of local governments in the key cities of Madrid and Barcelona, but where Podemos stood under its own name voting results were weaker, reaching a maximum of around 15%. For the September 2015 regional elections in Catalonia Podemos grouped with other left and

environmental groups to form the electoral platform Catalunya, Sí que es Pot [Catalonia Yes we Can]. However there were significant disagreements within Podemos, and throughout the wider anti-austerity movement, over strategy for the crucial Spanish general elections scheduled for November 2015. The Spanish left party Izquierda Unida has also broken with many of its old hierarchical structures and is participating in a unified initiative with many other environmental and grassroots citizens campaigns to fight the November election under the banner Ahora en Común [Now Together]. Supporters of this initiative argue that to defeat the Partido Popular, with its ability to spread fear and lies about anti-austerity parties through its control of the Spanish mass media, requires not just charismatic leadership and commitment but also a high degree of local citizen participation in drawing up lists of local candidates and the political programme. They argue that Podemos has abandoned this principle, which proved successful in Madrid and Barcelona, in favour of top-down control of candidates and policy, and an overwhelming focus on the media-friendly leadership. However Pablo Iglesias has to date refused to take part in this initiative, fearing that the presence of IU will allow the media to frame the political debate around the election in traditional left-right terms. He sees a socialist strategy as a “losing discourse”, arguing that “a Marxist critique of neoliberalism, poses immense problems in the practical, political sense—to articulate an actual opposition that could have even the option of countering the current state of affairs. So the strategy we have followed is to articulate a discourse on the recovery of sovereignty, on social rights, even human rights, in a European framework” (2015 p 27). He believes that the latter discourse can attract the wide level of support needed in the November elections to replace the PSOE as the primary opposition party in Spain, thus forcing the PSOE to collaborate with Podemos in government in an anti-austerity strategy that can effect real change.

Conclusion

The neoliberal economic model is in crisis worldwide, and its particular implementation in Europe has led to severe social crises and structural impasses in the Eurozone. Nevertheless, “at Europe's core, we see the economic, political and intellectual elites still insistent on keeping alive a post-democratic zombie-capitalism and its ethico-cultural articulations at all costs” (Stavrakakis 2015). The dominant powers in the Eurozone refused any negotiation with the democratically elected Syriza government, even after the popular will of the Greek people resulted in over 60% voting against austerity in the July 5th referendum – human needs in economic activity were to remain in total subordination to corporate power and the profits of northern European banks. The “fiscal waterboarding”, in the phrase of ex Greek Finance Minister Yanis Varoufakis, imposed on Greece by the ECB eventually forced the Syriza government to accept the Troika’s terms for a third bailout which promised only further privatisation, austerity and destruction of the Greek economy.

In Spain the local ruling elite has also moved rapidly to counter the new challenge to their domination. The new Law of Citizen Security (known popularly as the “*Ley Mordaza*”, the gag law) threatens massive fines for many forms of online political behaviour and protest organisation. In parallel, an attempt has been made to neutralise some of the discontent towards the “*casta politica*” by replacing the old, disliked king with his more media-friendly son, and promoting a new party “Ciudadanos” [Citizens], marketed as a non-corrupt, populist conservative alternative to Podemos.

However the ultimate results of the confrontations in Greece and Spain, and wider in Europe, remain in the balance. Laclau and Mouffe (1985 p xvi) argue in the introduction to *Hegemony and Socialist Strategy* that “The usual justification for the 'no alternative dogma' is globalization, and the argument generally rehearsed against redistributive social-democratic policies is that the tight fiscal constraints faced by governments are the only

realistic possibility in a world where global markets would not permit any deviation from neo-liberal orthodoxy. This argument takes for granted the ideological terrain which has been created as a result of years of neo-liberal hegemony, and transforms what is a conjunctural state of affairs into a historical necessity.” A key part of the struggle for hegemony is breaking the acceptance of the “old” common-sense of the world generated by those in power, and in this regard the last six months of debates initiated by Syriza and Podemos around the politics of austerity in the EU have reverberated worldwide, and have cracked the cultural hegemony of European elites with regard to the Euro-project. For millions of people the illusions in a shared, social Europe have been stripped away and the “Wizard of Oz” revealed behind the curtain as the naked power of German finance and export capital, and its bag-carriers in the EU institutions and the governments of subordinate European countries.

Support for left politics is growing across Europe, as evidenced in the UK by the tens of thousands of people who turned out at public meetings to hear Jeremy Corbyn, the left-wing candidate for the Labour Party leadership, articulating the argument for an end to austerity, and the quarter of a million who voted for him as leader. However future attempts to create a more egalitarian society by democratically elected left governments face a huge challenge because of the overwhelming power now exercised over the Eurozone nations (in Varoufakis’ words) by banks rather than tanks. Laclau and Mouffe’s work does not address the question of how to respond to the ways ruling elites can use the complex institutions of the state, mass media and control of financial mechanisms worldwide to break the progressive “collective will” constructed in the name of the people. Nor does it analyse the economic basis of modern neoliberalism and the practical issues arising from the control exercised by supra-national institutions and finance capital. The economist Costas Lapavistas, a Syriza Member of Parliament during the January 2015 Tsipras government, while arguing strongly (against forms of “purist” revolutionary Marxism) that it is essential to be involved in the modern

democratic political process, believes that there is a need to go beyond the idea that the world can be changed simply through changing the balance of political forces. In his view politics is, as Marx argued, ultimately derivative of the material reality of economic and class relations. "...what is feasible and what is not ultimately is determined by the political economy of the monetary union. Within the confines of European capitalism, of course - capitalism is the defining feature. Now Syriza has just discovered that. And it's about time that it reconsidered things and it began to see how to shape politics and how to shape its political approach within those confines." (Lapavitsas and Budgen 2015). As the Eurozone crisis continues the debates between activists drawing on this tradition, as well as that of Laclau and Mouffe, will continue to be tested in practice in the struggle against the EU institutions.

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